

DECLARATIONS OF COVENANTS, CONDITIONS,
AND RESTRICTIONS, FOR SUGAR MILL

SECTION VI

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SUPPLEMENTAL
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

SUGAR MILL, SECTIONS ONE, TWO, THREE, FOUR, FIVE
AND SIX

This Supplemental Declaration, made on the date hereinafter set forth by Genstar Texas, Inc. (formerly called Genstar Homes of Texas, Inc.), a Texas Corporation, hereinafter referred to "Declarant."

W I T N E S S E T H:

WHEREAS, Declarant has previously executed Declarations of Covenants and Restrictions and filed them of record in the Deed Records of Fort Bend County, Texas, in Volume 822, Page 500, for Section One, Volume 884, Page 686, for Section Two, Volume 891, Page 618, for Section Three, Volume 1012, Page 702, for Section Four, and Volume 1024, Page 411, for Section Five, all of which are incorporated herein by reference for all purposes, (herein called "Declarations"), imposing on the Sugar Mill Subdivision, Sections One, Two, Three, Four and Five, all those certain covenants, restrictions, easements, assessments, charges and liens described therein for the benefit of the owners of the property described therein; and

WHEREAS, The Declarations previously filed contains provisions granting Declarant, its successors and assigns, the right to amend such Declarations for the purpose of correcting any ambiguity or inconsistency and to bring within the jurisdiction of the Association and the Subdivision additional properties upon the same terms as set forth therein; and

WHEREAS, this Supplemental Declaration is being filed to amend, supplement and modify the Declarations and to bring Sugar Mill Section Six within the jurisdiction of the Subdivision and the Association. In the event any of the terms and provisions of the Declarations are in conflict with the terms and provisions contained in the Supplemental Declaration, the terms and provisions of the Supplemental Declaration shall govern, control and take precedence over the provisions of the Declarations.

WHEREAS, Declarant has been or is the owner of the real property described in Article III, Sections 1 and 2, of this Supplemental Declaration, and desires to provide for the preservation of the values and amenities in such Property, and, to this end, desires to bring such Property within the scheme of The Declaration and add it to the Properties now comprising The Subdivision, by subjecting such Property to the covenants, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of such Property and each Owner in The Subdivision; and

WHEREAS, Declarant desires to show that the Declarations and Plats constitute a common residential community and a general scheme for the preservation of the values and amenities and for the maintenance of the Common Areas in each Section of the Sugar Mill Subdivision; and

WHEREAS, Declarant has formed the Sugar Mill Community Association, Inc., a Texas non-profit corporation, for the benefit of the members and to hold title to the Common

Areas, maintain, supervise and manage property within the subdivision and perform such other acts as called for under this Declaration.

NOW THEREFORE, Declarant hereby covenants, agrees and declares that the real property described in all previously filed Declarations and the additional Property described in Article III, Section 2, is and shall be held, transferred, sold, conveyed, occupied, and enjoyed subject to the covenants, restrictions, easements, assessments, charges and liens (sometimes referred to herein collectively as "covenants and restrictions") and shall run with the title to the real property, to be binding on all parties owning any right, title and interest in the Lots in the Subdivision.

ARTICLE I DEFINITIONS

The following words, when used in all previously filed Declarations and this Supplemental Declaration shall have the following meanings:

Section 1. "Architectural Control Committee" shall mean and refer to the committee provided for in Article VII entitled "Architectural Control".

Section 2. "Articles" and "By-laws" shall mean and refer to the Articles of Incorporation and By-laws of the Association as the same may from time to time be amended.

Section 3. "Assessments" or "Annual Assessments" shall mean the amount which is to be paid by each member of the Association for the purpose of creating a fund for the maintenance and operations of the Common Area and the Association.

Section 4. "Association" shall mean and refer to the Sugar Mill Community Association, Inc., a Texas non-profit corporation, its successors and assigns as described in Article IV.

Section 5. "Board" and "Board of Directors" shall mean the current qualified members of the Board of Directors of the Association.

Section 6. "Building" shall mean any structure built for the support, shelter, or enclosure of persons, animals, chattels, or moveable property of any kind.

Section 7. "Common Area" and/or "Common Facilities" shall mean all real property (including the improvements thereto and the Lake Area) owned by the Association for the use and benefit of all owners constructed on portions of one or more Lots or on acreage owned by Declarant which has not been brought within the scheme of the Declaration. By way of illustration, Common Facilities may include, but not necessarily be limited to the following: structures for recreation, storage for protection of equipment; fountains; sidewalks; common driveways; landscaping; swimming pools; tennis courts; Lake Area; and other similar pertinent improvements. References herein to the "Common Facilities" in the Subdivision shall mean and refer to Common Facilities as defined respectfully in the Declarations and all Supplemental Declarations.

Section 8. "Lake" or "Lake Area" shall mean that portion of the Common Facilities set aside, transferred and

conveyed, to the Association for use as a recreational lake and designated as such on the Plat for Sugar Mill Section Six. The term "Lake" or "Lake Area" shall also include any Property designated as a Lake in any Supplemental Declaration or Plat of additional Property of the Subdivision.

Section 9. "Member" and/or "Members" shall mean and refer to all those Owners who are members of the Association as provided in Article IV, Section 4 hereof, together with all the owners in the Subdivision who are members of the Association as provided in the Declaration and all other Supplemental Declarations.

Section 10. "Owner" shall mean and refer to the record owner, or if such Lot is subject to a term purchase contract with Declarant, to the contract purchaser, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. References herein to "Owners" in "The Subdivision" shall mean and refer to Owners as defined respectively in the Declaration and all Supplemental Declarations.

Section 11. "Properties" shall mean and refer to the properties described in Article III, Sections 1 and 2, hereof and that property described in all Supplemental Declarations.

Section 12. "Subdivision" shall mean and refer to Sugar Mill, Sections One, Two, Three, Four, Five and Six, together with all subsequent schemes of the Subdivision bought within the jurisdiction of the Association by Supplemental Declarations and any other real property (including specifically, but without limitation), all or portions of other subdivisions being or to be developed by Declarant brought within the scheme of the Subdivision by Supplemental Declarations.

Section 13. "Subdivision Plats" and/or "Plats" shall mean and refer to the respective maps or plats of Sugar Mill, Section One, recorded in Volume 23, Page 11, Section Two Replat, recorded in Volume 24, Page 8, Section Three, recorded in Volume 23, Page 6, Section Four, recorded in Volume 25, Page 20, Section Five Replat, recorded in Volume 28, Page 2, and Section Six, recorded in Volume 29, Page 9, in the Map Records of Ft. Bend County, Texas, all of which are incorporated herein by reference for all purposes and all other Plats brought within the Subdivision by Supplemental Declarations.

Section 14. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of covenants and restrictions bringing additional property within the scheme of the Subdivision under the authority provided in the Declaration. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declaration" shall be deemed to relate to the respective properties covered by such Supplemental Declarations.

ARTICLE II

Section 1. Existing Easements. The Subdivision Plats dedicate for use as such, subject to the limitations set forth therein, certain streets and easements shown

thereon, and such Subdivision Plats further establish dedications, limitations, reservations and restrictions applicable to the Properties. Declarant has heretofore granted, created and dedicated by several recorded instruments, certain other easements and related rights affecting the Properties. All dedications, limitations, restrictions and reservations shown on the Subdivision Plats and all grants and dedications of easements and related rights heretofore made by Declarant and made by this Declaration affecting the Properties are incorporated herein by reference and made a part of this Supplemental Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Properties.

Section 2. Changes and Additions. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility purposes, (including, without limitation, gas, electricity, telephone and drainage) in favor of any person or entity furnishing or to furnish utility services to the Properties, along and on either or both sides of any side Lot line, which such easements shall have a maximum width of five (5) feet on each side of such side Lot line.

Section 3. Title to Utility Facilities and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed, or other conveyance shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph, telephone, any pipes, lines, poles, conduits, or in any other utility facilities or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Properties, and the right to maintain, repair, sell, or lease such appurtenances to any municipality or other governmental agency or to any public service corporation is hereby expressly reserved in Declarant until all Lots owned by Declarant have been sold and then such ownership shall be reserved in the Association.

Section 4. Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the Properties for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewer, telephones, electricity, gas and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto, on, above, across and under the Properties within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any structure. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Subdivision Plats, and to trim overhanging trees and shrubs located on portions of the Properties abutting such easements.

Section 5. Emergency and Service Vehicles.

An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles, and other service vehicles to enter upon the Properties in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees and management personnel to enter the Properties to render any service.

Section 6. Underground Electric Service. An underground electric distribution system will be installed within the Properties, which will be designated an Underground Residential Subdivision, and which underground service area shall embrace all Lots in the Properties. The Owner of each Lot in the Underground Residential Subdivision shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on the customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company, at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For as long as underground service is maintained in the Underground Residential Subdivision the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase 120/240 volt, three (3) wire, sixty (60) cycle alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Declarant (except for certain conduits, where applicable) upon Declarant's representation that the Underground Residential Subdivision is being developed for single family dwellings and/or townhouses or the usual and customary type, constructed upon the Lots, designed to be permanently located upon the Lot where originally constructed and built for sale to bona fide purchasers, (such category of dwellings and/or townhouses expressly excludes, without limitation, mobile homes and duplexes). The term "sale to bona fide purchasers" means an outright sale to a resident at the time such resident first occupies the dwelling and/or townhouse and not a lease, a delayed sale by means of a contract for deed, a sale with provisions calculated to subsequently relieve such resident from the obligation to pay for the residence, or similar devices. Therefore, should the plans of Lot Owners in the Underground Residential Subdivision be changed so that dwellings of a different type will be permitted in such Subdivision, the company shall not be obligated to provide electric service to a Lot where a dwelling of a different type is located unless (a) Declarant has paid to the electric company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision, or (b) the Owner of such Lot, or the applicant for service, shall pay to the electric company the sum of (1) \$1.75 per front Lot

foot in the case of a single family dwelling or \$2.50 per front Lot foot in the case of a townhouse, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot over the cost of rearranging and adding any electric facilities serving such Lot, which rearrangement and/or addition is determined by the electric company to be necessary. This paragraph shall not, however, be construed to permit mobile homes of any type.

Section 7. Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers. However, neither the Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

ARTICLE III
Property Subject to this Declaration

Section 1. Description. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration consists of the following:

(a) All of Sugar Mill, Section One, according to the Plat thereof recorded in Volume 23, Page 11, of the Map Records of Fort Bend County, Texas; and

(b) All of Sugar Mill, Section Two Replat, according to the Plat thereof recorded in Volume 24, Page 8, of the Map Records of Fort Bend County, Texas; and

(c) All of Sugar Mill, Section Three, according to the Plat thereof recorded in Volume 23, Page 6, of the Map Records of Fort Bend County, Texas; and

(d) All of Sugar Mill, Section Four, according to the Plat thereof recorded in Volume 25, Page 20, of the Map Records of Fort Bend County, Texas; and

(e) All of Sugar Mill, Section Five Replat, according to the Plat thereof recorded in Volume 28, Page 2, of the Map Records of Fort Bend County, Texas.

Section 2. Additions to Existing Property. On the eighth day of December, 1981, Declarant filed of record a Plat of Sugar Mill Section Six in Volume 29, Page 9 in the Plat Records of Fort Bend County, Texas, which is incorporated herein by reference for all purposes, as a part of the Subdivision and jurisdiction of the Association and such Property shall be held, transferred, sold, conveyed and occupied subject to the covenants and restrictions in this Declaration.

Section 3. Mineral Exception. There is hereby excepted reserved from the Property described in Section Six, and Declarant will hereafter except and reserve from all its sales and conveyances of the Property in Section Six, or any part thereof, including the Lots and Common Area, all oil, gas, and other minerals in, on, and under the Property in Section Six, but Declarant hereby waives, and

will waive in each such conveyance, all of its right to use the surface of such land for exploration drilling, production and development of oil, gas, and other minerals.

Section 4. Additional Property. Additional lands may become subject to the scheme of The Declaration in the following manner:

(a) Additions by Declarant. The Declarant, its successors and assigns, shall have the right to bring within the scheme of The Declaration additional properties in future stages of the development (including, without limitation, subsequent sections of the Sugar Mill Subdivision, all or portions of other subdivisions being or to be developed by Declarant), upon the approval of the Board of the Association, in its sole discretion. Any additions authorized under this and the succeeding subsection, shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of The Declaration to such property and the execution thereof by members of the Board of the Association shall constitute all requisite evidence of the required approval thereof by such Board. Such Supplemental Declaration must impose an Annual Assessment charge on the property covered thereby, on a uniform, per Lot basis, substantially equivalent to the maintenance charge and assessment imposed by The Declaration, and may contain such complementary additions and/or modifications of the covenants and restrictions contained in The Declaration as may be applicable to the additional lands.

(b) Other Additions. Upon the approval of the Board of the Association, the owner of any property, not owned by the Declarant, who desires to add it to the scheme of The Declaration and with the consent of two-thirds (2/3) of each class of the Association may file of record a Supplemental Declaration of Covenants and Restrictions upon the satisfaction of the conditions specified in subsection (a) above provided that the Federal Housing Administration and Veterans Administration determines that the scheme of the Declaration conforms to the general plan previously approved by them.

(c) Mergers. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions applicable to the properties of the other association as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by The Declaration or any Supplemental Declaration.

ARTICLE IV The Association

Section 1. Organization. The Declarant has caused the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas.

Section 2. Purpose. The purpose of the Association in general is to provide for and promote the health, safety,

and welfare of the Members, to collect the Annual Assessments and to administer the fund to provide for the maintenance, repair, preservation, upkeep, and protection of the Common Area and Common Facilities in The Subdivision and such other purposes as are stated in the Articles of Incorporation consistent with the provisions of The Declaration and all Supplemental Declarations.

Section 3. Board of Directors. The Association shall act through a five (5) member Board of Directors, which shall manage the affairs of the Association, who need not be members of the Association. The initial Board of the Association has been selected by Declarant and two (2) directors was elected for a term of one (1) year, two (2) directors for a term of two (2) years and one (1) director for a term of three (3) years. At each annual meeting thereafter, the members shall elect directors for terms of three (3) years, as needed. Any director may be removed from the Board, with or without cause, at a special meeting of the Association by members entitled to vote a majority of the aggregate of the votes of both classes of membership. In the event of death, resignation or removal of a director, his successors shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. No director shall receive compensation for any service he may render to the Association. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval and consent of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 4. Members. Each Owner, whether one or more persons or entities, of a Lot shall, upon and by virtue of becoming such Owner, automatically becomes a Member of the Association and shall remain a Member thereof until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership. Whenever the legal ownership of any Lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, and no certificate of membership will be issued.

Section 5. Voting rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all the Members of the Association, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in The Subdivision in which they hold the interest required for membership by The Declaration or any Supplemental Declaration. When more than one person holds such interest or interests in any such Lot, all such persons shall be Members, and 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 such Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in The Subdivision in which it holds the interest required for membership by The Declaration or any Supplemental Declaration; provided that the Class B membership shall cease and become converted to Class A membership on the happening of the following events, whichever occurs earlier:

a. when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

b. on January 1, 1986.

From and after the happening of whichever of these events occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot in The Subdivision in which it holds the interest required for membership by The Declaration or any Supplemental Declaration.

Section 6. Title to Common Area. The Declarant may either (i) convey legal title to the Common Area and Common Facilities and complete construction of the improvements thereon or (ii) retain the legal title to the Common Area and Common Facilities in The Subdivision until such time as it has completed improvements thereon and until such time as, in the sole opinion of Declarant, the Association is able to operate and maintain the same. Until title to such Common Area and Common Facilities has been conveyed to the Association by Declarant, Declarant shall be entitled to exercise all rights and privileges relating to such Common Area and Common Facilities granted to the Association in The Declaration and all Supplemental Declarations.

ARTICLE V
Property Rights in the Common Area
and Common Facilities

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 2 of this Article V, every Member shall have a common right and easement of enjoyment in and to the Common Area and Common Facilities in The Subdivision, and such right and easement shall be appurtenant to and shall pass with the title to each Lot in The Subdivision.

Section 2. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

a. The right of the Association, in its discretion, to charge reasonable admission and other fees for the use of the recreational Common Facilities, to make, publish, and enforce reasonable rules and regulations governing the use and enjoyment of the Common Area and Facilities or any part thereof, all of which reasonable rules and regulations shall be binding upon, complied with, and observed by each Member. These rules and regulations may include provisions to govern and control the use of such Common Area and Common Facilities by guests or invitees of the Members, including, without limitation, the number of guests or invitees who may use such Common Properties and Facilities or any part thereof at the same time; and

b. The right of the Association to grant or dedicate easements in, on, under or above such Common Area or any part thereof to any public or governmental agency or authority or to any utility company for any service to The Subdivision or any part thereof; and

c. The right to the Association to transfer title to any storm sewer line, sanitary sewer line, water line, or any other utility facility or equipment situated in any part of such Common Area and owned by the Association to any public or political authority or agency or to any utility

company rendering or to render service to The Subdivision or any part thereof; and

d. The right of the Association to enter management and/or operating contracts or agreements relative to the maintenance and operation of such Common Area and Common Facilities in such instances and on such terms as its Board may deem appropriate; the right of the Association to operate recreational facilities and related concessions located on such Common Area; the right of the Association to enter lease agreements or concession agreements granting leasehold, concession, or other operating rights relative to Common Facilities in such instances and on such terms as its Board may deem appropriate; and

e. The right of the Association to suspend the voting rights of a Member or his right to use any recreational Common Facility during the period he is in default in excess of thirty (30) days in the payment of any Annual Assessment charge against his Lot; and to suspend such rights for a period not to exceed sixty (60) days for any infractions of its published rules and regulations; and the aforesaid rights of the Association shall not be exclusive, but shall be cumulative of and in addition to all other rights and remedies which the Association may have in The Declaration and Supplemental Declarations or in its Bylaws or at law or in equity on account of any such default or infraction; and

f. The rights and easements existing, herein created or hereafter created in favor of others, as provided for in Article II hereof, and in The Declaration and other Supplemental Declarations; and

g. The restrictions as to use of the Common Area provided for in Article VIII hereof.

Section 3. Delegation of Use. Any Member may delegate his right of use and enjoyment of the Common Area and Common Facilities in The Subdivision, together with all easement rights granted to Members in The Declaration and all Supplemental Declarations, to the members of his family, his tenants, or contract purchasers who reside on his Lot. The term "Member" is further defined to include and refer to the executors, personal representatives and administrators of any Member, and all other persons, firms, or corporations acquiring or succeeding to the title of the Member by sale, grant, will, foreclosure, execution, or by any legal process, or by operation of law, or in any other legal manner.

ARTICLE VI Annual Assessments

Section 1. The Maintenance Fund. All funds collected by the Association from the regular Annual Assessment charges provided for in this Article, together with all funds collected by the Association from the regular Annual Assessment charges imposed on the Lots in The Subdivision by The Declaration and all other Supplemental Declarations, shall constitute and be known as the "Maintenance Fund." The Maintenance Fund shall be held, used, and expended by the Association for the common benefit of all Members for the following purposes, to-wit: to promote the health, safety, recreation, and welfare of the Members, including, without limitation, the installation, construction, erection, and relocation of improvements related to the enhancement and beautification of the Common Area and Common Facilities in The Subdivision, to pay all ordinary expenses of the Associations and apply to any other areas covered by The

Declaration or any Supplemental Declaration to be developed or maintained by the Association, such as shrubbery, trees, walkways and street lights, and the construction, repair, maintenance and replacement of properties, services, improvements and facilities devoted to such purposes and related to the use and enjoyment of The Subdivision by the Members.

In the event Declarant shall designate the Common Area for the use and benefit of all the Owners in the Subdivision which are situated on property owned by Declarant but which then has not been brought within the scheme of The Declaration, the Association shall have the right and authority to allocate and expend such amounts from the Maintenance Fund for construction, repair, maintenance, upkeep, beautification, improvement or replacement of such Common Area as its Board shall determine, in its sole discretion.

The Association may, in its sole discretion, give one or more of the purposes set forth in this Section 1 preference over other purposes, and it is agreed that all expenses incurred and expenditures and decisions made by the Association in good faith shall be binding and conclusive on all Members.

In the event Declarant shall operate any Common Facility in The Subdivision, or such Common Facility shall be operated by others on behalf of Declarant under agreement authorized hereby, and the actual proceeds realized by Declarant from such operation shall be less than the actual costs incurred by Declarant in connection with operating and maintaining any such Common Facility, Declarant shall be entitled to be reimbursed from the Maintenance Fund for all costs actually incurred by Declarant in maintaining and operating such Common Facility in excess of the actual proceeds realized by Declarant from such operation, as such costs are incurred, to the extent that the balance of the Maintenance Fund from time to time existing exceeds the amount then designated by the Board of the Association in good faith to be the minimum amount necessary to accomplish the maintenance functions of the Association. Further, Declarant shall be entitled to be reimbursed from the Maintenance Fund for all ad valorem taxes and other assessments in the nature of property taxes fairly allocable to the Common Area and Common Facilities and accrued subsequent to the recordation of The Declaration, and the property is conveyed to the Association by Declarant, which have been actually paid by Declarant.

Section 2. Covenant for Assessments. Subject to the provisions set forth below in Sections 3 and 4 relating to the rate at which the maintenance charge and assessment imposed herein shall be paid on unimproved Lots, each and every Lot in the Properties is hereby severally subjected to and impressed with a regular Annual Assessment in the amount of Sixteen and 50/100ths (\$16.50) dollars per Lot per month, or One Hundred Ninety Eight and No/100 Dollars (\$198.00) per annum per Lot (herein sometimes referred to as the "full Annual Assessment") which shall run with the land, subject to increase as set out herein and to be payable as provided in Section 5 below.

A. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of the membership.

B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 10% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

C. The Board of Directors may fix the annual assessment at an amount not to exceed the maximum permitted herein.

Each Owner of a Lot, by his claim or assertion of ownership or by accepting a deed to any such Lot, whether or not it shall be 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 charges and assessments against his Lot and/or assessed against him by virtue of his ownership, thereof, as the same shall become due and payable, without demand. The charges and assessments herein provided for shall be a charge and a continuing lien upon each Lot, together with all improvements thereon, as hereinafter more particularly stated. Each assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such assessment accrued, but no Member shall be personally liable for the payment of any assessment made or becoming due and payable after his ownership ceases. No member shall be exempt or excused from paying any such charge or assessment by waiver of the use or enjoyment of the Common Areas or Common Facilities, or any part thereof, or by abandonment of his Lot or his interest therein.

Section 3. Unimproved Lots Owned by Declarant or Builders. Declarant and builders shall pay fifty percent (50%) of the then existing full Annual Assessment charge for each Lot owned by them, unless and until a residential structure has been built thereon and three (3) months have elapsed since the substantial completion of such residence, or the residence has been permitted to be occupied, whichever occurs first. Thereafter, commencing on the first day of the next succeeding calendar month, the full Annual Assessment charge then assessed shall become applicable. If the Annual Assessment charge on such Lot has been prepaid at fifty percent (50%) of the full Annual Assessment charge then assessed for the portion of the calendar year remaining after the full Annual Assessment charge becomes applicable to such Lot, as herein provided, the then Owner of such Lot shall be obligated to pay to the Association, on the date the full Annual Assessment charge becomes applicable, as herein provided, that prorata portion of fifty percent (50%) of the full Annual Assessment charge then assessed times the number of full calendar months remaining in such calendar year. It shall be the duty of each builder to notify the Association at the time a residence has been substantially completed or permitted to be occupied. The term "substantial completion" as used herein shall mean that the residence is ready for sale or occupancy, except for minor items which must be furnished, completed, corrected or adjusted. The term "builder" for the purposes of this Supplemental Declaration is defined as any person, firm, corporation, or other entity who is engaged in the business of building residential structures for sale or rental purposes, and not for his or its personal use or occupancy.

Section 4. Unimproved Lots Owned by Owners Other Than Declarant and Builders. Owners of unimproved Lots other than Declarant and Builders shall pay fifty percent (50%) of the then existing full Annual Assessment charge for each Lot owned by them, until a residential structure has been completed thereon and has been occupied. Thereafter, commencing on the first day of the next succeeding calendar month, the full Annual Assessment charge then assessed shall become applicable. If the Annual Assessment charge on such Lot has been prepaid at fifty percent (50%) of the full Annual Assessment charge then assessed for the portion of the calendar year remaining after the full Annual Assessment charge becomes applicable as herein provided, then the Owner of such Lot shall be obligated to pay to the Association, on the date the full Annual Assessment charge becomes applicable, as herein provided, that prorata portion of fifty percent (50%) of the full Annual Assessment charge then assessed, which shall bear the same ratio to fifty percent (50%) of such full Annual Assessment charge as the number of full calendar months remaining in such calendar year bears to twelve (12). It shall be the duty of each such Owner to notify the Association at the time such residential structure has been completed and occupied.

Section 5. The Annual Assessment Charge.
 The Annual Assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board to be the date of commencement. The first Annual Assessment shall be made for the balance of the calendar year in which it is made and shall be payable on the day fixed for commencement, or in equal monthly installments over the balance of the year, at the election of the Association. The Annual Assessments for each calendar year after the first year shall be due and payable to the Association in advance on January 1st each year, or in twelve (12) equal monthly installments over such year, at the election of the Association. Provided, however, that, upon the purchase of his Lot (as evidenced by the date of his term Contract of Sale or Deed, or his occupancy, whichever is earlier), each Member shall be obligated to pay to the Association a prorata part of the applicable percentage (as determined pursuant to the terms hereof) of the regular Annual Assessment charged on such Lot, which shall bear the same ratio to the applicable percentage of the full Annual Assessment charge as the number of full calendar months remaining in the year of purchase to twelve (12), and which shall be payable in full upon such purchase or in equal monthly installments over the balance of the year of purchase, as the Association may elect.

The Board of the Association may increase the amount of the regular Annual Assessment charge provided for herein at any time and from time to time by the adoption of a resolution for such purpose provided it does not exceed the limits in Article VI, Section 2 unless approved by a vote of two-thirds (2/3) of each class of members of the Association. No resolution increasing the Annual Assessment charge shall become effective prior to the expiration of ninety (90) days from date of its adoption, and the Owner of each Lot shall, within thirty (30) days from such effective date, pay to the Association the proportionate part of such increase for the balance of the year in which such resolution is adopted. No increase in the Annual Assessment charge shall take effect retroactively.

Section 6. Duties of the Board of Directors to Fix Assessments. The Board of the Association shall fix the

date of commencement and the amount of the Annual Assessment against each Lot or Owner for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the Annual Assessment shall thereupon be sent to each Owner, setting forth that particular Lot's Annual Assessment. The Association shall, upon demand at any time, furnish to any Owner liable for said Annual Assessment a certificate in writing signed by an officer of the Association, setting forth whether said Annual Assessment has been paid. Such certificate shall be conclusive evidence of payment of any Annual Assessment therein stated to have been paid.

Section 7. Liens to Secure Assessments. The regular Annual Assessments, as hereinabove provided for, shall constitute and be secured by a separate and valid and subsisting lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements thereon, for the benefit of the Association and all Members. Subject to the conditions that the Association be made a party to any Court proceeding to enforce any lien hereinafter deemed to be superior, the lien hereby created shall be subordinate and inferior to

A. All liens for taxes or special assessments levied by the City, County, and State governments, or any political subdivision or special district thereof, and

B. All liens securing amounts due or to become due under any term Contract of Sale dated, or any mortgage, vendor's lien, or deed of trust filed for record, prior to the date payment of any such charges or Annual Assessments become due and payable, and

C. All liens, including, but not limited to, vendor's liens, deeds of trust, and other security instruments which secure any loan made by any lender to an Owner for any part of the purchase price of any Lot when the same is purchased from a builder or for any part of the cost of constructing, repairing, adding to, or remodeling the residence and appurtenances situated on any Lot to be utilized for residential purposes.

Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust, or other security instrument, or through Court proceedings in which the Association has been made a party, shall cut off and extinguish the liens securing Annual Assessments which became due and payable prior to such foreclosure date, but no such foreclosures shall free any Lot from the liens securing Annual Assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay Annual Assessments which become due prior to such foreclosure, be extinguished by any foreclosure.

Section 8. Effect of Non-Payment of Annual Assessment. If any Annual Assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from the due date until paid at the highest interest rate allowed under the laws of the State of Texas, and, if placed in the hands of an attorney for collection or if suit is brought thereon or if collected through probate of other judicial proceedings, there shall be paid to the Association an additional reasonable amount, but not less

than ten percent (10%) of the amount owing, as attorney's fees. The Association, as a common expense of all Members, may institute and maintain an action at law or in equity against any defaulting Member to enforce collection and/or for foreclosure of the liens against his Lot. All such actions may be instituted and brought in the name of the Association and may be maintained and prosecuted by the Association in a like manner as an action to foreclose the lien of a mortgage or deed of trust on real property.

Section 9. Collection and Enforcement. Each Member, by his assertion of title or claim of ownership or by his acceptance of a deed to a Lot, whether or not it shall be so recited in such deed, shall be conclusively deemed to have expressly vested in the Association, and in its officers and agents, the right, power and authority to take all action which the Association shall deem proper for the collection of Annual Assessments and/or for the enforcement and foreclosure of the liens securing the same.

ARTICLE VII Architectural Control

Section 1. Approval of Plans. No building, structure, fence, wall, or other improvements shall be commenced, erected, constructed, placed or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the detailed plans and specifications therefor shall have been submitted to and approved in writing as to compliance with minimum structural and mechanical standards, location and situation on the Lot, and as to harmony of external design or location in relation to property lines, building lines, easements, grades, surrounding structures, walks, and topography (including the orientation of the front and rear of any such building with respect to the Lot lines), by the Architectural Control Committee constituted as provided herein. The submitted plans and specifications shall specify, in such form as the Architectural Control Committee may reasonably require, structural, mechanical, electrical, and plumbing detail and the nature, kind, shape, height, exterior color scheme, materials to be incorporated into, and location of the proposed improvements or alterations thereto. In the event said Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and the provisions of this Section will be deemed to have been fully complied with; provided, however, that the failure of the Architectural Control Committee to approve or disapprove such plans and specifications within such thirty (30) day period shall not operate to permit any structure to be commenced, erected, placed, constructed or maintained on any Lot in the Properties in a manner inconsistent with any provision of this Supplemental Declaration. Without limitation of the powers herein granted, the Architectural Control Committee shall have the right to specify requirements for each Lot as follows: minimum setbacks; the location, height, and extent of fences, walls, or other screening devices; and the orientation of structures with respect to garage access and major entry and frontage. The Architectural Control Committee also shall have full power and authority to reject any plans and specifications that do not comply with the restrictions herein imposed or meet its minimum construction requirements or architectural design requirements or that might not be compatible, in the sole discretion of the Architectural Control Committee, with the design or overall character and aesthetics of the Properties.

Section 2. Committee Membership. The Architectural Control Committee shall be initially composed of John E. Carr, III, Jimmie F. Jenkins and Laurine Ernsberger, who by a majority vote may designate a representative or representatives to act for them [the term "Architectural Control Committee" as used herein shall refer to the individuals named above, their assignee as permitted herein, or the Committee's designated representative(s)]. In the event of death or resignation of any member or members of Architectural Control Committee, the remaining member or members shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full right, authority and power to carry out the functions of the Architectural Control Committee as provided herein, or to designate a representative with like right, authority and power.

Section 3. Transfer of Authority to the Association. The duties, rights, powers and authority of the Architectural Control Committee constituted hereby may be assigned at any time, at the sole election of a majority of the members of the Committee, to the Board of the Association, and from and after the date of such assignment, and the acceptance thereof by such Board, the Board of the Association shall have full right, authority and power, and shall be obligated, to perform the functions of the Architectural Control Committee as provided herein, including the right to designate a representative or representatives to act for it.

Section 4. Minimum Construction Standards. The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards and specifications (including, without limitation a limited number of acceptable exterior materials and/or finishes), which shall constitute guidelines only and shall not be binding upon the Architectural Control Committee or in any manner determinative of the approval or disapproval by such Committee of submitted plans and specifications.

Section 5. Construction Requirements.

A. Only new construction materials (except for used brick) shall be used and utilized in constructing any structures situated on a Lot. All residential structures situated on any Lot shall have not less than fifty (50%) brick veneer stone or masonry construction, on the exterior wall area of the ground floor of the building. All residences siding or backing on Jess Pirtle Boulevard must have such side of the ground floor covered with masonry.

B. Yellow or orange brick should not be used except where permission is given in writing by the Architectural Control Committee.

C. Stone should be native Texas stone and must complement the style of the architecture employed and conform to the color scheme of the immediate neighborhood.

D. No external roofing material other than composition roofing, or such other types as approved by the Architectural Control Committee shall be constructed or used on any building in any part of the Properties. Composition roofing materials must be of 300 lb. or heavier weight. All roof stacks and flashings must be painted to match the roof color.

E. No window or wall-type air conditioners shall be permitted to be used, erected, placed or maintained on or in any building in any part of the Properties, in such a manner that it may be viewed from the street on which the Lot fronts or sides.

F. Each kitchen in each dwelling or living quarters situated on any Lot shall be equipped with a garbage disposal unit, which garbage disposal unit shall at all times be kept in serviceable condition.

G. No fence or wall shall be erected, placed or maintained on any Lot nearer to the street than the minimum front building setback lines as shown on the recorded Subdivision Plat. All plans for the same shall have been first approved by the Architectural Control Committee. The erection of chain link fences is expressly prohibited on all residential lots. No fence higher than six (6) feet from the finished lot grade shall be placed on any residential lot without the written approval of the Architectural Control Committee.

H. Before any landscaping shall be done in the front of any newly constructed residential structure, the landscape plan must have written approval of the Architectural Control Committee.

Section 6. Size of Residences In Sugar Mill, Section Six. No residential structure erected on Lots in Sugar Mill, Section Six will be approved with a living area of less than 2,600 square feet, exclusive of open or screened porches, terraces, driveways, and garages. Any residence other than a single story residence must have not less than 1,500 square feet of ground floor living area exclusive of open or screened porches, terraces, driveways, and garages. Residential units constructed on Lots in Section Six may be built with a height not to exceed two and one-half (2-1/2) stories. All residences shall have an attached or detached enclosed garage with at least the minimum interior floor necessary to accommodate two full-sized automobiles. Garages shall correspond in style, color and architecture to the main residence.

Section 7. Building Location. No building shall be located on any Lot nearer to the front Lot line or nearer to the side street line than the minimum building set back lines shown on the recorded Plat. No building shall be located nearer than five (5) feet to a side or rear interior Lot line. No main residence building nor any part thereof shall encroach upon any utility easement. For the purposes of this Covenant, eaves, steps and open porches shall not be considered a part of the main residence building; provided, however, that this shall not be construed to permit any portion of a building to encroach on any other Lot. For the purposes of these Restrictions, the front of each Lot shall coincide with and be the property line having the smallest or shortest dimension abutting a street. Unless otherwise approved by the Architectural Control Committee, each main residence building will face the front of the Lot, and each detached or attached garage will either face upon the front Lot line or face upon a line drawn perpendicular to the front Lot line, and shall not be located nearer to the front Lot line than the minimum building setback lines shown on the recorded plat; provided, however, that upon approval of the Architectural Control Committee, any detached garage located more than sixty-five (65) feet from the front Lot line shall not be required to face upon said Lot line.

Driveway access will be provided from the front of all Lots, except that said access may be provided to corner Lots from a side street. However, no Lot shall have direct driveway access from Jess Pirtle Boulevard, Burney Road, or from a drainage right-of-way or easement.

Section 8. Protective Screening. Protective screening areas are established within a one foot strip of land parallel to the rear lot line of all residential lots. Planting, fences or walls shall be maintained throughout the entire length of such areas by the owner or owners of the Lots at their own expense to form an effective screen for the protection of the residential area. No building or structure except a screen fence or wall or utilities or drainage facilities shall be placed or permitted to remain in such areas. No vehicular access over the area shall be permitted except for the purpose of installation and maintenance of screening, utilities and drainage facilities.

Ownership of any wall, fence or hedge erected as a protective screening on a Lot by Declarant shall pass with title to such Lot and it shall be the Owner's responsibility to maintain said protective screening thereafter. In the event of default on the part of Owner or occupant of any Lot in maintaining said protective screening and such failure continuing after ten (10) days written notice thereof, Declarant or its successors or assigns may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause said protective screening to be repaired or maintained or to do any other thing necessary to secure compliance with this Declaration, so as to place said protective screening in a satisfactory condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of such Lot, to pay such statement immediately upon receipt thereof.

Section 9. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance to the neighborhood. No exterior speaker, horn, whistle, bell or other sound device, except security devices used exclusively for security purposes, shall be located, used or placed on a Lot. The Board of Directors of the Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance. Activities expressly prohibited, without limitation, include 1) the performance of work on automobiles or other vehicles in driveways or streets abutting Lots, other than work of a temporary nature (not to exceed twelve (12) hours), 2) the use or discharge of firearms, firecrackers or other fireworks within the Properties, and 3) the storage of flammable liquids in excess of five gallons.

Section 10. Temporary Structures and Outbuildings. No structure of a temporary or permanent character, whether trailer, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time for any purpose; provided, however,

A. That greenhouse, tool sheds and bathhouses shall be permitted hereunder, provided plans for the same are approved in advance by the Architectural Control Committee. Said outbuildings shall be limited to a maximum of eight feet in height, one hundred twenty square feet of floor space and correspond in style, color and materials to the dwelling to which it is appurtenant; and,

B. That Declarant reserves, for itself and any homebuilders in said Subdivision, the exclusive right to erect, place and maintain such facilities or maintain a sales or construction office, in or upon any portions of the Properties 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 units, signs and portable toilet facilities.

Section 11. Storage of Vehicles or Equipment. No motor vehicle or non-motorized vehicle, 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 or in the street adjacent to such Lot, easement, right-of-way, or Common Area unless such vehicle or object is completely concealed from public view inside a garage or approved enclosure. Passenger automobiles, passenger vans, motorcycles, or pick-up trucks that are in operating condition, having current license plates and inspection stickers, are in daily use as motor vehicles on the streets and highways of the State of Texas, and which do not exceed six feet six inches in height, or seven feet six inches in width, or twenty-one feet in length are excepted herefrom. No vehicle shall be parked such as to obstruct or block a public sidewalk. No vehicle may be repaired on a Lot where such vehicle is not concealed from view inside a garage or other approved enclosure.

This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of a house or houses in the immediate vicinity.

Section 12. Signs and Billboards. No signs, billboards, posters or advertising devices of any character shall be erected, permitted or maintained on any Lot except one (1) sign of not more than seven (7) square feet advertising the particular Lot or Building on which the sign is situated for sale or rent. Except, however, the right is reserved by Declarant to construct and maintain such signs, billboards or advertising devices of such size as it deems necessary and is customary in connection with the financing and general sale of property in this subdivision. In no event shall any sign, billboard, poster or advertising device of any character, other than as specifically prescribed in the first sentence of this Section 13, be erected, permitted or maintained on any Lot without the express prior written consent of the Architectural Control Committee. The term "Declarant", as used in this Section 13, shall refer to the entities and such successor or assigns of such entities to whom the right under this Section 13, is expressly and specifically transferred. Declarant, or its assigns, shall have the right to remove any such sign, advertisement, billboard or structure which is placed on said Lots in violation hereof, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal.

Section 13. Animals and Livestock. The raising or keeping of hogs, horses, poultry, fowls or other livestock, including wild animals, on any Lot in the Subdivision is strictly prohibited. Consistent with its use as a residence, dogs, cats and other domestic household pets, not in excess of three (3) adult pets, may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purposes.

Section 14. Water and Mineral Operations. No oil or water drilling, oil or water development operations, oil refining, quarrying or mining operations of any kind shall be permitted on any Lot, nor shall oil or water wells, tanks, tunnels, mineral excavations or shafts be permitted on any Lot. No derrick or other structure designed for use in boring for water, oil, natural gas, or other minerals shall be erected, and maintained or permitted in any Lot.

Section 15. Rules and Regulations for the Lake.

A. Subject to the rules and regulations adopted for the use of the Lake and Lake Area by the Association and the provisions of Section 2 of Article V, every Member shall have a common right and easement of enjoyment in and to the Lake and Lake Area as a part of the Common Facilities, and such right and easement shall pass with the title to each Lot in the Subdivision.

B. The Association, in its discretion, shall have the right to adopt and publish reasonable rules and regulations for the use and enjoyment of the Lake and they shall be binding upon, complied with and followed by each Member. The rules and regulations will include by way of example but not a limitation, such rules to keep the conditions of the Lake in a sanitary and healthful condition; to prohibit any Owner from draining his swimming pool into the Lake; to prohibit any person dumping any trash, chemical substance, rubbish, garbage or refuse of any kind into the Lake; to provide the Association with a ten (10) foot maintenance easement along the waterfront of any waterfront Lot for the Association to provide adequate maintenance of the Lake.

Section 16. Storage and Disposal of Refuse. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. All equipment for the storage or disposal of such waste materials shall be kept in clean and sanitary condition. Provided further, that no Lot shall be used for the open storage of any materials whatsoever which storage is visible from the street, except that new building 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 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. Under no circumstances shall building materials be placed or stored on the street paving.

Section 17. Visual Obstructions. No shrub, tree planting, fence, wall, or hedge which obstructs sight lines at elevations between two (2) and six (6) feet above the roadway shall be planted, constructed, or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the public street right-of-way lines extended. The same sight line limitations shall apply to the triangular area formed by the lot line abutting a street, the edge of any driveway pavement and a line connecting them at points ten (10) feet from their intersection. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at the sufficient height to prevent obstructions of such sight lines.

Section 18. Antennas and Flagpoles. No electronic antenna or device of any type for receiving electronic signals shall be erected, constructed, placed or permitted to remain on the exterior of any house, garage or buildings constructed on any Lot in the Subdivision or free standing on any Lot. No flagpole shall be permanently erected on any property unless prior written approval has been granted by the Architectural Control Committee. TV satellite reception discs shall be screened by a fence or other similar facility, so as to conceal them from view of any other Lot or public street.

Section 19. Clothes Line. No clothing or other material shall be aired or dried on any Lot, except in an enclosed structure, or in an area adequately screened so as not to be seen from other Lots, streets or any other areas.

Section 20. Decorative Appurtenances. No decorative appurtenances, such as sculptures, birdhouses, birdbaths, fountains or other decorative embellishments shall be installed on front lawns or any other location visible from any street, unless such specific items have been approved in writing by the Architectural Control Committee.

Section 21. Wind Generators. No wind generators shall be erected or maintained on any Lot.

Section 22. Solar Collectors. No solar collector shall be installed without the written approval of the Architectural Control Committee. Such installation shall be in harmony with the design of the residence. When reasonably possible, solar collectors shall be installed in a location not visible from the public street in front of the residence.

Section 23. Playground Equipment. No basketball goal, tether pole, play net or any other recreational facility shall be erected on any Lot in a location that is visible from the front of said Lot.

Section 24. Carports. No carports shall be erected or permitted to remain on any Lot without the express written approval of the Architectural Control Committee. Said approval will be denied unless the carport is shown to be an integral part of the residence and constructed using the same design, color and materials as the residence uses.

Section 25. Garage Doors. Garage doors visible from any street shall be kept in the closed position when the garage is not being used by the Owner or occupant.

Section 26. Permitted Hours for Construction Activity. Except in an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the Association, outside construction work or noisy interior construction work shall be permitted only between the hours of 7:00 a.m. and 10:00 p.m.

Section 27. Removal of Dirt and Trees. The digging or the removal of any dirt from any Lot or property in the Subdivision is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon. No trees shall be cut from any Lot or any property in the Subdivision, except to provide room for construction of improvements or to remove dead, diseased or unsightly trees.

Section 28. Mailboxes. Mailboxes, house numbers and name identification used in the Subdivision must be harmonious with the overall character and aesthetics of the community and the decision of the Architectural Control Committee that any such matter is not so harmonious shall be final. The style of mailboxes, the height setting and location shall be determined by the Architectural Control Committee.

Section 29. Lot Maintenance. All Lots shall be kept at all times in a sanitary, healthful, safe and attractive condition. The Owner or occupant of any Lot shall keep all weeds and grass thereon cut and shall in no event use any Lot for storage of material or equipment, except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish, except by use of an incinerator approved by Declarant, its successors or assigns, and then only during such conditions as permitted by law. All yard equipment, woodpiles or storage piles shall be kept screened by a service yard fence or other similar facility as herein otherwise provided, so as to conceal them from view of any other Lots, streets or other property in the Subdivision.

In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days' written notice thereof, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate maintenance after such notice, Declarant or its assignee, may, without liability to the Owner or occupant, in trespass or otherwise, enter upon said Lot and cut, or cause to be cut, such weeds and grass, and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions, so as to place said Lot in a neat, attractive, healthful, safe and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt thereof. To secure the payment of such charges in the event of nonpayment by the Owner, a vendor's lien is herein and hereby retained against the said Lot and improvements in favor of Declarant or its assignee, but such lien shall be inferior to any first mortgage. Any foreclosure of any such prior or superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through other court proceedings shall not cut off and extinguish the vendor's lien securing said charge which became due and payable prior to such foreclosure date should such funds resulting from the foreclosure be available, and no such foreclosure shall free any Lot from the vendor's lien securing said charge thereafter becoming due and payable, nor shall the personal obligation of the Homeowner foreclosed be extinguished by any foreclosure.

Section 30. Damaged Buildings. Any building destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable period of time and the land restored to an orderly and attractive condition.

Section 31. Lot Drainage. Each owner of a lot agrees for himself, his heirs, or successors in interest that he will not in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots

in said tract or into the Lake; and he will make adequate provisions for proper drainage in the event it becomes necessary to change the established drainage over his Lot. For the purpose hereof, "established drainage" is defined as the drainage which occurred at the time that the overall grading of said tract, including landscaping of any Lots in said tract, was completed by Declarant.

ARTICLE VIII
Building and Use Restrictions

Section 1. Single Family Residential Use. Each Lot (including land and improvements) shall be used and occupied for single family residential purposes only. No Owner or other occupant shall use or occupy his Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private single family residence for the Owner and their families and domestic servants employed on the premises. As used herein the term "single family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of Lots for duplex apartments, garage apartments or other apartment use. No Lot shall be used or occupied for any business, commercial, trade, or professional purpose either apart from or in connection with the use thereof as a private residence, whether for profit or not.

Section 2. Use of Common Area. There shall be no obstruction of any part of the Common Area, which are intended to remain unobstructed for the reasonable use and enjoyment thereof. No Owner shall appropriate any part of the Common Area to his exclusive use, nor shall any Owner do anything which would violate the easements, rights, and privileges of any Owner in regard to any portion of the Common Area which is intended for the common use and benefit of all Owners. Except as may be herein permitted, no Member shall plant, place, fix, install or construct any vegetation, hedge, tree, shrub, fence, wall, structure, or improvements or store any of his personal property on the Common Area or any part thereof without the written consent of the Association first obtained. The Association shall have the right to remove anything placed on the Common Area in violation of the provisions of this Section and to recover the cost of such removal from the Owner responsible.

Section 3. Exempt Property. Notwithstanding any provision herein to the contrary, the Common Area shall not be subject to or burdened by the building and use restrictions set forth in this Article VIII, except as to the extent same are made specifically applicable to the Common Area.

ARTICLE IX
General Provisions

Section 1. Duration. The covenants and restrictions of this Supplemental Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or the owner or any land subject to The Declaration or any Supplemental Declaration, their respective legal representatives, heirs, successors and assigns, for an initial term of Forty (40) years commencing on the date the Declaration is recorded, after which they may be extended for successive periods of ten (10) years each as provided herein. During such initial term the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by not less than ninety

percent (90%) of the Owners of Lots in the Subdivision and properly recorded in the appropriate records of Fort Bend County, Texas. Upon the expiration of such initial term, said covenants and restrictions (as changed, if changed), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years. During such ten (10) year extension periods, 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 seventy-five percent (75%) of all the Lots in The Subdivision and properly recorded in the appropriate records of Fort Bend County, Texas.

Section 2. Enforcement. The Association, as a common expense to be paid out of the Maintenance Fund, or any Owner at his own expense, shall have the right to enforce, by proceedings at law or in equity, all restrictions, covenants, conditions, reservations, liens, charges, assessments, and all other provisions set out in this Supplemental Declaration. Failure of the Association or of any Owner to take any action upon any breach or default of or in respect to any of the foregoing shall not be deemed a waiver of their right to take enforcement action upon any subsequent breach or default.

Section 3. Amendments by Declarant. The Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Supplemental Declaration by any instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by The Declaration and this Supplemental Declaration shall not impair or affect the vested property or other rights of any Owner or his mortgagee.

Section 4. 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. If this Declaration or any part thereof is in conflict with any other Declaration previously filed of record, then the terms of this Declaration and all provisions herein shall govern.

Section 5. 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 herefrom, 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.

Section 6. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Supplemental Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 7. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes

required to make the provisions hereof apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

Section 8. Severability. Invalidation of any one or more of the covenants, restrictions, conditions, or provisions contained in this Supplemental Declaration, or any part thereof, shall in no manner affect any of the other covenants, restrictions, conditions, or provisions contained in this Supplemental Declaration, and they shall remain in full force and effect.

ARTICLE X
Consent of Board of Directors of Association

The members of the Board of Directors of the Association have executed this Supplemental Declaration to evidence its approval of Declarant's election to bring the Properties within the scheme of The Declaration under the authority contained in Article III of The Declaration.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein and the members of the Board of Directors of the Association, have executed this Supplemental Declaration to be effective, this the 9th day of AUGUST, 1982.



ATTEST:

Laurine M. Ernsberger
Assistant Secretary

GENSTAR TEXAS, INC.

By [Signature]
DECLARANT

ATTEST:

Assistant Secretary

SUGAR MILL COMMUNITY ASSOCIATION, INC.

By [Signature]
Board of Directors

By [Signature]
Board of Directors

By Laurine M. Ernsberger
Board of Directors

By Jimmie T. Jenkins
Board of Directors

By [Signature]
Board of Directors

DEED

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THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on 9th day of August, 1982 by JOHN CARR, III, Vice President of Genstar Texas, Inc., a Texas corporation, on behalf of said corporation.

Maria Tan
Notary Public In And For
The State of T E X A S
MARIA TAN
Printed Name of Notary
My Commission Expires: 9-3-1985

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on 9th day of August, 1982 by JOHNE. CARR, III, a member of the Board of Directors of Sugar Mill Community Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

Maria Tan
Notary Public In And For
The State of T E X A S
MARIA TAN
Printed Name of Notary
My Commission Expires: 9-3-1985

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on 9th day of August, 1982 by MARIA TAN, a member of the Board of Directors of Sugar Mill Community Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

Laurine M. Ernsberger
Notary Public In And For
The State of T E X A S
Laurine M. Ernsberger
Printed Name of Notary
My Commission Expires: 4/26/84

DEED

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THE STATE OF TEXAS §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on 9th day of August, 1982 by LAURINE M. ERNSBERGER, a member of the Board of Directors of Sugar Mill Community Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

Maria Tan

Notary Public In And For
The State of T E X A S

MARIA TAN

Printed Name of Notary
My Commission Expires: 9-3-1985

THE STATE OF TEXAS §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on 9th day of August, 1982 by Jimmie F. Jenkins, a member of the Board of Directors of Sugar Mill Community Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

Laurine M. Ernsberger

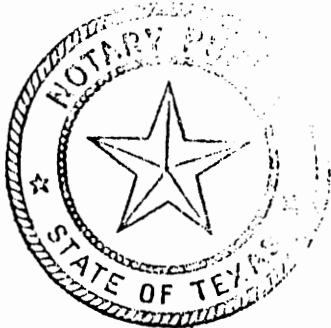
Notary Public In And For
The State of T E X A S

Laurine M. Ernsberger

Printed Name of Notary
My Commission Expires: 4/26/84

THE STATE OF TEXAS §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on 9th day of August, 1982 by MICHAEL B. ABBOT, a member of the Board of Directors of Sugar Mill Community Association, Inc., a Texas non-profit corporation, on behalf of said corporation.



Jimmie F. Jenkins
Notary Public In And For
The State of T E X A S

JIMMIE F. JENKINS

Printed Name of Notary
My Commission Expires: 7-17-84

Please return to: General

101 SOUTHWESTERN BLVD. SUITE 103
SUGAR LAND, TEXAS 77478
PHONE (713) 491-7030

CAD3/A

FILED FOR RECORD
AT 12:30 O'CLOCK P.M.

AUG 18 1982

Pearl Ellett
COUNTY CLERK, FORT BEND COUNTY, TEX.

STATE OF TEXAS COUNTY OF FORT BEND
I, hereby certify that this instrument was filed on the
date and time stamped hereon by me and was duly recorded
in the volume and page of the named records of Fort Bend
County, Texas as stamped hereon by me on



AUG 19 1982

Pearl Ellett
County Clerk, Fort Bend Co., Tex.