

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR SUGAR MILL
SECTION TWO

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DECLARATION

DEED
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COMPARED OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by GENSTAR HOMES OF TEXAS, INC., a Texas corporation, acting herein by and through their duly authorized officers, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in SUGAR LAND, County of FORT BEND, State of Texas, which is more particularly described as Lots 1-89, Block 1; Lots 1-40, Block 2; Lots 1-33, Block 3; Lots 1-29, Block 4; Lots 1-63, Block 5; Lots 1-9, Block 6, Replat of SUGAR MILL, SECTION TWO (2), as recorded in Volume 24, Page 8, of the Plat records of FORT BEND County, Texas;

WHEREAS, Declarant desires to establish a uniform plan for the development, improvement and sale of the residential lots in said Subdivision, and to ensure the preservation of such uniform plan for the benefit of both the present and future owners of residential lots in said Subdivision;

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, reservations, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the title of the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. Further, the Association, hereinafter provided, shall have the right to enforce these covenants, conditions and restrictions.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to SUGAR MILL COMMUNITY ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the resident record owner, whether one or more persons or entities, of a fee simple title to any Lot or portion of a Lot, on which there is or will be built a detached single family dwelling, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area, and public areas such as parks, parkways and esplanades.

Section 6. "Declarant" shall mean and refer to GENSTAR HOMES OF TEXAS, INC., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Plat" shall mean and refer to the recorded map or plat in the Replat of SUGAR MILL, SECTION TWO (2), recorded in Volume 24, Page 8, of Plat Records of Fort Bend County, Texas.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Upon conveyance of same to the Association, every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to the title to every Lot, subject to the following provisions:

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

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner or the Owner's delegate for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property;

(d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his household, his lease tenants, or contract purchasers who reside on the property. All such delegates shall be subject to the rules and regulations of the Association and all provisions of the Articles of Incorporation and Bylaws of the Association and of this Declaration to the same extent as the Owner, and the Association may take any action against such delegate to enforce such documents as it is authorized to take against the Owner, and the Owner and his delegate shall be bound thereby.

Section 3. Utility Easements; Liability. Declarant, its successors and assigns, reserves the easements and rights-of-way as shown on the Subdivision Plat for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, cable television and telephone line or lines, gas, sewers or any other utility Declarant sees fit to install in, across and/or under the Properties.

Neither Declarant, its assigns, agents, employees or servants nor any utility company using the easements herein referred to shall be liable for any damages done by them to fences, shrubbery, trees or flowers or other property of the Owner situated on the land covered by said easements.

It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land within the Properties by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone purposes and shall convey no interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances thereto constructed by or under Declarant or any easement owner, or their agents, through, along or upon the premises affected thereby, or any part thereof, to serve said land or other portion of the Properties; and, where not affected, the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party, and such right is hereby expressly reserved.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who is a resident record Owner of a fee or undivided fee interest in any lot which is subject, by covenants of record, to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification of membership.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article I with the exception of the Declarant. Each lot owned by a Class A member or members shall be allowed one (1) vote for each lot which vote may be cast by the owner or co-owners of that lot but in no event shall more than one (1) vote be cast with respect to any lot.

Class B. The Class B members shall be the Declarant, and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) January 1, 1986;

provided, however, that the Class B membership shall be reinstated upon annexation to the properties of any additional residential property and/or common area, but subject to further cessation in accordance with the limitations set forth in the preceding paragraphs (a) and (b) of this Article, whichever occurs first.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) Annual assessments or charges, and
- (b) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against

which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. Each lot in SUGAR MILL, SECTION TWO, is hereby subjected to an annual maintenance charge and assessment for the purpose of creating a fund to be designated and known as the "maintenance fund", which maintenance charge and assessment will be paid by the Owner or Owners of each Lot within SUGAR MILL, SECTION TWO, to SUGAR MILL COMMUNITY ASSOCIATION, INC., on or before January 1 of each year, in advance annual installments, commencing on a date and in a manner to be promulgated by the Board of Directors of the Association. The rate at which each Lot will be assessed will be determined annually and may be adjusted from year to year by the Association, as herein after provided as the needs of the Subdivision may, in the judgment of the Association, require. Such assessment will be uniform, except as hereinafter provided for Declarant and any builder to whom Declarant sells a Lot. The Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of SUGAR MILL, SECTION TWO, as well as all other sections of SUGAR MILL; provided, however, that other sections of SUGAR MILL to be entitled to the benefit of this maintenance fund must be impressed with and subjected to the annual maintenance charge and assessment on a uniform, per Lot, basis, equivalent to the maintenance charge and assessment imposed hereby, and further made subject to the jurisdiction of the Association. The uses and benefits to be provided by said Association shall

include, by way of clarification and not limitation, at its sole option, any and all of the following: constructing and maintaining alleys, paths, parks, parkways, easements, esplanades, cul-de-sacs, recreational facilities, including swimming pools and tennis courts, and other public areas, payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions and conditions affecting the Properties to which the maintenance fund applies, payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment, employing policemen, watchmen, lifeguards, instructors and operators, caring for vacant Lots, garbage collection, and doing other things necessary or desirable, in the opinion of the Association, to keep the Properties in the subdivision neat and in good order or which is considered of general benefit to the Owners or occupants of the Properties. It is understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation that any of the above will, in fact, be provided by the Association. Each person who accepts a deed to a Lot or Lots agrees, by the acceptance of same, to pay such maintenance charge and assessments as herein provided.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to a resident Owner, the maximum annual assessment shall be \$15.00 per lot per month, or \$180.00 per lot per year.

(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 5% 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.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any use or benefit provided for herein in Article IV, Section 2.

However, any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At any such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement, and the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate except as hereafter provided for all Lots and may be collected on a monthly basis. Declarant and any builder to whom declarant sells a Lot shall not be liable for the payment of maintenance charge assessments for any Lot until such Lot has been improved so that it is prepared for the construction of improvements thereon or after the conveyance of any Common Area. After such time, Declarant and any builder to whom Declarant sells a Lot shall be liable for one-half (1/2) of the maintenance charge or assessment, currently assessed, for such Lot until said Lot is conveyed to an Owner. At that time, the Owner thereof shall commence to pay the full assessment thereon.

Section 7. Date of Commencement of Annual Assessments:
Due Date.

The annual assessments provided for herein shall commence at the occurrence of either:

- (a) January 1, 1981, or
- (b) the conveyance of the first residence unit to an owner within Sugar Mill, Section Two.

The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments.
Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of nine percent (9%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such

sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

USE RESTRICTIONS

Section 1. Land Use and Building Type. All Lots shall be known and described as Lots for residential purposes only (hereinafter sometimes referred to as "residential lots"), and no structure shall be erected, placed, altered, or permitted to remain on any residential lot other than on (1) single-family dwelling not to exceed two (2) stories in height and a detached or an attached garage for not less than one (1) or more than three (3) cars. As used herein, the term "residential purposes" shall be construed to prohibit the use of said property for duplex houses, garage apartments or apartment houses; and no Lot shall be used for business or professional purposes of any kind, nor for any commercial or manufacturing purposes. No building of any kind or character shall ever be moved onto any Lot within said subdivision by any Class A Member, it being the intention that only new construction shall be placed and erected thereon. Each single family dwelling may be occupied by only one family consisting of one or more persons related by blood, adoption or marriage or no more than two unrelated persons living and cooking together as a single housekeeping unit together with any household servants. Each single family dwelling shall contain no more than one housekeeping unit.

Section 2. Architectural Control. No building, fence, wall, landscaping or other structure shall be commenced, erected, placed, altered or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing, as to harmony of external design and location in relation to surrounding structures and topography, by the Architectural

Control Committee as hereinafter established. In the event said Architectural Control Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 3. Dwelling Size. Any residential unit constructed on said Lots must have a living area of not less than 1,500 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 800 square feet of ground floor living area exclusive of open or screened porches, terraces, driveways, and garages. No residential unit constructed on said Lots may exceed two (2) stories. The construction of any residence will involve the use of not less than fifty (50%) of brick veneer around the outside perimeter of the ground floor of the building.

Section 4. Type of Construction, Materials and Landscape.

(a) No external roofing material other than wood shingles, 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.

(b) 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.

(c) 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.

(d) No fence or wall shall be erected, placed or altered on any Lot nearer to the street than the minimum 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.

Section 5. 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 setback lines shown on the recorded plat. No building shall be located nearer than five (5) feet to a side or rear interior Lot

line, except that any building may be located not less than five (5) feet from an interior Lot line provided that the building or buildings on the adjacent Lot are complete and situated in such a manner as to be no closer than ten (10) feet to the nearest adjoining building. It is the purpose of this provision to maintain at least a ten (10) foot separation between buildings on contiguous Lots, while also allowing structures to be built as close as five (5) feet to an interior Lot line. Likewise, a garage or other permitted accessory building which is located more than sixty-five (65) feet from the front Lot line may be located not less than five (5) feet from any 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 the Lot only, except that said access may be provided to corner Lots from a side street.

Section 6. Protective Screening. Protective screening areas are established within a one foot strip of land parallel to the rear lot line of all residential lots, except for

Lots 36 and 37 of Block 2 which are restricted from fencing closer than thirty-five (35) feet from the rear lot lines.

Except as otherwise provided herein regarding street intersections in Article V, Section 14, 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.

Section 7. 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.

Section 8. Temporary Structures. 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; and,

(b) That Declarant reserves, for itself and any homebuilders in said addition, 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 9. 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 may be repaired on a Lot where 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 10. Signs and Billboards. No signs, billboards, posters or advertising devices of any character shall be erected, permitted or maintained on any Lot or plot except (i) one sign of not more than seven (7) square feet advertising the particular Lot or plot 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 10, be erected, permitted or maintained on any Lot or plot without the express prior written consent of the Architectural Control Committee. The term "Declarant", as used in this Section 10, shall refer to the entities and such successor or assigns of such entities to whom the right under this Section 10, is expressly and specifically transferred.

Section 11. 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 12. Mineral Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted on any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted on any Lot. No derrick or other structure designed for use in boring for oil, natural gas, or other minerals shall be erected, and maintained or permitted in any Lot.

Section 13. 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.

Section 14. 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, or in the case of rounded property corner from the intersection of the public street right-of-way lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a public street right-of-way line with the edge of a private driveway or alley pavement. 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 15. 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. No flagpole shall be permanently erected on any property unless prior written approval has been granted by the Architectural Control Committee.

Section 16. 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 17. Removal of Dirt and Trees. The digging of dirt 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 17 A. 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 18. Lot Maintenance. All Lots shall be kept at all times in a sanitary, healthful, safe and attractive condition, and the Owner or occupant of all Lots shall keep all weeds and grass thereon cut and shall in no event use any Lot for storage of material and 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 or other similar facility as herein otherwise provided, so as to conceal them from view of any 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, 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 19. 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 20. 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; 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 VI

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Approval of Building Plans. No building, fence, wall, landscaping or other structure shall be commenced, erected, placed, altered or maintained on any Lot until the

construction plans and specifications and a plot plan showing the location of the structure have been approved in writing as to harmony of exterior design and color with existing structures, as to location with respect to topography and finished ground elevation and as to compliance with minimum construction standards by the SUGAR MILL, SECTION TWO, Architectural Control Committee. A copy of the construction plans and specifications and a plot plan, together with such information as may be deemed pertinent, shall be submitted to the Architectural Control Committee, or its designated representative, prior to commencement of construction. The Architectural Control Committee may require the submission of such plans, specifications and plot plans, together with such other documents as it deems appropriate, in such form and detail as it may elect at its entire discretion. In the event the Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the same are submitted to it, approval will not be required and the requirements of this Section will be deemed to have been fully complied with. The Committee retains the right to retain one copy of all approved plans and specifications for committee's files. Further, any Owner receiving approval of any plans hereunder agrees to construct said addition or structure in accordance with the approved plans.

Section 2. Committee Membership. The Architectural Control Committee shall be initially composed of John E. Carr, Barry Snowden and Laurine Ernsberger, who by majority vote may designate a representative to act for them.

Section 3. Replacement. In the event of death or resignation of any member or members of said Committee, the remaining member or members shall appoint a successor member or members or relinquish such authority to the Board of Directors of the Association and until such successor member or members shall have been so appointed, or such authority is relinquished to the Board of Directors of the Association, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans

submitted or to designate a representative with like authority.

Section 4. Minimum Construction Standards. The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided however, that such outline will serve as a minimum guideline and such Architectural Control Committee shall not be bound thereby.

Section 5. Term. The duties and powers of the Architectural Control Committee and of the designated representative shall cease on, or before, if relinquished as hereinabove provided, ten (10) years from the date of this instrument. Thereafter, all power vested in said Committee by this covenant shall be assumed by the Board of Directors of the Association.

Section 6. No Liability. Declarant, the Association and the Architectural Control Committee, as well as their agents, employees and architects, shall not be liable to any other party for any loss, claim or demand asserted on account of their administration of these restrictions and the performance of their duties hereunder, or any failure or defect in such administration and performance. These restrictions can be altered or amended only as provided herein and no person is authorized to grant exceptions or make representations contrary to these restrictions. No approval of plans and specifications and no publication of minimum construction standards shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence will be built in a good, workmanlike manner. The acceptance of a deed to a residential Lot in the Subdivision shall be deemed a covenant and agreement on the part of the grantee, and the grantee's heirs, successors and assigns, that Declarant, the Association and the Architectural Control Committee, as well as their agents, employees and

architects, shall have no liability under these restrictions except for willful misdeeds.

ARTICLE VII

EASEMENTS

Section 1. Underground Electrical Distribution. An underground electric distribution system will be installed in that part of SUGAR MILL, SECTION TWO, designated herein as Underground Residential Subdivision, which underground service embraces all of the Lots which are platted in SUGAR MILL SUBDIVISION, SECTION TWO. The Owner of each Lot containing a single dwelling unit, shall at his or its own cost, furnish, install, own and maintain (all in accordance with the requirement of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of Electric Company's metering at the 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. The Owner of each Lot containing a single dwelling unit, shall at his or its 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 so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each dwelling unit therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The Electric Company shall not be obligated to provide electric service to any mobile home unless (a) Declarant has paid to the Company an amount representing the excess in

cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of the equivalent overhead facilities to serve such Subdivision or (b) the Owner of each affected Lot shall pay to the Company the sum of (1) \$1.75 per front Lot foot, it having been agreed that such amount reasonably represents the excess in the cost of equivalent overhead facilities to serve such Lot or dwelling unit, plus (2) the cost of rearranging, and adding any electric facilities serving such Lot, which arrangement and/or addition is determined by the Company to be necessary. This paragraph shall not, however, be construed to permit mobile homes of any type.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s) as shown on the plat of SUGAR MILL SUBDIVISION, SECTION TWO. The above provisions do not apply to any future nonresidential development in such Reserve(s).

Section 2. Reservations, Exceptions and Dedications.

The Subdivision Plat dedicates for use as such, subject to the limitations set forth herein, the streets and easements shown thereon, and such Subdivision Plat further establishes certain restrictions applicable to the Properties, including, without limitation, certain minimum setback lines. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof, as is 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 said property or any part thereof, whether specifically referred to therein or not.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. In the event of any violation or attempted violation of any of the terms or provisions hereof, including any of the restrictions or covenants set forth herein, enforcement of the terms and provisions hereof shall be authorized by any proceedings at law or in equity against any person or persons so violating or attempting to violate any of the provisions hereof, including by means of actions to restrain or prevent such violation or attempted violation by injunction, prohibitive or mandatory, and it shall not be a prerequisite to the granting of any such injunction that there be inadequate remedy at law or that there be any showing of irreparable harm or damage if such injunction is not granted. In addition, any person entitled to enforce the provisions hereof may recover such damages, either actual or punitive, as such person may show himself justly entitled by reasons of such violation of the terms and provisions hereof. The terms and provisions hereof may be enforced by Declarant, by the Association (and the Association is hereby expressly authorized to use its funds for the purpose of assisting in the enforcement of the terms and provisions hereof), or by the Owner of any Lot shown in the plat establishing SUGAR MILL, SECTION TWO. Failure by the Association or any Owner to so enforce any covenant or restriction hereof shall not be construed to constitute a waiver of the right to thereafter enforce such provision or any other provision hereof. No violation of any of the terms or provisions hereof, or any portion thereof, shall affect the rights of any mortgagee under any mortgage or deed of trust presently or hereafter placed of record covering any of the land shown to be within the plat establishing SUGAR MILL, SECTION TWO.

Section 2. Amendment. The covenants and restrictions of the Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first forty (40) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be properly recorded in Fort Bend County, Texas.

Section 3. Annexation. Additional residential property and common area outside of SUGAR MILL SUBDIVISION may be annexed to the Properties covered by the Association, and subject to the jurisdiction and benefit of the Association, with the consent of two-third(2/3) of each class of membership of the Association; provided, however, additional residential property within SUGAR MILL SUBDIVISION may be annexed by the Declarant without the consent of the members, provided that the Federal Housing Administration and Veterans Administration determine that the annexation is in accordance with a general plan theretofore approved by them and the Federal Housing Administration and Veterans Administration approve each additional stage or section of SUGAR MILL SUBDIVISION.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no ways affect any other provisions which shall remain in full force and effect.

Section 5. Mergers and Consolidations. The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have two-third (2/3) of each class of the voting membership.

Section 6. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or Veterans Administration: Dedication of Common Area and amendment to these Restrictions, and the annexation of additional areas.

EXECUTED this the 8th day of February, 1980.

GENSTAR HOMES OF TEXAS, INC.

BY:

John E Carr
VICE President

JOHN E. CARR, III
Vice President

ATTEST:

BY:

Renetta Abbott
Secretary

Renetta Abbott

JOINDER OF LIENHOLDER

The undersigned, BANK OF THE SOUTHWEST NATIONAL ASSOCIATION, being the owner and holder of an existing mortgage and lien upon and against the real property described in the foregoing restrictions and defined as the "Property" in said restrictions, as such mortgagee and lienholder, does hereby consent to and join in said Declaration of Covenants, Conditions and Restrictions.

This consent and joinder shall not be construed or operate as a release of said mortgage or liens owned and held by the undersigned, or any part thereof, but the undersigned agrees that its said mortgage and liens shall hereafter be upon and against each and all of the Lots and all appurtenances thereto, and all of the undivided, equitable shares and interests in the Common Area, subject to the restrictions hereby agreed to.

SIGNED AND ATTESTED by the undersigned officers of BANK OF THE SOUTHWEST NATIONAL ASSOCIATION hereto authorized, this the 19th day of February, 1980.

BANK OF THE SOUTHWEST NATIONAL ASSOCIATION

ATTEST:

No Seal

BY: [Signature]
President

[Signature]

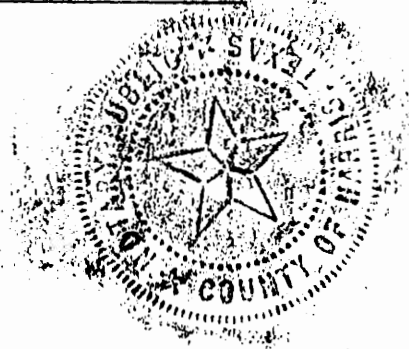
Grier Patton
Loan Officer

THE STATE OF TEXAS X

COUNTY OF HARRIS X

BEFORE ME, the undersigned authority, on this day personally appeared Gainer H. Jones, Jr., Vice President, of BANK OF THE SOUTHWEST NATIONAL ASSOCIATION, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 19th day of February, 1980.



[Signature]
Notary Public in and for
Harris County, Texas

My Commission expires: _____

WILMA M. GRIFFIN
Notary Public in Harris County, Texas
My Commission Expires 9-30, 1980