

DECLARATION OF COVENANTS, CONDITIONS and RESTRICTIONS
of
BUFFALO SPRINGS SECTION TWO

This Declaration of Covenants, Conditions and Restrictions of Buffalo Springs Section Two, made on the date hereinafter set forth by LeFco Investments, Inc. (who is referred to herein as “Declarant”).

WHEREAS, Declarant is developing Buffalo Springs, a well-planned residential and mixed-use development in Montgomery, Texas. Buffalo Springs is currently projected to encompass a tract of land containing in excess of 800 acres located within Montgomery, Texas. The final size and boundary of Buffalo Springs is subject to the discretion of Declarant. Nothing contained in this Declaration of Covenants, Conditions and Restrictions of Buffalo Springs Section Two (the “Covenants”) shall be construed to represent or limit the final size, configuration or location of Buffalo Springs, nor shall it constitute or be construed as a representation as to what land or lands will or will not be subjected to the terms of these Covenants.

Buffalo Springs Association, Inc., a non-profit community association, serves as the representative of the residents and property owners of lands made subject to these restrictive covenants and for other lands within Buffalo Springs, with respect to the assessment, collection and application of all charges imposed hereunder, the enforcement of all covenants, restrictions and liens contained herein or created hereby, and the creation, operation, management and maintenance of the facilities and services referred to herein.

Declarant intends to cause the covenants, restrictions, easements, charges, liens and other provisions contained herein (the "Covenants") to burden, affect, bind and run with title to the lands encumbered by these Covenants, including the lands described in Exhibit A attached to these covenants and incorporated herein by reference (the “Property”) and the lands annexed by Declarant to the Property in the manner permitted by Article VII below, so as to cause the Covenants to be binding upon such land and those residing on or owning an interest therein, and to inure to the benefit of and be enforceable by the Owners, Buffalo Springs Association, Inc., Declarant and its successors and assigns.

Declarant encumbers the lands described in attached Exhibit A to the Covenants imposed hereby in order to (i) establish, impose and create a uniform plan and scheme of development for the Property; (ii) provide funds for the uses specified in Article VI below; (iii) grant rights and privileges relating to the use of certain facilities, subject to the conditions specified; and (iv) impose land use and design control criteria for the development of the Property.

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon the Property, and declares the following reservations, easements, restrictions, covenants and conditions applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, which reservations, easements, covenants, restrictions and conditions

shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I Definitions

"Administrator" shall mean the entity administering the maintenance fund.

"Architectural Control Committee" or "Committee" shall mean and refer to Buffalo Springs Architectural Control Committee, provided in Article IV hereof.

"Association" shall mean and refer to Buffalo Springs Association, Inc.

"Board of Directors" or "Board" shall mean the elected body of Buffalo Springs Association, Inc.

"Builder" shall mean and refer to a person or entity who contracts with an Owner to make an Improvement to a Lot or Lots. A Builder Owner is a Builder.

"Builder Owner" shall mean and refer to the Owner of a Lot who owns such Lot for the sole-purpose of improvement and sale to a third party, and is designated in writing as a Builder-Owner by Declarant.

"Declarant" shall mean and refer to LeFco Investments Inc. and its successors and assigns.

"Improvement" shall mean and refer to any dwelling, garage, carport, swimming pool, wall, fence and any other object placed on, in or under a Lot or Lots.

"Lot" and/or "Lots" shall mean and refer to the Lots shown upon the subdivision plat which are restricted hereby to use for single family residential dwellings only.

"Member" shall mean and refer to every person or entity who holds a membership in the Association.

"Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot which is part of the Properties, but in the event of the execution of a contract for sale covering any Lot, the "Owner" shall be the purchaser named in the contract, 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.

"Reserves" shall mean and refer to those reserved, whether restricted or unrestricted, as shown on the Subdivision Plat.

“Resident” shall mean and refer to every person or entity occupying a Residential Dwelling within the Properties.

"Residential Dwelling" shall mean and refer to a single residential dwelling with garage on a Lot.

“Property” and/or “Properties” shall mean and refer to the land described in the attached Exhibit A and all land restricted by these Covenants as permitted by Article VII below.

"Subdivision Plat” shall mean and refer to the map or plat of the various sections of Buffalo Springs that are encumbered by these Covenants.

ARTICLE II Restriction, Exception and Dedications

Section 2.01 Streets and Easements. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, the streets and easements shown thereon and such Subdivision Plat further establishes certain restrictions applicable to the Properties including, without limitation, certain minimum setback lines. All dedications, limitations, restrictions, and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of Declarant, conveying any portion of the Property, whether specifically referred to therein or not.

Section 2.02 Reservation of Easements. Declarant reserves the easements and roadways as shown on the Subdivision Plat for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas, water lines, sewers, storm sewers, drainage ways, cable television or any other utility Declarant sees fit to install in, across and/or under the Properties.

Section 2.03 Changes in Easements. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing systems of electric lighting, electric power, telegraph and telephone line or lines, gas, water lines, sewers, storm sewers, drainage ways, cable television or any other utility. Should any utility company or cable television company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant, without the joinder of any Owner, shall have the right to grant such easement.

Section 2.04 Entry Upon Lots. Declarant reserves the right, during installations of paving of the streets as shown on the Subdivision Plat, to enter onto any Lot or Lots for the purpose of disposing of street excavation, including the removal of any trees, as necessary, whether or not the Lot or Lots have been conveyed to and/or contracted for any other Owner or Owners.

Section 2.05 Damages by Utility Company. Neither Declarant nor any utility company or cable television company using the easements herein referred to, shall be liable for any damages done by it or its assigns, its agents, employees or servants to fences, shrubbery, landscaping, grass, hardscaping, trees, flowers or any other property of the Owner situated on the Property.

Section 2.06 Title Subject to 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 drainage ways, electric light, electric power, cable service, 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 its agents through, along or upon the premises affected thereby, or any part thereof, to serve said land or any other portion of the Properties, and where not affected, the right to maintain, repair, sell or lease such appurtenances to any municipality, other governmental agency or any public service corporation or any other party, and such right is hereby expressly reserved.

Section 2.07 Utility Easements.

(a) All Lots are subject to the utility easements reflected on the plat or designated in these Restrictions.

(b) No building shall be located over, under, upon or across any portion of any utility easement; however, the Owner of each Lot shall have the right to construct, keep and maintain drives and similar improvements across the utility easement along the front of the Lot and/or along the side of corner lots adjacent to street right-of-ways and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Lots.

(c) With the prior approval of the Committee, the Owner of each Lot also shall have the right to construct, keep and maintain driveways, walkways, steps, air conditioning units and equipment over, across or upon any utility easement along the side of such Lots (the "Side Lot Utility Easement"), other than along any Side Lot Utility Easement which is adjacent to a street right-of-way, and shall be entitled, at all times, to cross, have access to and use the improvements located thereon; however, any such improvements placed upon such Side Lot Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and the location of such improvements shall not impede the natural flow of water across the Lot. The Owner of each Lot subject to said Side Lot Utility Easements shall be responsible for (i) any and all repairs to the driveways, walkways, steps, air conditioning units and equipment which cross or are located upon such Side Lot Utility Easements and (ii) repairing any damage to said improvements caused by any public utility, cable television company or other entity in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Side Lot Utility Easements.

(d) The Owner of each Lot shall indemnify and hold harmless Declarant, public utility companies, cable television company and all other entities having facilities located over, across or under utility easements from any loss, expense, suit or demand resulting from injuries to persons or

damage to property in any way occurring, incident to, arising out of, or in connection with said Owner's installation, maintenance, repair or removal of any permitted improvements located within utility easements, including where such injury or damage is caused or alleged to be caused by the sole negligence of Declarant or by a public utility, cable television company or other entity or the employees, officers, contractors or agents of the indemnified parties.

(e) In no event shall any Owner construct, maintain or use an Improvement or Improvements within any utility easements located along the rear of such Owner's Lot other than landscaping plants such as grass, trees and shrubs.

(f) In addition to the utility easements shown on the Subdivision Plat, there is hereby dedicated a five foot wide easement, extending from the surface of the ground downward, and said easement being two and one-half feet on each side of underground electric service lines as now or hereafter constructed and will extend along the route selected by Entergy from Entergy's distribution facilities to the electric meter when and as located upon Lots and Reserves in the Subdivision. Entergy shall have the right to excavate said Lot easement strip, and to remove objects, structures, growth or protrusions thereon.

Section 2.06 Road and Street Easements. The roads and streets in the Properties are dedicated to the public. Subject to the terms and conditions of this Section 2.06, the roads and streets in the Properties as shown on the Plat are hereby dedicated as utility easements strictly for the purpose of constructing, operating, maintaining or repairing systems of electric lighting, electrical power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, or any other utilities that Declarant sees fit to install (or permit to be installed) in, across and/or under the Property.

ARTICLE III Use Restrictions

Section 3.01 Land Use and Building Type. All Lots shall be known and described as lots for single family detached residential dwellings only (hereinafter sometimes referred to as "Residential Lots"), and no structure shall be erected, altered, placed or permitted to remain on any Residential Lot other than one single family dwelling with an attached fully enclosed garage for not less than two nor more than four cars. The garage will be available for parking automobiles at all times without any modifications being made to the interior of said garage. Such garage shall be constructed at the same time as the dwelling and act as an integral part of the residential structure, constructed with the same design, color and materials as the residence. Occupancy of the dwelling shall not be authorized until the garage is complete. The residential dwelling shall not exceed a height of thirty-five feet. The height shall be measured from where the highest point on natural grade of the Lot abuts the structure, except where the slab must be elevated above the natural grade to achieve minimum slab elevation as required by the Committee. In this situation, the height shall be measured from the minimum slab elevation established by the Committee.

As used herein, the term “Residential Purposes” shall be construed to prohibit the use of said Lots for 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 purpose. Each Lot may only be used for a single family residence. The rental of a dwelling for occupancy as a residence shall not be construed as a business. No building of any kind or character shall be moved onto any Lot without written permission of the Committee; however, no residential dwelling shall be moved onto any Lot.

No manufactured homes or mobile homes are allowed on any Lot.

Section 3.02 Carports. Carports may be approved by the Committee, however in no case shall they substitute for the two car garage requirements. No carport shall be erected or permitted to remain on any Lot without the express prior written approval of the Committee. Approval of carports is within the sole and absolute discretion of the Committee and, if approved, must be an integral part of the residential structure and constructed with the same design, color and materials as the Residential Dwelling. Only motor vehicles, as identified in Section 3.21 of this Article, shall be parked or stored in a carport. If a carport is utilized it must be loaded from the rear Lot line.

Section 3.03 Architectural Control. No Improvement shall be erected, placed or altered on any Lot until the construction plans and specification and a plot plan showing the location of the Improvement thereon have been approved by the Committee. In evaluating Improvements, the Committee will consider its harmony with existing structures, design, color, location with respect to topography and finished grade elevation and compliance with minimum construction standards more fully provided for herein and any other information the Committee feels is important in its decision to approve or disapprove proposed Improvements. The Committee is authorized to grant variances from these Covenants if in its sole and absolute discretion the variance is reasonable and the Improvement is not inconsistent with the general scheme and harmony of the development. Improvements may not be commenced upon a Lot until the Builder has been approved by the Committee. In evaluating a Builder, the Committee may require the submission of items showing the Builder's experience, reputation, financial condition and ability to comply with the Committee's rules.

Section 3.04 Dwelling Size. The minimum square footage of the total living area of the main residential structure, exclusive of open porches, garages and/or carports, and servants quarters, shall be 1600 square feet.

Section 3.05 Type of Construction, Materials and Landscaping.

(a) The Committee must approve the exterior finish to be applied to Improvements. The Committee's approval or rejection of the type of exterior finish materials as well as the color of the exterior finish shall be final. In approving or rejecting any proposed exterior finish, the Committee will endeavor to assure the compatibility of the proposed exterior finish as that used throughout the Properties. Further, the Committee may chose to publish the exterior finish criteria for the various areas of the Property.

(b) No external roofing material shall be used on any Improvement in any part of the Properties without the written approval of the Committee. No approval is required for a like-for-like replacement of roofing materials. Roof vents, vent stacks, galvanized roof valleys and other roof items must be painted to match the roof materials. Roof items that appear on cedar shingle roofs must be painted in such a manner that the color matches a weathered cedar shingle.

(c) 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.

(d) 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 a serviceable condition.

(e) Landscape layout and plans shall first be approved by the Committee before work commences.

(f) All roof ventilation (other than ridge ventilators) shall be located to the rear of the roof ridge line and/or gable of any structure and shall not extend above the highest point of such structure, so as not to be visible from any street. The Committee shall have the right to approve the exceptions to the foregoing in cases where energy conservation and heating/cooling efficiency require ventilators that, because of the particular roof design, cannot be hidden from view.

Section 3.06 Building Location. No main residence, garage or carport nor any part thereof shall be located on any Lot nearer to the front or rear lot line or nearer to the side street lot line than the minimum building lines as shown on the Subdivision Plat. If no set back is shown on the Subdivision Plat, then the minimum set back shall be 25 feet from the front lot line, 5 feet from the side lot lines and 15 feet from the rear lot line. For the purpose of this covenant, eaves and steps shall not be considered as part of the building when evaluating encroachments of the set back lines shown on the plat or stated above, except that any Owner of one or more adjoining Lots may, with the written permission of the Committee, merge such Lots into one building site with the privilege of placing or constructing improvements on such resulting site, in which case side setback lines shall be measured from the resulting side lot lines rather than the lot lines as indicated on the recorded plat and such composite building site shall thereupon be regarded as a "Lot" for the purposes of this Article III, Section 3.06 only. Upon written request, the Committee may approve deviations from the building location requirements provided such deviations do not alter the scope and intent of these Covenants.

Section 3.07 Foundation Requirements. All building foundations shall consist of a concrete slab, unless the Committee approves a different type of foundation. The finished floor elevation for all structures shall be above the 100 year flood plain as established by applicable governmental authorities. All residential foundations for all Lots in the subdivision must be a minimum of eight inches above finished grade of the Lot at the foundation perimeter. The Committee does not determine whether the structural integrity of the slab is adequate. A structural engineer should be consulted on these matters. The foundation plan shall have an engineer's seal

with the engineer's original signature attached prior to approval by the Committee. Sufficient soil investigation should be obtained for proper foundation design. The Committee may make deviations in the above foundation requirements provided such deviations do not alter the scope and intent of these Covenants.

Prior to any concrete being placed, a survey of the forms must be made by a registered surveyor and the survey plat shall be provided to the Committee for review and approval of the location of the forms on the Lot. No concrete may be placed until such time as the Committee provides written approval of the location of the forms.

Section 3.08 Garages. Each residential structure must have either an attached or detached garage for not less than two nor more than four cars which must not open to the front lot line, that is, it must be loaded from the side of the Lot or from the rear of the Lot. In addition to the garage, if a carport is also utilized, the garage and carport must be loaded from the rear of the Lot.

Section 3.09 Annoyance or Nuisance. No noxious or offensive activity shall be carried on upon any Lot or upon any reserve of common area nor shall anything be done thereon which may become an annoyance or nuisance. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. Activities especially prohibited, include but are not limited to the following:

- a) The performance of work on automobiles or other vehicles upon the Lot or in driveways or streets abutting Lots except as permitted in Section 3.21 of this Article.
- b) The use or discharge of firearms, firecrackers or other fireworks within the Properties.
- c) Storage in excess of ten gallons of flammable liquids.
- d) Activities which may be offensive by reason of odor, fumes, dust, smoke, vision, vibration or pollution or which are hazardous by reason of excessive danger from fire or explosive.

Section 3.10 Temporary Structure. No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided, however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Properties as in its sole discretion which 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, and signs. Portable toilet facilities shall be placed at the construction site of all Residential Dwellings. Upon approval of the Committee, a Builder erecting a residential dwelling on a Lot for the Owner of such Lot may place a temporary construction office on the Lot. No garage, servant's quarters or other permitted accessory structure shall be erected, placed or maintained on any Lot until construction of the main residential dwelling has commenced. Any structure on which construction has commenced must be completed within a reasonable length of time not to exceed 180 days.

Section 3.11 Signs and Billboards. No signs, billboards, posters, or advertising devices of any character shall be erected, permitted or maintained on any Lot or plot without the express prior written consent of the Committee. All signs, billboards, posters and other advertising devices shall conform to the Committee's predetermined sign policy. The Association, Declarant or its agents shall have the right to remove any sign not complying with the above referenced policy and in so doing, shall not be liable and are expressly relieved from any liability for trespass of other tort in connection therewith or arising from such removal. The right is reserved by Declarant to construct and maintain such signs, billboards or advertising devices as is customary in connection with the general sale of property.

Section 3.12 Oil and Mining Operations. No water drilling, oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 3.13 Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as dumping ground for trash, garbage or other waste material. Trash, garbage or other waste materials shall not be kept on a Lot except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. Equipment for the storage or disposal of such trash, garbage or other waste material shall be kept in clean and sanitary condition. 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 may be placed upon such Lot at the time construction commences and may be maintained thereon for a reasonable time, as determined by the Committee, so long as the construction progresses without undue delay, until the completion of the Improvements, after which time these materials shall either be removed from the Lot or stored in a location that is not visible from the street in a suitable enclosure that is approved by the Committee on the Lot.

Section 3.14 Electric Distribution System. The type of electric service supplied to Owners will be alternating current at approximately 60 cycles per second, single phase, three wire, 120/240 volts and metered at 240 volts. It is understood and agreed that only electrical service of the characteristics described above, will be furnished by Entergy to the Property, and that such service will be from the electric distribution system to be installed by Entergy, and Owners agree that only electric service at 120/240 volts, single phase, three wires, will be available at each Lot. The utility easement areas dedicated and shown on the Subdivision Plat may be cleared and kept clear by any utility provider of all trees, bushes and other growth, including overhanging branches from trees or protrusions from structures located upon adjacent property, without payment to Owners by such utility for such clearing, cutting or trimming.

Declarant does hereby require that individual underground electrical service drops be installed from the transformer or pedestal servicing such Lot to each residence by the Owner. The Owner of each residence will therefore comply with utility company policy regarding such underground service installations, and Owners do hereby agree to pay any charges which might be

incurred for the installations of the underground service as set forth in the utility company's policy, including but not limited to the cost of transformers when determined necessary by the utility company. Entergy's policy is subject to change from time to time without notice. The Owners shall ascertain the location of their service drop and keep the area over the route of the service drops free of excavations and clear of structures, trees and other obstructions; and Entergy may install, maintain, repair, replace and remove said underground service drops, and open the ground for any such purpose or purposes; and no payment will be due or made by any utility provider for such use or activity.

Declarant hereby reserves the right to grant upon, across and over each Lot an easement and license along the perimeter boundaries of each Lot five feet in width measured from each boundary of each Lot, protruding from each boundary into the interior portion of each Lot, for the purpose of erection, construction, maintenance, repairs and the continuous placement of an electrical lighting system throughout the Property. This reserved right is expressly reserved on behalf of and for the benefit of Declarant and any public utility company, including but not limited to Entergy. This reserved right includes expressed right of Declarant and each public utility company to clear, grade and remove such obstructions including, but not limited to, trees, brush and other landscaping that Declarant or the public utility company deems necessary in order to effectuate the construction, erection, maintenance and continuous placement of the electrical lighting system hereby contemplated. Declarant further reserves unto itself and to any such public utility company, the expressed right to enter upon any Lot for the purpose of construction, installation, maintenance, repair and continuous placement of the electrical lighting system contemplated hereunder and to remove any obstruction as might exist within this designated area, and such shall not be deemed to be trespass in any respect to the rights of the Owner of the Lot. Each Owner, by acceptance of a deed to a Lot, does acknowledge the existence of this reserved right and the rights hereunder created, such right being for the expressed benefit of each other Lot in the Properties. Neither Declarant nor any public utility company acting under the easement license or rights referred to herein shall be liable for any damages done by it or its assigns, agents, employees or servants to any fences, shrubbery, trees, flowers or any other property of the Owner situated on the Lot by this easement and license.

Section 3.16 Walls, Fences and Hedges. Plans and specifications for fences and walls shall be submitted to the Committee in the form required by the Committee, and no fence or wall shall be erected on a Lot until the plans and specifications are approved by the Committee. Except as otherwise provided herein, no walls or fences shall be erected or maintained nearer to the front of any Lot than the front of the Residential Dwelling constructed on the Lot, or, on corner lots, nearer the side lot line than the side lot building line parallel to the side street as shown on the Subdivision Plat. Except as otherwise provided herein, all fences on any waterfront Lot must be of ornamental iron construction unless otherwise approved by the Committee and may not exceed four feet in height. All walls and fences on interior Lots may be of ornamental iron, masonry or wood construction with a height of no more than six feet, as approved by the Committee. (Declarant may construct fencing ten feet tall at entrances to the Properties.) Unless otherwise approved by the Committee, all ornamental iron fences shall be black in color and of a design that conforms to the Committee's predetermined plan for fencing. No chain link fences shall be erected, placed or permitted to remain on any Lot. Each wooden fence exposed to view from the street adjacent to the

Lot shall be built so the finished side faces the street. No fence shall be installed which will impede the natural flow of water across the Lot. Unless otherwise approved by the Committee, pilasters which are in harmony with the main residential structure shall be used in conjunction with ornamental iron fences. Ownership of any wall, fence or hedge erected as a protective screening on a Lot shall pass with title to the Lot, and it shall be the Owner's responsibility to maintain protective screening. In the event of default on the part of the Owner or occupant of any Lot to maintain protective screening and such failure continues after ten days written notice, the Association, at its option, without liability to the Owner or occupant in trespass or otherwise, may, in its discretion, enter upon the Lot and cause the protective screening to be repaired or maintained or do any other thing necessary to secure compliance with these Covenants, so as to place the protective screening in a satisfactory condition and may charge the Owner or occupant of the Lot for the cost of the work performed. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the Lot to pay the statement immediately upon receipt thereof, and all such payments owed to the Association, shall, likewise, be secured by a Vendor's Lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VI herein.

ADDITIONAL RESTRICTION FOR LOTS BORDERING LONE STAR PARKWAY (Lots 11, 12 and 13 in Block 1 and Lots 32-39 in Block 2 of Buffalo Springs Section 2): No Improvement located upon a Lot that borders Lone Star Parkway may be occupied until such time as the owner of the Lot obtains approval for and erects a fence along the Lot's boundary line that is adjacent to Lone Star Parkway in accordance with the Fence Specification attached hereto and labeled Exhibit B. The Owner of a lot bordering Lone Star Parkway further covenants to repair and maintain such fence to the satisfaction of the Association. In the event of default on the part of the Owner or occupant of any Lot to build, repair or maintain the fence as required by this paragraph and such failure continues after ten days written notice, the Association, at its option, without liability to the Owner or occupant in trespass or otherwise, may, in its discretion, enter upon the Lot and cause the fence required by this paragraph to be built, repaired or maintained or do any other thing necessary to secure compliance with this paragraph and may charge the Owner or occupant of the Lot for the cost of the work performed. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the Lot to pay the statement immediately upon receipt thereof, and all such payments owed to the Association, shall, likewise, be secured by a Vendor's Lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VI herein.

Section 3.17 Utilities. No privy, cesspool or septic tank shall be placed or maintained upon or in any Lot. The installation and use of any propane, butane, LP gas or other gas tank, bottle or cylinder of any type (excluding those normally associated with outdoor barbecue grills) shall require the prior written approval of the Committee and shall be screened from public view. All telephone, electric, cable or other service lines shall be installed underground.

Section 3.18 Views, Obstructions and Privacy. In order to promote the aesthetic quality of Buffalo Springs, the Committee shall have the right to review and approve any item placed on a Lot including, but not limited to the following:

- a) The location of all windows and the type of proposed window treatments and exposed window coverings, including window and reflective film.
- b) The probable view from second story windows and balconies and decks (particularly where there is a potential invasion of privacy to an adjoining Lot).
- c) Sunlight obstructions.
- d) Roof top solar collectors,
- e) Flagpoles, flags, pennants, ribbons, streamers, wind sock and weathervanes.
- f) Storage sheds.
- g) Fire and burglar alarms which emit lights or sounds.
- h) Children's playground and recreational equipment.
- I) Exterior lights.
- j) Ornamental statuary, sculpture and/or yard art visible from a street or common area excluding those which may be part of an otherwise approved landscape plan.
- k) The location of the Residential Dwellings and other Improvements on the Lot.

Prohibited items. The following items are prohibited from appearing within the Properties:

- a) Clotheslines, reels, hanging circles and other exterior clothes drying devices.
- b) Above ground swimming pools.
- c) Window unit air conditioners.
- d) Signs (except for certain approved "For Sale" and "For Lease" signs).
- e) Storage of more than ten gallons of fuel outside of regular vehicle gas tanks.
- f) Unregistered or inoperable motor vehicles.

Section 3.19 Lot/Yard Maintenance. The front, rear and side yards of all corner lots, and the front and side yards of all other lots shall be landscaped in compliance with the Landscape plan submitted in accordance with Section 4.01. Such landscaping shall be in accordance with the Committee's standards. Unless otherwise provided for herein, such landscaping is to be completed prior to the date of occupancy of the Residential Property. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials 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 of any kind thereon and shall not burn anything. The Owner or occupant of any Lot at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard or portion of the Lot is visible to public view, as determined by the Committee, shall construct and maintain suitable enclosures to screen yard equipment, wood piles or storage buildings, which are incidental to the normal residential requirements of a typical family, from public view. 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, upon three days written notice to the Owner of the Lot, the Association may begin assessing a fee of \$50 per day for each day the default continues. It is further agreed that should such default continue after ten days written notice thereof, the Association may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon the offending Lot and 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 Covenants so as to place the Lot in a neat, attractive, healthful 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 occupancy of a Lot to pay such statement immediately upon receipt thereof, and all such charges by the Association shall be secured by a lien in the same manner as the Maintenance Charges payable in accordance with Article VI herein. Such charge, together with interest thereon at the highest rate permitted by applicable laws from the date due until paid and all costs of collection, including reasonable attorney's fees, shall be secured by a Vendor's Lien for the benefit of the Association which is hereby retained against each Lot. Said lien shall be deemed subordinate to the lien or liens of any bank, insurance company or other lender, which hereinafter lends money for the construction (including improvements) and/or permanent financing of improvements on such property and/or for purchase money loans and/or for home equity loans, provided, however, that said lien shall remain in full force and effect until paid or released by the Association through appropriate proceedings at law.

The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as may be necessary in conjunction with the landscaping of or construction on the Lot. Unless otherwise approved by the Committee, no trees shall be cut or removed except to provide room for construction of Improvements, to remedy a hazard to the structural integrity of the slab or to remove dead or unsightly trees.

During the construction of residential dwelling, the Owner is required to remove and haul all trees, stumps, limbs, branches, etc. from the Properties. No tree shall be removed from any Lot without the prior written approval of the Association. Declarant, during construction of the water, sewer, streets and drainage facilities may burn and dispose of, trees, stumps, underbrush and other trash cleared during the construction process.

No Owner or the Owner's Agent may enter upon the Owner's Lot without the installation of culverts and slopes. Culverts and slopes for the driveway must be installed to proper grade height. Driving through the any ditch to gain access to a Lot is prohibited.

No Owner or Builder may enter upon the Lot adjacent to the one on which he is building for the purposes of ingress or egress to his Lot during or after construction unless such adjacent Lot is also owned by such Owner or such Owner has written approval from the adjacent Lot Owner. Such approval must be furnished to the Committee. All such adjacent Lots shall be kept free of any trash, rubbish and/or any other building debris.

Section 3.20 Motor Vehicles. No unlicensed motor vehicles shall be allowed within the Properties. Motor bikes, motor cycles, motor scooters, "go-carts," or other similar vehicles shall not be permitted to be operated on the Properties, if, in the sole judgment of the Association, such operation, for reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance or jeopardize the safety of the Owners, his tenants and their families.

Section 3.21 Storage and Repair of Automobiles, Boats, Trailers and other Vehicles. No motor vehicle shall be parked or stored on any part of any Lot, easement, right-of-way, or any other

area unless such vehicle is concealed from public view inside a garage or other approved enclosure, except passenger automobiles, passenger vans or pickup trucks that are in operating conditions and are regularly used by the Owner; have current license plates and inspection sticker; and 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, seven feet, seven inches in width and twenty-one feet in length, may be parked in the driveway on such Lot. No non-motorized vehicle, trailer, boat, marine craft, hover craft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, easement, right-of-way or any other area unless such object is concealed from public view inside the garage or other approved enclosure. The term "approved enclosure" shall mean an enclosure that has been previously approved by the Committee. No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway, or any portion of the Properties. If a complaint is received about a violation of any part of this section, the Association will be the final authority on the matter and may have any offensive item removed at the expense of the Owner of the item. This restriction shall not apply to any vehicle, machinery, or maintenance equipment temporarily parked and in use for the construction, repair or maintenance of infrastructure associated with the Property or of a house or of any other structure. No Owner of any Lot or visitor or guest of any Owner, occupant or resident shall be permitted to perform work on automobiles or other vehicles in driveways or streets other than work of a temporary nature. Owners, visitors and guests are encouraged not to park vehicles in the streets and may not park vehicles in the streets overnight. No vehicle shall be parked in such a manner as to block or otherwise restrict the free and unencumbered access to sidewalks.

Section 3.22 Antennae and Satellite Dishes. No electronic antenna or device for receiving or transmitting any signal of any type shall be erected, constructed, placed or permitted to remain on any Lot unless approved by the Committee. The Committee may allow the installation of satellite dishes if in the sole opinion of the Committee the location of said dish does not unnecessarily affect the views or aesthetics of the Property. The Committee's decision shall be final. Unless otherwise approved by the Committee, no satellite dish may be maintained on any portion of any Lot outside the building lines of said Lot or forward of the front of the Improvements thereon. A satellite dish may not exceed eighteen inches in diameter and must be mounted as to not be visible from the street. All dishes shall be of one solid color of black or earth tones of brown, gray or tan. The expanded metal type dish is recommended. No multicolored dishes shall be permitted. No advertising or the printing of names of any type shall be permitted on the dish and associated equipment. No more than one satellite dish shall be permitted on each Lot. No transmitting device of any type which could cause electrical or electronic interference in the neighborhood shall be permitted. Committee approval is required prior to the installation of any satellite dish. The Association reserves the right to seek the removal of any dish that violates these restrictions or any that were installed without first obtaining approval from the Committee.

Section 3.23 Solar Panels. All solar panels installed shall be framed in such a manner so the structural members are not visible. The framing material shall be one that is in harmony with the rest of the structure. Committee approval is required prior to the installation of any solar panels. The Association reserves the right to seek the removal of any solar panel that violates these restrictions or that was installed without first obtaining approval from the Committee.

Section 3.24 Pets. No horses, cows, hogs, poultry, or livestock of any kind (other than house pets in reasonable kind and number) may be kept on any Lot. Should such pets become a nuisance in the opinion of the Association, they must be removed from the Lot and the Properties. No pets are to run at large. All pets must be on a leash.

Section 3.25 Drainage. Each Owner of a Lot agrees that he will not in any way interfere with the established drainage pattern over his Lot from adjoining Lots or other Lots in the Properties. Any changes necessary in the established drainage pattern must be included on the Owners plans and specifications when submitted to the Committee. Such drainage plans shall be subject to the Committee's approval. Each Owner agrees that he will take all necessary steps to provide for additional drainage of his Lot in the event it becomes necessary. Established drainage shall be defined as drainage that exists at the time Declarant completes all grading and landscaping within the Properties. If an Owner wishes to change the established drainage and is not at that time constructing a home, a drainage plan must be provided to the Committee for approval. No pockets or low areas may be left on the Lot where water will stand following a rain or during normal yard watering. With the approval of the Committee, an Owner may establish an alternate drainage plan for low areas by installing underground pipe and area inlets or other such methods as approved by the Committee.

Section 3.26 Concrete Curb/Driveway Maintenance. The Owner or occupant shall at all times keep the entrance lip, culvert, driveway curb, curb ties, and curb along the street adjacent to the Owner's Lot in a good state of repair and attractive in appearance. In the event of any default by the Owner or other occupant of a Lot in observing the above requirements, which default is continuing after thirty days written notice thereof to the Owner or occupant as applicable, the Association or its designated agents may at its option, without liability to the Owner or occupant in trespass or otherwise enter upon Owner's Lot and make such repairs as deemed necessary by Declarant or the Association to ensure compliance with this covenant, so as to place such driveway entrance and street curb in a good state of repair and attractive appearance and may charge the Owner or occupant of such Lot for the cost of such work. Such charge, together with interest thereon at the highest rate permitted by applicable laws from the date due until paid and all costs of collection, including reasonable attorney's fees, shall be secured by a Vendors Lien for the benefit of Declarant or the Association, whichever the case may be, which is hereby retained against each Lot in Buffalo Springs. Said lien shall be deemed subordinate to the lien or liens of any bank, insurance company or other lender, which hereinafter lends money for the construction (including improvements) and/or permanent financing of improvements on such property and/or for purchase money loans and/or for home equity loans, provided, however, that said lien shall remain in full force and effect until paid or released by the Association through appropriate proceedings at law. All culvert sizes and elevations must be approved by the Committee and any other governmental agencies having jurisdiction.

Section 3.27 Driveways. Driveways may be built of brick, stone, concrete, or other materials approved by the Committee. All concrete driveways shall be constructed with quality concrete, four and one-half sacks of cement per cubic yard and be reinforced with a minimum of 6 gage, 6"x6" welded wire mesh. Driveways width shall be a minimum of ten feet. Driveways shall

be constructed so as to prevent normal street flooding from entering upon the adjoining Lot accessed by the driveway. The Committee shall have the right to approve the location of the driveway on the Lot. No driveway shall be located on side building lines without written approval from the Committee. No Residential Dwelling shall be occupied until the driveway is completed.

Section 3.28 Walkways/Sidewalks. A sidewalk constructed from crushed granite a minimum of three inches thick shall be located upon each Lot at the time the driveway is installed. The Committee shall have the right to approve the location of the sidewalk on the Lot. The crushed granite sidewalk shall be rolled with a vibrating compactor at the time of installation and shall be maintained by the Owner of the Lot to the satisfaction of the Association.

Section 3.29 Swimming Pools. No swimming pool may be constructed on any Lot without the prior written consent of the Committee. Two sets of plans and specifications for the proposed pool shall be submitted to the Committee including a plot plan showing the location and dimensions of the pool and related Improvements together with the plumbing and excavation disposal plan.

Section 3.30 Restrictions for Waterfront Lots. Any Lot which abuts a lake, pond, stream, river, canal or other waterway (hereinafter collectively referred to as "Waterways") shall be subject to the following additional restrictions:

(a) No wharf, pier, bulkhead or other structure or obstruction shall be built or maintained upon any waterfront site or into or upon any Waterway on or adjacent to an Owner's Lot except with the written approval of the Committee and all governmental authorities, if any, having jurisdiction over the Waterway. No structure or obstruction shall be permitted if it threatens safe navigation upon such Waterway or the safe and convenient use of such Waterway as a recreation facility. In addition to the requirements of Section 3.16, unless otherwise approved by the Committee, only ornamental iron fences shall be permitted to be erected on Lots that adjoin or abut a Waterway.

(b) No boat canal shall be constructed or installed upon any Lot, or upon any land that is accessed through any Lot, nor shall any facility or device be constructed or installed upon any Lot which shall in any way alter the course of or natural boundaries of any Waterway, or which shall involve or result in the removal of water from any Waterway except with the specific written approval of the Committee (as hereinafter defined) and all governmental authorities, if any, having jurisdiction over the Waterway.

(c) No hoists, launching facilities or similar structures or equipment shall be installed, constructed or maintained upon any Lot, or upon any land that is accessed through any Lot, except with the specific written approval of the Committee (as hereinafter defined) and all governmental authorities, if any, having jurisdiction over the Waterway.

(d) No boat of any kind shall be operated upon any Waterway within the Property that has a surface area of two acres or less, without the prior written approval of Declarant. Further, no swimming, tubing, floating or any similar activity is permitted upon any Waterway within the Property regardless of the surface area of the Waterway.

(e) Each boat operated upon any Waterway shall be operated at a speed where no wake is created or 5 miles per hour, whichever is less.

(f) Owners of Lots that adjoin or abut a Waterway shall maintain the Waterway and its shores and dam, as applicable, with the oversight of the Association. No changes to a Waterway or to its shores or dam may be made without the written consent of the Association.

Section 3.31 Mailboxes. Mailboxes are to be located in front of each single family residence and must conform to the design set forth by the Committee. The mailbox design approved by the Committee may be obtained from the Committee at the time of plan submission. Prior to the construction of each mailbox, the location, design and color selections must be approved in writing by the Committee. Any mailbox structure placed upon a Lot without the written approval of the Committee will be removed and the expense of removing the non-conforming mailbox may be deducted from the Compliance Deposit required of Section 4.01.

ARTICLE IV Architectural Control Committee

Section 4.01 Approval of Improvement Plan. No Improvement shall be erected, placed or altered on any Lot until the Committee has issued a building permit therefor. In order to apply for a building permit, the Builder Owner or the Owner and the Owner's Builder must complete an application for a building permit on the form required by the Committee, submit two complete sets of construction plans (drawn to scale) and specifications which must include a floor plan, elevations, roof plan, site plan, drainage plan, landscaping plan, tree removal plan, foundation plan having an engineer's seal with the engineer's original signature, soil report, shingle color and type, exterior paint colors and samples of exterior cladding together with such other information as the Committee may request. Additionally, the Builder Owner or the Owner and the Owner's Builder must post a \$2500 compliance deposit but no Builder Owner will be required to have more than two compliance deposits on account with the Committee at any one time. Upon approval of the construction plans and specifications, one set will be retained by the Buffalo Springs Architectural Control Committee and the second set will be returned to the Builder Owner or to the Owner as the case may be. In the event the Committee disapproves the construction plans and specifications, they will be returned to the Builder Owner or to the Owner as the case may be. Any building permit issued by the Committee will lapse if construction of the Improvements does not begin within two months of the date of the issuance of a building permit by the City of Montgomery.

The approval or rejection of construction plans and specifications shall be within the sole and absolute discretion of the Committee. Failure on the part of the Committee to act within sixty days following date of submission of the required plans and specifications shall constitute approval. The Committee may charge a reasonable fee to cover the administrative expense of its review and comment, such fee to be payable to the Committee. A form survey prepared by a registered surveyor in the State of Texas shall be submitted to the Committee prior to pouring the foundation of any building or Improvement that is to be erected, placed or altered on any Lot.

Section 4.02 Committee Membership. Declarant, in its sole discretion, shall appoint the members of the Committee which will consist of three members, none of whom shall be required to be residents of Buffalo Springs. The Committee shall and will act independently of the Association.

Section 4.03 Replacement. In the event of death or resignation of any member or members of said Committee, Declarant 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 authority to approve or disapprove plans, specifications and plot plans submitted or to designate a representative with like authority. In the event Declarant fails to appoint successor members, the Association shall make such appointments.

Section 4.04 Minimum Construction Standards. The 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 may be amended from time to time.

Section 4.05 Disclaimer. No approval of plans and specifications and no publication or designation of architectural standards shall ever be construed as representing or implying that such plans specifications or standards will result in a properly designed structure or satisfy any legal requirements.

Section 4.06. Non-Liability for Committee Action. No member of the Committee, the Association Board of Directors, their successors or assigns, or Declarant shall be liable for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Committee unless due to the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Committee shall not be responsible for reviewing, nor shall its approval of any Improvement or modification to any Improvement on a Lot be deemed approval of the Improvement or modification of Improvement from the standpoint of safety, whether structural or otherwise, or conformance of building codes or other governmental laws or regulations.

Section 4.07. Administration of Compliance Deposit. The Committee will refund the Compliance Deposit required by Section 4.01, less any permitted charges thereto, upon substantial completion of the Improvements approved upon the Lot. Determination of substantial completion shall be within the sole discretion of the Committee and will not be deemed to have occurred until such time as the exterior of the Improvements being constructed is complete, the Lot is landscaped in compliance with the Landscaping plan, the Lot is free of construction waste and other debris, the City of Montgomery has issued a Certificate of Occupancy (to the extent applicable) and all construction equipment has been removed from the Lot. For each rule of the Committee that is violated by a Builder Owner, an Owner or a Builder, the Committee, within its sole and absolute discretion, may charge a fee of \$250 per day for each day the violation exists which will be deducted from the compliance deposit. Additionally, should any damage be done to any portion of the infrastructure of the Property due to construction activities on any Lot or that result from negligent or intentional actions of persons hired to complete construction activities on any Lot, or should it be necessary to clean streets, curbs, or other property due to construction activities on any Lot or due

to the persons hired to complete construction activities on any Lot, the costs thereof along with a 20 percent handling fee shall be assessed against the Owner or the Builder Owner of the Lot.

Section 4.08. Rules. The Committee shall have the authority to adopt rules related to construction of Improvements. Prior to any construction activity on a Lot for which there is not a home with restroom facilities available to construction personnel, a portable toilet must be on site. Prior to the time framing of a new home begins, a roll-off container must be on site and a debris fence constructed of material approved by the committee and of a height approved by the committee must be erected along the lot line other than the lot line opening to the street to which the Improvements face. The debris fence must be maintained in first class order throughout the period of time during which the construction activities take place. Each day all trash and construction debris shall be picked up and placed in the roll-off container. Any street within the Property onto which mud is tracked from a Lot shall be promptly cleaned up. No concrete truck may wash out at any location other than on the Lot where the construction activities are taking place. Construction hours are 7:30 A.M. to 6:30 P.M., Monday through Friday and 9:00 A.M. to 5:00 P.M. on Saturday and Sunday. No construction will be permitted on holidays without specific approval from the Committee. Radios are not be permitted at any time. No materials or equipment shall be permitted on adjacent Lots without written approval from both the Owner of any adjacent Lot and the Committee. It is the responsibility of the Builder Owner / Builder to inform all sub-contractors of the rules and regulations.

ARTICLE V Buffalo Springs Association

Declarant created a Property Owner's Association that was organized and formed as a non-profit corporation under the laws of the State of Texas. The purpose of the Association in general shall be to provide for and promote the health, safety, and welfare of the members, to collect the maintenance charges, to administer the maintenance fund, to provide for the maintenance, repair, preservation, upkeep and protection of the common properties and facilities within the Property and such other purposes as are stated in the Articles of Incorporation and consistent with the provisions of the restrictions and all supplemental or amended restrictions.

The Association shall consist of all of the Owners of Lots in Buffalo Springs Section Two and any other section of Buffalo Springs or other land having a straight line distance of no more than 10 miles of any land within Buffalo Springs Section One which may subsequently be included as a part of the Association by Declarant. Declarant reserves the right to create other property owners' associations for other sections of Buffalo Springs and if other property owners' associations are created, Declarant shall exclusively determine which association will govern the other sections of Buffalo Springs. The name of the Association is Buffalo Springs Association.

Such Association may adopt such By-laws, Rules and Regulations as it deems appropriate consistent with these restrictions and its articles of incorporation.

Declarant shall be a member of the Association if it owns legal title to any Lot in the subdivision which has not been conveyed to a third party by contract of sale or deed.

ARTICLE VI Maintenance Charges

Section 6.01 Association's Use of Initiation Fee and Use of Maintenance Fund. Each Lot shall be subject to a one time initiation fee of \$150.00 and an initial annual maintenance charge of \$100.00 to be used for the purpose of maintaining common areas, maintenance and installation of streets, paths, parks, pathway esplanades, electronic gates, brick walls, fences, vacant lots, lighting, fogging, employing police and workers, paying ad valorem taxes on all common areas, cost of administration of the fund and other purposes necessary or desirable in the opinion of the Administrator of such fund to maintain or improve the Property of which it considers to be a general benefit to the Owners or occupants of the Property. Such funds may also be used for the purpose of enforcement of all covenants and restrictions of this section or subsequent sections of Buffalo Springs that are governed by Buffalo Springs Association. The amount of the maintenance charge shall be set by the Administrator of the fund from time to time, which necessarily includes the right to increase the maintenance charge, subject to the limitations contained herein.

Declarant shall collect and maintain control over the maintenance fund and administer same until each Lot, including Lots in other sections of Buffalo Springs that are governed by Buffalo Springs Association is sold by Deed or Contract or until December 31, 2013; which ever comes first, or at any earlier time if Declarant so elects. At that time, the administration of such fund shall be transferred to the Association. After transfer, no association, group, corporation, individual or entity other than the Association shall be authorized to collect and administer the maintenance fund.

The maintenance charge shall be paid annually in advance by January 31st of each year. The maintenance charge will not accrue against any Lot in which the legal and/or equitable title is vested in Declarant, notwithstanding that a Lot may have been previously sold by a Deed or Contract and title thereto reverted back to Declarant. During the time that such fund is administered by Declarant, the charge may be increased but no more than once each twelve months and no increase shall be more than twenty percent of the existing charge. However, after the Association assumes administration of responsibilities, the Association may adjust such rates pursuant to the rules and regulations of the Association. The annual assessment per Lot may be increased by the Association when it assumes administration of the fund in accordance with its by-laws. Interest on past due charges shall accrue at the highest rate allowable by law from date of delinquency. The payment of such maintenance fund shall be secured by a Vendor's Lien to insure payment of such maintenance charge in accordance with the provisions of law. In the event it becomes necessary to employ legal counsel to collect past due maintenance charges, such delinquent Lot Owners shall be responsible for reasonable attorney's fees and other reasonable costs incurred in such collection efforts including all costs of Court in any legal proceeding. No Owner may waive or otherwise escape liability for the maintenance charge provided for herein by non-use of the Common Area or abandonment of his Lot.

The Administrator of the Maintenance Fund shall have the sole discretion as to how such money shall be used to comply with the provisions of this Article. During all times that Declarant is the Administrator of such funds, it shall maintain the proceeds in an account separate and apart from all other accounts of Declarant and shall keep accurate records of all receipts and disbursements. In the event Declarant is compelled to advance its own funds to defray expenses of maintenance of the facilities and properties to be maintained by the fund, Declarant shall be entitled to repayment at such time as the Maintenance Fund has the ability to pay.

Section 6.02 Enforcement of Maintenance Fee Collection. Each such assessment not paid when due shall incur a late fee of \$30.00 or thirty percent of the amount due, whichever is greater. Each such assessment and late fee, if not paid when due, will be charged interest at the highest legal rate as permitted by Texas law together with the costs of collection, including reasonable attorneys fees, shall be a personal obligation of the Owner against whom they were assessed and shall be secured by a lien as provided herein. To secure the payment of the maintenance fund established hereby and to be levied on each Lot, there shall be reserved in each Deed (whether specifically stated therein or not) by which Declarant shall convey such Lots, a Vendor's Lien for the benefit of the Administrator of the fund, whether Declarant or the Association. Said lien is to be enforceable through appropriate proceedings at law by such beneficiary; provided, however, that each such lien shall be secondary, subordinate, and inferior to all liens, present and future, given, granted and created by or at the instance and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the construction, improvements, for purchase money loans or for home equity loans on any such Lot to the extent of any such maintenance fund charge accrued and remains unpaid prior to foreclosure of any such construction lien.

Section 6.03 Term of Maintenance Fees. The above maintenance charges and assessment will remain effective for the full term (and extended term, if applicable) of the Covenants.

Section 6.04 Collection after Default by Owner. It is specifically stated and agreed that any Lot sold to persons or entities by Declarant by contract for sale of land or deed with lien and note or other instrument and the Owner defaults in the contract or note payments in any manner and the Lot is repossessed, foreclosed or such contract canceled by Declarant, its successors or assigns, the Association will release its right to collect the past due maintenance charges, assessments and penalties on such Lots from Declarant. Nothing herein contained shall relieve the purchaser in default from whom the Lot was repossessed from his personal obligation to pay such delinquent charges, assessments and penalties to the Association.

Section 6.05 Transfer Fee. A Transfer Fee of \$150.00 will be paid to the Association each time record title is changed. This fee shall be used to cover administrative expenses incurred due to changes.

ARTICLE VII
PROPERTY SUBJECT TO THESE COVENANTS;
ANNEXATION OF ADDITIONAL LANDS

Section 7.01 Covenants of Property. The Property encumbered by these Covenants is a portion of a larger area of land owned by Declarant. Declarant intends to annex certain portions of such larger area of land, and other lands now owned or hereafter acquired, to the lands encumbered by these Covenants, and subject the same to the terms of these Covenants in the manner prescribed in Section 7.02 hereof. Each Owner, by the act of becoming such, shall be taken to have acknowledged and agreed that:

(a) the property described in these Covenants and such other property as may be annexed pursuant to Section 7.02 hereof shall be the only property subject to these Covenants;

(b) nothing contained in these Covenants or in any other recorded or unrecorded plat, map, picture, drawing, brochure or other representation or scheme of development shall be construed as subjecting or requiring Declarant or any successor or assignee to subject to these Covenants any other property or land now or hereafter owned by Declarant, other than that land described in Exhibit A attached to these Covenants; and

(c) the only manner in which any additional land can be subjected to the Covenants shall be in accordance with the procedure set forth in Section 7.02 hereof.

Section 7.02 Annexation of Additional Land. Declarant may, from time to time, annex additional lands to the Property lying within ten miles of the lands subject to these Covenants, and thereby subject the same to the Covenants by the execution and filing for record in the Real Property Records of Montgomery County an instrument expressly stating the intention of Declarant to so annex, and describing such additional lands to be so annexed.

ARTICLE VIII
General Provisions

Section 8.01 Term/Enforcement. The provisions hereof shall run with the Property and shall be binding upon all Owners and all persons claiming under them for a period of forty years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten years each, unless an instrument, signed by not less than two-thirds of the then Owners (including Declarant) of the Lots has been recorded agreeing to cancel, amend or change, in whole or in part, this Declaration.

Declarant, the Committee, Buffalo Springs Association, the City of Montgomery and each Owner of a Lot shall have standing and authority to enforce the Covenants.

Section 8.02 Amendments. This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or signed ballot of Owners (including Declarant) entitled

to cast not less than two-thirds of the votes of all of the Owners and by the approval of the City of Montgomery. If the Declaration is amended by a written instrument signed by those Owners entitled to cast not less than two-thirds of all of the votes of the Owners, such amendment must be approved by said Owners within three hundred sixty-five days of the date the first Owner executes such amendment. The date an Owner's signature is acknowledged shall constitute prima facia evidence of the date of execution of said amendment by such Owner. Those Members (Owners, including Declarant) entitled to cast not less than two-thirds of all of the votes of the Owners may also vote to amend this Declaration, in person, or by proxy, at a meeting of the Owners, including Declarant duly called for such purpose, written notice of which shall be given to all Owners at least ten days and not more than sixty days in advance and shall set forth the purpose of such meeting. A quorum, for purposes of such meeting, shall consist of not less than seventy percent of all of the Owners (in person or by proxy) entitled to vote. Any such amendment shall become effective when an instrument is filed for record in the Real Property Records of Montgomery County, Texas, stating that the required number of Owners, including Declarant, executed the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose provided the instrument is approved by the City of Montgomery.

Section 8.03 Amendments by Declarant. Declarant shall have and reserves the right at anytime and from to time prior to two years from the sale of the first lot, without the joinder or consent of any Owner or other party to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, oversight, 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 this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or his mortgagee. Additionally, Declarant shall have and reserves the right at any time and from time to time prior to such date, without the joinder or consent of any Owner of other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of permitting the Owners to enjoy the benefits from technological advances, such as security, communications or energy-related devices or equipment which did not exist or were not in common use in commercial Subdivisions at the time this Declaration was adopted. Likewise, Declarant shall have and reserves the right at any time and from time to time prior to such date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of prohibiting the use of any device or apparatus developed or available for commercial use following the date of this Declaration if the use of such device or apparatus will adversely affect the property values within the Property.

Section 8.04 Severability. Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

Section 8.05 Merger and Subdivision of Lots. Upon application in writing by an Owner or Owners of adjoining Lots or Lots adjacent to a middle Lot, the Committee may authorize the

merger or subdivision of adjoining Lots; provided, however, such merger or subdivision shall be in accordance with these declarations, including provisions which may further, regulate the merger or subdivision. No merger or subdivision of Lots shall be allowed unless approved by the Committee. The Committee's decision shall be Final.

- (a) The Committee may permit two adjoining Lots to be subdivided provided that in no event shall either of the subdivided Lots contain less than ninety percent of their original area. No subdivision of Lots shall be allowed unless approved by the Committee. The Committee's decision shall be Final.
- (b) The Committee may permit a Lot between two Lots to be subdivided and added to the adjacent Lots provided that the boundary line must generally run from the street to the rear of the subdivided Lot. No subdivision of Lots shall be allowed unless approved by the Committee. The Committee's decision shall be final.
- (c) Such plats and plans as may be necessary to show the merger or subdivision of Lots shall be thereafter prepared at the expense of the requesting Owner or Owners, who shall additionally be responsible for an costs, including legal fees, associated with the merger or subdivision of such Lots. In addition, the side lot utility easement, if any, must be abandoned or released in accordance with applicable law. The Committee may impose conditions for use of the merged or subdivided Lots as a condition precedent to granting approval of such a merger or subdivision. From and after the time a merger or subdivision of Lots is approved, such Lots shall, for all purposes, be considered Lots in accordance with their new boundaries.

Section 8.06 Corrected Plats. Until the time a Lot is transferred by Declarant to another (other than a Builder Owner, an affiliate of Declarant, or a holder of a first mortgage on the Property), no Owner of any Lot shall have any rights whatsoever to the continuation of any covenants, conditions or restrictions on the Property, or any portion thereof, as contained herein or as may be imposed, expressly or implied, by recordation of any plat or as might otherwise be implied or expressed. In furtherance thereof, until the time a Lot is transferred by Declarant as aforementioned, Declarant may revoke or cancel any plat or other instrument which might be deemed, either expressly or implied, to impose any covenants, conditions or restrictions or may take whatsoever steps Declarant deems necessary or desirable to avoid the implication of such existing.

Section 8.07 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

Section 8.08 Successors and Assigns. The provisions hereof shall be binding upon and inure to the benefit of the Owners, Declarant, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

Section 8.09 Effect of Violations on Mortgages. No violation of the provisions of these Covenants shall affect the lien of any mortgage or deed of trust presently or hereafter placed of

record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien, or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

Section 8.10 Terminology. All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein," "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear. All references in this Declaration to exhibits shall refer to the Exhibits attached hereto.

Section 8.11 Declarant's Rights and Prerogatives. Declarant may file a statement in the Real Property Records of Montgomery County, Texas, which expressly provides for Declarant's (i) discontinuance of the exercise of any right or prerogative provided for in this Declaration to be exercised by Declarant or (ii) assignment to any third party owning a Lot, of one or more of Declarant's specific rights and prerogatives provided in this Declaration to be exercised by Declarant. The assignee designated by Declarant to exercise one or more of Declarant's rights or prerogatives hereunder shall be entitled to exercise such right or prerogative until the date that said assignee files a statement in the Real Property Records of Montgomery County, Texas, which expressly provides for said assignee's discontinuance of the exercise of said right or prerogative. From and after the date that Declarant discontinues its exercise of any right or prerogative hereunder and/or assigns its right to exercise one or more of its rights or prerogatives to an assignee, Declarant shall not incur any liability to any Owner or any other party by reason of Declarant's discontinuance or assignment of the exercise of its rights or prerogatives.

Executed on this _____ day of February, 2007.

LEFCO INVESTMENTS INC.

By: _____
Phillip LeFevre, President

ACKNOWLEDGMENT

This instrument was acknowledged before me, the undersigned notary on February _____, 2007 by Phillip LeFevre, President of LeFco Investments Inc. on its behalf.

Notary Public, State of Texas

Return to:
Phillip LeFevre
15001 Walden Road
Montgomery, TX 77356