

Spout Springs C,C&R's

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§ KNOW ALL MEN BY THESE PRESENTS:

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THAT WHEREAS, the "Declarant", is the Owner of all that certain real property located in Grayson County, Texas and described in Exhibit "A" attached hereto and made a part hereof for all purposes; and

WHEREAS, the Declarant will convey the Property, subject to certain protective covenants, conditions, restrictions, liens, and charges as hereinafter set forth; and

WHEREAS, Declarant has caused a non-profit corporation to be incorporated under the laws of the State of Texas, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, it is hereby declared that all of the Property shall be held, sold, and conveyed subject to the following covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with the land and shall be binding on all parties having any right, title or interest in or to the Property or any part thereof and their heirs, successors and assigns and which covenants, conditions and restrictions shall inure to the benefit of each Owner thereof.

ARTICLE I.

Definitions

The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

- a. "Association" shall mean and refer to Home Owners of Spout Springs, the non-profit corporation which Declarant has caused to be incorporated as herein provided, its successors and assigns.
- b. "Owner" shall mean and refer to the record owner, or purchaser under a contract for deed, whether one or more persons or entities, of the fee simple title or an equitable interest therein, to any Lot or portion of a Lot and including contract buyers, but excluding those having such interest merely as security for the performance of an obligation.
 - a. (c) "Property" shall mean and refer to that certain real property described in Exhibit "A" hereto and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- c. "Lot" shall mean and refer to the plots of land shown upon any plat and sub-division map of any part of the Property on which there is or will be built a single-family dwelling. The term "Lot" shall not include the common area nor any other reserves shown on the said map or plat.
- d. "Declarant" shall mean and refer to Spout Springs, LLC, a Texas corporation dba Spout Springs, LLC, its successors, and assigns.
 - i. "Sub-division" shall mean the sub-divided plots of land within the Property, including, but not limited to the sub-divided plots shown on the plat and sub-division map recorded as Document No._____, Plat Records,

Grayson County, Texas and known as Spout Springs and such additions thereto as may be brought within the jurisdiction of this Declaration as hereinafter provided.

- ii. (g) "Member" shall mean every person or entity who holds membership in the Association.

ARTICLE II.

Architectural Control

The Architectural Control Committee shall always consist of not less than three (3) qualified persons, which Committee shall serve at the pleasure of the Association. Following an initial appointment of the Committee Members by Declarant, the Directors of the Association shall thereafter appoint the Members of the Committee.

No building, fence, wall, or other structure shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition to or change or alteration thereof, be made, nor shall any landscaping of any Lot or Lots be undertaken, 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 by the Architectural Control Committee as to harmony of external design and location in relation to surrounding structures and topography and finish grade elevation.

In the event that any plans and specifications are submitted to the Architectural Control Committee as provided herein, and such Committee shall fail either to approve or reject such plans and specifications for a period of 30 days following such submission, approval by the Committee shall be deemed to have occurred and full compliance with this Article shall be deemed to have been had.

ARTICLE III.

The Association

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

Each Owner, whether one or more persons or entities, of a Lot shall, upon and by virtue of becoming such Owner, automatically become a Member of the Association and shall remain a Member thereof until his ownership ceases for any reason, at which time his Membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership. Whenever the legal ownership of any Lot passes from one person to another, by whatever means, it shall not be

necessary that any instrument provide for transfer of Membership in the Association, and no certificate of Membership need be issued.

1. The Association shall have voting Members as follows: Members shall be all Owners and all Owners of Spout Springs, LLC.) as described in Declaration of Covenants, Conditions, and Restrictions recorded as Instrument 2018-4817, Official Records, Grayson County, Texas, including the Declarant, and shall be entitled to one vote for each Lot owned. When one or more persons hold an interest in a given Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they may determine among themselves. In no event shall more than one vote be cast with respect to any one Lot.
2. The Declarant will convey its interest in all streets, alleys, parks, easements and other common areas within the Sub-division to the Association.
3. The purpose of the Association in general shall be to enforce these covenants, conditions and restrictions, to provide for and promote the health, safety, and welfare of the Members, to collect the annual maintenance charges, to administer the maintenance fund, and to use the maintenance fund to provide for the maintenance, repair, preservation, and upkeep of any and all streets, alleys, parks, easements and other common areas within the Sub-division, and such other purposes as are stated in its Certificate of Formation consistent with the provisions of this Declaration and all supplemental declarations.
4. The Association shall act through a Board of Directors, which shall manage the affairs of the Association. The initial Directors of the Association shall be selected by Declarant. The term of each Director shall be one (1) year. After the expiration of the term of the initial Directors, the Members shall elect each Director as provided for in the Bylaws.

ARTICLE IV.

Assessments

Declarant hereby covenants for each Owner within the Sub-division, and each Owner is hereby deemed to covenant by acceptance of its deed for a Lot, whether or not it shall be so expressed in its deed, to pay to the Association: (1) annual assessments; and (2) special assessments for capital improvements. Such assessments will 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 a continuing lien on each Owner's Lot against which such an assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person or persons who owned the Lot at the time the assessment fell due, but such personal obligation shall not pass to the successors in title of such person or persons unless expressly assumed by them.

The annual assessments levied by the Association shall be used to maintain, repair, or improve all streets, alleys, parks easements and other common areas owned by the Association and located

within the Sub-division. Annual assessments shall include, and the Association shall acquire and pay for out of the funds derived from annual assessments, the following:

- i. (a) Maintenance and repair of all streets, parks, easements and other common areas owned by the Association and located within the confines of the sub-division.
 - ii. Any materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments that the Association is required to secure or pay pursuant to the terms of this Declaration or by law, or which shall be necessary or proper in the opinion of the Board of Directors of the Association for the operation of the Association for the benefit of Lot owners or for the enforcement of this Declaration.
2. Until January 1 of the year immediately following the conveyance of the first Lot by Declarant to an Owner, the maximum annual assessment per Owner shall be \$500.00. Thereafter, the Board of Directors of the Association shall fix the annual assessment. If owner buys more than one lot initial assessment is owed but then multiple lots will be combined into one lot. This is non-transferrable if a secondary lot is sold.
 - a. The annual assessment must be fixed at a uniform rate for all Lots.
3. The annual assessment provided for herein shall commence on the first day of the month following the conveyance of a Lot to an Owner. 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 Owner at least 30 days in advance of the due date thereof and shall fix the date such amount becomes due. Assessments may be made payable monthly. Notice of the annual assessment shall be sent to every Owner subject thereto. The Association shall, on demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment against a specific Lot has been paid, and may, on or before the 1st day of April of each year, cause to be recorded in the office of the County Clerk of Grayson County, Texas, a list of delinquent assessments as of that date.
4. Any assessment not paid within 30 days after its due date shall be deemed in default and shall bear interest from its due date at the rate of 18.00% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose its lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any streets, alleys, parks, easements or other common areas or abandonment of its Lot.

ARTICLE V.

Use Restrictions

All Lots shall be used for residential purposes only and no building shall be erected, altered, placed, or permitted to remain on any Lot other than one detached single-family dwelling not to exceed three stories in height and a private garage for not more than three automobiles. All shops should be of similar construction to the main house, as well as any ancillary structures.

Any single-story residence constructed on a Lot must have a ground floor area of not less than 2,000 square feet, exclusive of open or screened porches, terraces, patios, driveways, carports, and garages. Must be 3000 sq. ft under roof. Any residence other than a single-story residence must have not less than 1,000 square feet of ground floor living area, exclusive of open or screened porches, terraces, patios, driveways, carports, and garages. The exterior walls of any residence shall consist of not less than 40 percent masonry construction. All roofs shall be constructed of fireproof materials. Secondary buildings should consist of similar materials as the residence. No commercial metal siding.

Solar and Wind power must follow legislative guidelines per State of Texas.

One secondary for all tracts.

1 -1.5 acre lots one shop

2-3.5 acre 2 ancillary buildings

over 3.5 acres 3 ancillary buildings

Fences should be approved by the architectural control committee. Steel post and rail fencing in the front per HOA design. Back fence metal post with "TRAC" privacy rail fencing system, with infill 7/8 cedar dark walnut stain design. 8ft height for all back fences. ACC can approve no fence in back if the owner is keeping trees for a natural boundary.

10 chickens only no other livestock allowed

No building, permanent or mobile, shall be located, erected, or altered 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. 50 ft front setback front of property line, 15ft side setbacks. For the purpose of this covenant, eaves, steps, and open porches shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any portion of a building on any Lot to encroach upon another Lot. If two or more Lots, or fractions thereof, are consolidated into a building site in conformity. These building setback provisions shall be applied to such resultant building site as if it were one original, platted Lot. If lender requires re-platting of multiple lots it will be allowed to satisfy loan requirements.

None of the Lots shall be resubdivided in any fashion.

No structure of a temporary character, trailer, mobile home, tent, or shack, shall be used on any Lot at any time as a residence, either temporarily or permanently. No boats, trailers, or RV's shall be stored permanently on the exterior of a residence.

No old, used, existing building or structure of any kind and no part of an old, used, existing building or structure shall be moved onto, placed on, or permitted to remain on any Lot. All construction is to be of new material unless otherwise approved and is to be completed within one year after construction begins. Old material to be used in the construction of a new residence shall be approved by the Architectural Control Committee.

No signs of any character shall be allowed on any Lot except one professional sign advertising the Lot for sale or rent; provided, however, that Declarant and any other person or entity engaged in the construction and sale of residences within the Sub-division shall have the right, during the construction and sales period, to construct and maintain such facilities as may be reasonably necessary or convenient for such construction and sale, including, but not limited to, signs, offices, storage areas, and model units.

Lots with existing trees should be maintained underbrushing is allowed. Removal of trees above 8-inch diameter must be approved by HOA.

The front yard requires full sod and landscaping. Landscaping plan approved by architectural control committee.

No oil well drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on a 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, maintained, or permitted on any Lot.

Parking Regulations:

a. No Parking on Roads: Residents are prohibited from parking any vehicles on the community roads or streets. All vehicles must be parked within designated parking areas, such as driveways or garages.

Enforcement and Penalties:

a. Compliance Inspections: The HOA reserves the right to conduct periodic inspections to ensure that all properties comply with the established rules and regulations.

b. Violation Notices: In the event of non-compliance, residents will be issued a violation notice outlining the specific infraction and the required corrective actions.

c. Penalties: Failure to rectify violations within the stipulated timeframe may result in fines or other penalties as determined by the HOA board.

d. Repeat Offenses: Persistent violations or repeated non-compliance may lead to escalated penalties, including suspension of certain privileges or legal action.

Community Responsibility:

a. Maintaining Property Appearance: Residents are responsible for maintaining the appearance of their properties in accordance with community standards, including landscaping, exterior upkeep, and cleanliness.

b. Noise and Nuisance Control: Residents must be mindful of noise levels and refrain from engaging in activities that may disturb the peace of the neighborhood.

c. Respect for Common Areas: Residents are expected to respect and preserve the shared common areas, such as parks, playgrounds, and recreational facilities, for the enjoyment of all members of the community.

Amendment and Review:

a. HOA Board Authority: The HOA board reserves the right to amend or revise these rules and regulations as necessary for the well-being and harmony of the community.

b. Member Input: Residents will be provided with opportunities to provide feedback and suggestions regarding proposed rule changes before they are implemented.

c. Transparency: All amendments to the rules and regulations will be communicated to residents in a timely and transparent manner.

Dispute Resolution:

a. Mediation: In the event of disagreements or disputes arising between residents regarding HOA rules or community matters, mediation services may be offered to facilitate resolution.

b. Arbitration: If mediation efforts prove unsuccessful, arbitration may be pursued as a means of resolving disputes in a fair and impartial manner.

c. Compliance with Decisions: Residents are expected to comply with the decisions reached through mediation or arbitration processes as binding agreements for the resolution of disputes.

By agreeing to reside within the community, homeowners acknowledge their acceptance and commitment to adhere to these rules and regulations for the betterment of the community as a whole.

Assessments will be required to maintain streets and gated entrances.