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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PERFECTION RANCH

STATE OF TEXAS :

COUNTY OF MONTGOMERY :

THIS DECLARATION is made on the date hereinafter set forth by Perfection Ranch Development, Ltd., a Texas limited partnership ("Declarant"), JPM Holding, Ltd. ("JPM"), Roger C. Beach and wife, Lynn Beach (the "Beaches"), Craig V. Depew and wife, Eileen Depew (the "Depews"), John R. Goebel and wife, Rachelle A. Goebel (the "Goebels"), and Perfection Ranch Property Owners Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, JPM is the owner of various unsold lots in Perfection Ranch, a subdivision of 457 acres and containing 60 Lots and various Reserves, according to the map or plat thereof, recorded in Cabinet Z, Sheets 35 - 42, of the Map Records of Montgomery County, Texas (the "Property"); and

WHEREAS, the Beaches, the Depews, and the Goebels, are the owners of various other Lots in Perfection Ranch; and

WHEREAS, the Association holds legal title to various Reserves, Streets and other Common Areas within the Property; and

WHEREAS, JPM, the Beaches, the Depews, the Goebels, and the Association constitute all of the current owners of the Property; and

WHEREAS, Declarant intends to acquire the unsold Lots in Perfection Ranch, either in bulk or severally from time to time, and to develop the Property as a residential subdivision, and to provide and adopt a uniform plan of development including assessments, conditions, covenants, easements, reservations, and restrictions designed to govern, control and preserve the values and amenities of the Property for the development, improvement, aesthetic considerations, sale, common welfare of the community, use and enjoyment of the Property as a residential subdivision; and

WHEREAS, Declarant, JPM, the Beaches, the Depews, the Goebels, and the Association desire to subject the Property to the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, for the benefit of the Property and each Owner of any part thereof; and

WHEREAS, for the efficient preservation of the amenities in said subdivision and enforcement of this Declaration, the Association has been created, to which shall be delegated and assigned the power of administering and enforcing these assessments, conditions, covenants, easements, reservations and restrictions, including levying, collecting and disbursing the assessments; and

WHEREAS, the Association has been incorporated as a non-profit corporation under the laws of the State of Texas. The Directors of which Association either have or will establish certain By-Laws by which the Association shall be governed through its Board of Directors, for the purpose of exercising the functions aforesaid and any other duties as set out in the By-Laws and/or other Dedicatory Instruments as that term is defined in the Texas Property Code.

NOW, THEREFORE, Declarant, JPM, the Beaches, the Depews, the Goebels, and the Association hereby declare that the Property shall be developed, improved, sold, used and enjoyed in accordance with, and subject to the following plan of development, including the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, all of which are hereby adopted for, and placed upon said Property and shall run with the Property and be binding on all parties, now and at anytime hereinafter, having or claiming any right, title or interest in the Property or any part thereof, their heirs, executors, administrators, successors and assigns, regardless of the source of, or the manner in which any such right, title or interest is or may be acquired, and shall inure to the benefit of the Declarant and each Owner of any part of the Property.

ARTICLE I.

DEFINITION OF TERMS

The following words when used herein shall have the following meanings when capitalized (unless the context requires otherwise and the term is then not capitalized):

- A. "Animal Unit" means a mother and her unweaned offspring. A weaned offspring is considered an Animal Unit.
- B. "Annual Assessment" means the assessment levied against all Lots for the purposes set out in Article X1, Section C.
- C. "ARC" means the Architectural Review Committee established for the Property as set forth in Article VII, Section A.
- D. "Architectural Guidelines" mean a publication of the ARC, if any, that may set forth various standards relating to exterior harmony of any and all improvements placed upon or constructed on any lot, which publication may be amended without notice to owners.
- E. "Assessments" means the Annual Assessment and the Special Assessment levied against all Lots for the purposes set out in Article XI, Sections C and D, or for any other charge authorized by this Declaration, the Bylaws, or Rules and Regulations.
- F. "Association" means Perfection Ranch Property Owners Association, a Texas non-profit corporation, its successors, assigns, or replacements, which has jurisdiction over all properties located within the land encumbered by this Declaration. The name of the Association will be changed to Perfection Ranch Property Owners Association.
- G. "Board" means the duly elected Board of Directors of the Association as provided within the By-laws.
- H. "By-Laws" means the By-Laws of Perfection Ranch Property Owners Association, as they may be amended from time to time.
- I. "Common Area" means all real property owned in fee or held in easement by the Association for the common use and/or enjoyment of the Owners and shall include

any areas designated by Declarant to be conveyed by deed or easement to the Association.

- J. "Declarant" means Perfection Ranch Development, Ltd., its successors and assigns, as may be evidenced by a written instrument recorded in the public records of the Montgomery County Clerk's office.
- K. "Declaration" means this Declaration of Covenants, Conditions, and Restrictions for Perfection Ranch or any other property brought under the control of this document, or any supplemental declaration and/or amendment thereto.
- L. "Dwelling" means a structure or structures intended for residential use.
- M. "Hardscape" shall include but not be limited to such items as rocks, landscape timbers, railroad ties, fountains, statuary, sculpture, terracing materials, lawn swings, and yard art.
- N. "Homesite" means one or more Lots upon which a single family Dwelling may be erected subject to this Declaration.
- O. "Lot" or "Lots" means any one or more of the numbered parcels of property as depicted on the recorded plat of Perfection Ranch and/or any replat thereof in the Map Records of Montgomery County, Texas, and encumbered by this Declaration. Homesites may be comprised of more than one Lot; each such Lot will be subject to the rights and duties of membership in the Association.
- P. "Member" means an Owner, as defined in this article.
- Q. "Owner" means an owner of any Lot constituting a part of the Property including JPM and Declarant and any Class A or Class B members. Persons or entities holding title only as a lienholder and the owner of a mineral interest only shall not be an Owner for purposes of this Declaration.

- R. "Perfection Ranch" and/or the "Subdivision" means Perfection Ranch Subdivision, located in Montgomery County, Texas, as more particularly described in the map or plat thereof, recorded in Cabinet ____, Sheet ____ of the Map Records of Montgomery County, Texas
- S. "Private Drives" means the private access easements depicted as private drives on the recorded map or plat of the Subdivision.
- T. "Property" means all of the property subject to this Declaration.
- U. "Recreational Sites" means Common Area Property that is set aside for use as recreational facilities, reserves, or green space and is encumbered by this Declaration, a recorded plat, or both.
- V. "Special Assessment" means an assessment levied under Article XI, Section D for a specific purpose.
- W. "Street" or "Streets" means the private streets depicted on the recorded map or plat of the Subdivision.

ARTICLE II.

PURPOSE AND INTENT

Perfection Ranch is intended to be a residential development that is planned to feature residential uses with limited agricultural use as further defined herein.

This Declaration shall serve as the means by which design, maintenance and use of the Subdivision will be established.