

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CROSBY FARMS HOMEOWNERS ASSOCIATION**

WHEREAS, this Declaration of Covenants, Conditions and Restrictions for CROSBY FARMS HOMEOWNERS ASSOCIATION as it applies to the operation and utilization of the lots within the CROSBY FARMS subdivision, an addition in Harris County, Texas, according to the map or plat thereof, recorded in the Map Records of Harris County, Texas under Clerk's file number XXXXXXXX (the "Plat"), along with any supplements, additions or replats thereof and any additional land annexed into to the jurisdiction of the Association (collectively the "Subdivision"); and

WHEREAS, Skymark Development Company, Inc., a Texas limited liability company ("Declarant"), a Texas limited partnership, is the owner of the Properties, and as Declarant herein desires to establish a uniform plan for the development, improvement and sale of the Lots in the Properties, and to ensure the preservation of such uniform plan for the benefit of both the present and future Owners of residential Lots in the Subdivision in order to protect and enhance the quality, value, desirability, and attractiveness of all Lots in the Subdivision.

WHEREAS, Declarant hereby declares that all of the Properties shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of establishing a uniform plan for development, protection of the value and desirability of the Properties.

NOW THEREFORE, the Declarant hereby adopts the following Declaration of Covenants, Conditions and Restrictions for the Properties, restricting the Properties within the Subdivision and the owners of Lots in the Subdivision so that such Lots shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with said Properties and Lots and shall be binding upon all parties having any right, title or interest in said Lots or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ESTABLISHMENT OF GENERAL PLAN

This Declaration hereby is established pursuant to and in furtherance of a common and general plan for the improvement and sale of Lots within the Properties and for the purpose of further enhancing and protecting the value, desirability, and attractiveness of the Subdivision. The Declarant, for itself, its successors, and assigns, hereby declares that the Property and each part thereof shall be owned, held, sold, rented, encumbered, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration, for the duration thereof. Unless otherwise specified herein, the terms of the Documents shall apply equally to all Owners. In furtherance of such General Plan, the covenants, conditions, restrictions, and easements, of this Declaration are hereby imposed as equitable servitudes upon each property, Lot and the Common Area within the Properties as a servient estate for the benefit of each and

every other property and Lots within the Properties, as the dominant estate. In addition, the covenants, conditions, restrictions, and easements, and other provisions set forth in this Declaration shall run with the land, and shall inure to the benefit of and shall be binding upon, (a) the Property and Subdivision; (b) the Association and its successors and assigns; and (c) all Persons having, or hereafter acquiring, any right, title, or interest in all or any portion of the Subdivision and their heirs, executors, successors, and assigns.

ARTICLE I
Definitions.

The following words, when used in this Declaration, shall have the following meanings:

"Association" shall mean and refer to the CROSBY FARMS HOMEOWNERS ASSOCIATION, Inc., or a similarly named entity to be formed by the Declarant as a Texas non-profit corporation, its successors and assigns.

"Assessable Tract" shall mean and refer to any Lot or Building Plot from and after the date on which paved public street access and water and sanitary sewer service have been extended thereto, except for exempt property as described.

"Architectural Control Committees" The Architectural Control Committees established and empowered in accordance with Article II of this Declaration.

"Annual Assessment" shall mean the assessment levied pursuant to Article IV.

"Articles of Incorporation or Articles" shall mean and refer to the Articles of Incorporation of CROSBY FARMS HOMEOWNERS ASSOCIATION Inc., as filed with the Secretary of State of the State of Texas

"Board of Directors" shall mean the Board of Directors of the Association as elected in accordance with the Articles of Incorporation and the Bylaws.

"Builder" shall mean and refer to any person or entity undertaking the construction of a residence.

"Bylaws" shall mean the Bylaws of the Association, as same may be amended from time to time.

"Common Area" shall mean all real property and improvements within the Properties, if any, owned, acquired or leased by the Association, dedicated for the common use of the Owners, Declarant and Developer.

"Common Assessment" shall mean the assessments levied pursuant to Article IV hereof for managing, the Common Area and the other purposes set out in this Declaration.

“Community-Wide Standard” shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the Properties, which may be more specifically determined by the Board of Directors and the Architectural Control Committee.

“Conveyance” shall mean and refer to transfer of a fee simple title to a portion of the property.

“Declarant/Developer” shall mean and refer to Skymark Development Company, Inc., its successors and assigns so designated in writing by Skymark Development Company Inc. No person or entity merely providing loans to or purchasing (in the ordinary course of such purchaser's business) one or more Lots from Skymark Development Company, Inc. shall be considered a "Declarant".

“Dwelling Unit” shall mean and refer to any improvement on a lot which are designed and intended for occupancy and use as a single family, including Townhomes, but excluding mobile homes and other non-permanent structures.

“Declaration” shall mean the covenants, conditions, restrictions, easements, reservations and stipulations that shall be applicable to and govern the improvement, use, occupancy, and conveyance of all or any of the Properties in the Subdivision set out in this instrument or any amendment thereto.

“Declarant Control Period” shall mean the period of time beginning on the date of Declarant's acquisition of the Property subject to this Declaration, and ending on the earlier occurrence of any of the following events:

- (a) the conveyance by Declarant of one-hundred percent (100%) of the Lots; or
- (b) upon recordation of Declarant's statement In the Real Property Records of Harris County, Texas, that the Declarant Control Period has ended or has been terminated by Declarant.

“Documents” shall mean the Articles of Incorporation, Bylaws, Declaration, Rules and Regulations, or any other document filed of record with the Harris County, Real Property Records duly enacted and effecting the Association or the Properties.

“Improvement” includes, without limitation: (a) the construction, installation or erection of any building, structure, or other improvement, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure, or other Improvements; (c) the grading, excavation, filing, or similar disturbance to the surface of any property, including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation or changes to the landscaping on any property; and (e) any exterior modification, expansion, change or alteration of any previously approved Improvement to a property or Lot, including any change of exterior appearance, color, or texture not expressly permitted by this Declaration, Architectural Guidelines, or the Rules and Regulations.

“Lot” shall mean the numbered Lots as reflected on the Plat, which is restricted to Single Family.

“Maintenance Fund” shall mean any accumulation of funds including Assessments collected by the Association in accordance with the provisions of this Declaration, interest, penalties, fines, and other sums and revenues collected by the Association pursuant to the provisions of this Declaration, the Bylaws, or Rules and Regulations.

“Member or Members” shall mean all Owners of Lots who are Members of the Association as provided in Article III of this Declaration.

“Notice and Hearing” shall mean a written notice and a hearing before the Board of Directors or a tribunal appointed by the Board in the manner provided in this Declaration, the Bylaws, the Rules and Regulations or Texas Property Code. The hearing may be conducted in the absence of the owner, provided written notice has been provided to the Member.

“Owner” shall mean any Person, firm, corporation or other entity, or any combination thereof that is the record owner of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as a security for the performance of an obligation.

“Person” shall mean a natural person, a corporation, a partnership, or any other legal entity.

“Plat” shall mean the plat of CROSBY FARMS, an addition in Harris County, Texas, according to the map or plat thereof, recorded in the Map Records of Harris County, Texas under Clerk’s file number XXXXXX and any re-plat or additional plat reflecting property under the jurisdiction of the Association.

“Properties” shall mean and refer to the real property reflected on the Plat and being property within the jurisdiction of the Association, SAVE AND EXCEPT FOR; (i) any portion or portions of such tract of land which is de-annexed from the jurisdiction of the Association and the provisions of this Declaration pursuant to Article IX hereof, and (ii) any additional property hereafter added to the jurisdiction of the Association as provided herein.

“Reimbursement Assessment” shall mean charges against a particular Owner and Lot for the purpose of reimbursing the Association for expenditures and other costs of the Association incurred in curing any violation, directly attributable to the Owner, for a violation of the Documents, pursuant to Article IV hereof.

“Rules and Regulations” shall mean such rules and regulations as the Board may promulgate from time to time with respect to the Subdivision, which may include reasonable provisions for fines for violation of such Rules and Regulations.

“Special Assessment” shall mean a charge against each Owner and Lot representing a portion of the cost to the Association for the purpose of funding major capital repairs, maintenance, and replacement of improvements, imposed pursuant to Article IV, hereof.

“Subdivision” shall mean all that certain real property reflected on the Plat and any other land brought into the jurisdiction of the Association.

“Supplemental Declaration” shall mean any amendment or supplement to this Declaration executed by or consented to by Declarant which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

“Two-Thirds Member Vote” shall mean the approval of two-thirds (2/3) of the total number of eligible votes of all Members (regardless of class) entitled to be cast by Members who either (i) are voting in person or by proxy at a meeting duly called for this purpose and at which the necessary quorum exists, or (ii) execute a written consent in lieu of a meeting for such purpose.

“Voting Conversion Date” shall mean the earlier of (a) the date the last Lot is conveyed, and a construction of residence therein is completed; or (b) a date established by Declarant, in its sole discretion, in a written instrument executed by Declarant and recorded in the Official Public Records of Real Property, Harris County, Texas:

ARTICLE II

CROSBY FARMS HOMEOWNERS ASSOCIATION, Inc.

Section 2.01. Organization. The Association has been organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure, and management of the maintenance funds, enforcement of the restrictive covenants contained herein, architectural control of the Properties, and management of the Subdivision pursuant to the Documents. In the event of a conflict between the Articles of Incorporation, Bylaws and Rules and Regulations and the provisions of the Declaration, the provisions of the Declaration shall control, except that the Declaration may not control the Articles of Incorporation to create authority in the Association not permitted by the Articles of Incorporation. In the event of any conflict between the Articles of Incorporation, Bylaws, and Rules and Regulations, the Articles of Incorporation shall control. In the event of any conflict between the Bylaws and the Rules and Regulations, the Bylaws shall control. It shall be the responsibility of each Owner or occupant of a Lot to obtain copies of and become familiar with the terms of the Documents.

Section 2.02. Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality hereof, the Association shall also discharge those functions necessary to the general maintenance of the Common Property. The Board of Directors of the Association shall be empowered to oversee the activities of the Association and may take whatever lawful action that the Board, in its sole discretion, deems necessary to provide the upkeep, development and aesthetic appearance of the Common Property and to enforce this Declaration for the common benefit of all or some of the Members of the Association. All rights of the Association herein and hereunder are vested in its Board of Directors unless specifically reserved to Declarant or a vote of the Members herein. The Association may enter into agreements with other entities, including but not limited to governmental entities for the maintenance of other property not owned by the Association. The Association shall also have the authority and responsibility to enforce such other restrictions benefitting the Association as Declarant may create or obtain from nearby

landowners and assign in writing to the Association, whether or not the Association has accepted or agreed to such assignment.

Section 2.03. Membership. Every Owner of a Lot in the Properties shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

Section 2.04. Classes of Membership. The Association shall have two classes of voting membership as follows:

Class A. Class A Members shall be Owners of Assessable Tracts which are Residential Lots, with the exception of the Declarant (unless and until its Class B membership converts to Class A Membership as contemplated below), and each such Class A Member shall be entitled to one vote for each residential Lot owned by such person or entity. When more than one person holds an interest in a single Residential Lot, all such persons shall be Members. The vote of such Residential Lot shall be exercised as such co-owners among themselves determine, but in no event shall more than one vote be cast with respect to any one Residential Lot do not vote unanimously and in unison, no vote for that Lot shall be counted.

Class B. Class B Members shall be Declarant, who shall be entitled to twenty (20) votes in the Association for each Residential Lot owned by it and nine (9) votes in the Association for each one quarter acre (or major portion) of land owned by it within any unplatted property owned by the Declarant. Class B membership shall cease and be converted to Class A Membership (as to Residential Lots owned by Declarant) on the happening of the earliest to occur of the following events:

- A) The fortieth (40) anniversary date of the first recordation of this Declaration;
- B) When the Declarant terminates Class B Membership by an instrument filed in the Real Property Records of Harris County, Texas; or

Thereafter, Declarant may cast votes as a Class A Member regardless of whether Declarant pays any or it's full share of Assessments.

At such time that the additional property is annexed into the Association, the Class B Membership of the Declarant, shall, if it had previously ceased due to one of the three conditions listed above, will automatically be deemed reinstated and shall apply to all Lots owned by the Declarant in the newly annexed portion of the Property as well as to all Lots owned by Declarant in all other areas of the Property. Such reinstatement is subject to further cessation in accordance with the limitations set forth in the preceding Paragraphs (A) or (B) of this Article, whichever occurs first. However, upon reinstatement due to annexation of additional property, the period of time set forth in Section (A) of this Article shall be extended

to the extent necessary such that in all circumstances it extends for a period no shorter than ten (10) years from the date of each such recorded annexation.

Each owner shall have a nonexclusive right and easement of enjoyment to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

- a) This Declaration, as it may be amended from time to time;
- b) Any restriction or limitation contained in any deed conveying such Common Area to the Association;
- c) The right of the Board to limit the number of guests who may use the Common Area, and to adopt other Rules and Regulations regulating the use and enjoyment of the Common Area;
- d) The right of the Board to suspend the right of an Owner to use any recreational facilities within the Common Area (i) for any period during which any Assessment or portion thereof owed by such Owner remains delinquent, and (ii) for a period not to exceed sixty (60) days for a single violation, or for a longer period in the case of any continuing violation, of the Declaration, Bylaws or Rules and Regulations of the Association;
- e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area;
- f) The right of the Board to impose reasonable membership requirements and charge reasonable admission or other fees (which fees shall be separate from Assessments) for the use of any recreational facility situated upon the Common Area;
- g) The right of the Board to permit nonmember use of any recreational facility situated on the Common Area upon payment of user fees established by the Board;
- h) The right of the Association to grant easements pursuant to Article VIII; and
- i) The right of the Association to enter into and execute contracts with any party (including without limitation, Declarant, Developer or their affiliates) for the purpose of providing maintenance or other materials or services consistent with the purposes of the Association and this Declaration.
- j) Declarant may retain legal title to easements or fee simple parcels designated as Common Area. Declarant may, at any time after the date hereof, convey legal title to all or a portion of such Common Area to the Association. The Association shall be obligated to accept title to, operate and maintain the Common Area conveyed to the Association as elsewhere provided in this Declaration; provided, however, such parcels shall be conveyed to the Association by the Declarant free and clear of all encumbrances, except such encumbrances as may be set forth herein or on the Plat.

Section 2.05. Transfer Fee. Prior to changing the name of the Owner of any Lot on the membership rolls of the Association or the name of the Mortgagee of the Owner, the Association or its managing agent (if authorized by the Board of Directors) may charge a transfer fee or processing fee when ownership to any Lot changes or the Mortgage on the Lot is refinanced.

ARTICLE III.

Establishment of General Plan

Section 3.01 General Plan and Declaration. This Declaration is hereby established pursuant to and in furtherance of a common and general plan for the improvement and sale of Lots within the Properties, and for the purpose of enhancing and protecting the desirability and attractiveness of the Properties. The undersigned Owners, for themselves, their heirs, executors, administrators, legal representatives, successors, and assigns hereby declare that the Properties and each part thereof shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration, for the duration thereof. The Lots and Common Areas in the Properties shall be subject to the jurisdiction of the Association.

Section 3.02 Equitable Servitudes. The covenants, conditions, restrictions, limitations, reservations, easements, and exceptions of this Declaration hereby are imposed as equitable servitudes upon each Lot, and the Common Areas within the Properties, as a servient estate, for the benefit of each and every other Lot and parcel of Common Area within the Properties, as the dominant estate.

Section 3.03 Covenants Appurtenant. The covenants, conditions, restrictions, limitations, reservations, easements, and exceptions, equitable servitudes and other provisions set forth in this Declaration shall be binding upon and inure to the benefit of (a) the Properties; (b) Declarant and its successors and assigns; (c) Developer and its successors and assigns; (d) the Association and its successors and assigns; and (e) all Persons (including Owners) having, or hereafter acquiring, any right, title or interest in all or any portion of the Properties and their heirs, executors, successors and assigns.

ARTICLE IV.

Management & Operation of Properties

Section 4.01. Management by Association

- (a) General: The affairs of the Properties shall be administered and managed by the Association. The Association shall have the right, power and obligation to provide for the management, acquisition, construction, maintenance, repair, replacement, administration and operation of the Properties as herein provided for and as provided for in the Articles of Incorporation, Bylaws and the Rules and Regulations. In the event of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; and in the event of a conflict between the Articles of

Incorporation or the Bylaws and the provisions of the Declaration, the provisions of the Declaration shall control. The principal purposes of the Association are the collection expenditure and management of the Maintenance fund, enforcement of the restrictions contained herein and in Supplemental Declarations, ensuring architectural control of the Lots, and establishing a method for the administration, maintenance, preservation, use and enjoyment of the Properties.

- (b) **Additional Powers of the Association:** the Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Properties as the Board deems reasonably necessary or appropriate to maintain and operate the Properties in accordance with the Declaration, including without limitation, the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, traffic, operation of recreational facilities, or other matters of mutual interest. The Association, acting through its Board of Directors, shall also have the power to make and to enforce Rules and Regulations governing the use of the Properties, in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities. The Rules and Regulations shall be binding upon all Owners, occupants, invitees and licensees, if any.
- (c) **Common Area:** the Association, subject to the rights of Declarant, Developer and Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all its improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.
- (d) **Personal Properties and Real Property for Common Use:** the Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by Declarant or Developer pursuant to the terms of this Declaration.
- (e) **Borrow Money.** The Association shall have the right to borrow money and to pledge or hypothecate any or all of the Association's right to collect assessments as security for money borrowed or debts incurred.
- (f) **Books and Records.** The books and records of the Association shall be available for review and inspection in the manner prescribed by Chapter 22.351 of the Texas Business Corporation Act and in Chapter 209.005 of the Texas Property Code.
- (g) **Implied Rights:** The Association may exercise any other right or privilege given to it expressly by this Declaration, the Bylaws or by statute, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 4.02. Board of Directors. The business and affairs of the Association shall be managed by and the decisions and actions of the Association shall be made or taken by the Board of Directors, unless otherwise reserved to the Members of the Association by law, the terms of the Declaration, Articles of Incorporation or the Bylaws.

Section 4.03. Compensation of Board. No person serving on the Board shall be entitled to compensation for services performed; however, (a) any member of the Board may be reimbursed for their actual expenses incurred in the performance of their duties, and (b) the Board may employ one or more architects, engineers, land planners, management companies, accountants, bookkeepers, collection agencies, attorneys or other consultants to assist the Board in carrying out its duties hereunder, and the Association shall pay such consultants for services rendered to the Board, such payment to be made out of the Assessments.

Section 4.04. Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of this Declaration and any Rules and Regulations and shall take such action as the Board deems necessary or desirable to cause compliance by each Member and each Member's family, guests, or tenants. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and of the Rules and Regulations of the Association by any one or more of the following means: (a) by entry upon any Lot within the Properties after notice (unless a bona fide emergency exists in which even this right of entry may be exercised without notice (written or oral) to the Owner, but in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use, or enjoyment of the Improvements situated thereon by the Owner or any other Person, without liability by the Association to the Owner, tenant or guest thereof, for the purpose of enforcement of this Declaration or Rules and Regulations; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach of the provisions of this Declaration or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration or the Rules and Regulations; (d) by exclusion, after notice, of any Member or Member's family, guests or tenants from use of any recreational facilities in the Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests, or tenants unless the breach is a continuing breach in which case, such exclusion shall continue for so long as such breach continues; (e) by suspension, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or Member's family, guests or tenants, of this Declaration or such Rules and Regulations unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after notice, a Reimbursement Assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests or tenants; and (g) by levying and collecting, after notice, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Member's family, guests or tenants, for breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests or tenants.

Section 4.05. Limitation on Liability. The officers of the Association and Board members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or Board members may also be Members of the Association). Further, a member of the Board shall not be liable to the Association, any Member, or any other person for any action taken or not taken as a member of the Board if they act in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner they reasonably believes to be in the best interests of the Association. The officers of the Association and the members of the Board shall also be entitled to the benefit of any provision limiting their liability provided by the Bylaws and the Texas Non-Profit Corporation Act.

Section 4.06. Reimbursement of Declarant or Developer. Recognizing that the Association may have to be subsidized by Declarant or Developer, or both, the Board (whether the Board is the same as Declarant or Developer, its agents, servants, or employees and without being liable for any claim made by any Member of the Association that the Board's fiduciary duty to the other Members of the Association has been breached due to a conflict of interest) may execute promissory notes and/or other instruments evidencing any debt the Association owes the Declarant or Developer for monies expended by the Declarant or Developer or loaned to the Association by Declarant or Developer for and on behalf of Association; provided, however, such promissory notes shall not be secured by a lien on any of the Common Area conveyed by Declarant or Developer to the Association.

Section 4.07. Indemnification.

- a) Generally. Except as provided in Subsection (f), the Association shall defend and indemnify every officer, member of the Board and committee member and their respective agents, managers or administrators (each, an "Indemnified Party") against any and all liabilities and expenses, including legal fees, incurred by or imposed upon such Indemnified Party in connection with any action, claim, demand, suit or other proceeding (each a "Proceeding") to which he or she may be a party by reason of being or having been an officer, Board member, agent or committee member. This indemnification shall also apply to any liability and expense incurred with the settlement of any Proceeding, if such settlement is approved in advance by the then Board of Directors. The Association shall also indemnify and forever hold each Indemnified Party free and harmless against any and all personal liability of others on account of any contract or commitment made by them, in good faith, on behalf of the Association, except to the extent such Indemnified Party may also be a Member of the Association.
- b) Continuation. Indemnification under this Section shall continue as to each Indemnified Party who has ceased to serve in the capacity which initially entitled such Indemnified Party to the indemnify hereunder. The rights granted pursuant to this Section shall be deemed contract rights, and no amendment, modification or repeal of this Section shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment, modification or repeal.

- c) Advance Payment. The right to indemnification in this Section shall include the right to be paid or reimbursed by the Association the reasonable expenses incurred by an Indemnified Party who was, is or is threatened to be made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding and without any determination as to the Indemnified Party's ultimate entitlement to indemnification; providing, however, that the payment of such expenses incurred by any Indemnified Party in advance of the final disposition of a Proceeding, shall be made only upon delivery to the Association of a written affirmation by such Indemnified Party of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Section and a written undertaking, by or on behalf of the Indemnified Party, to repay all amounts so advanced if it shall ultimately be determined that the Indemnified Party is not entitled to be indemnified under this Section or otherwise.
- d) Appearance as a Witness. Notwithstanding any other provision of this section, the Association may pay or reimburse expenses incurred by the Indemnified Party in connection with his or her appearance as a witness or other participation in a Proceeding at a time when he or she is not a named defendant or respondent in the Proceeding.
- e) Non-exclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Section shall not be exclusive of any other right which an Indemnified Party may have or hereafter acquire under any law.
- f) Limitation on Indemnification. No indemnification shall be provided under this Section to any Indemnified Party with respect to any Proceeding in which an Indemnified Party shall be determined not to have acted in good faith with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner which he does not believe to be in the best interests of the Association. However, it is the intent of this Section not to subject an Indemnified Party to standards of any professional background they may have and therefore not subject such Indemnified Party to any professional liability. An Indemnified Party is intended to serve as a volunteer regardless of their professional background.

Section 4.08. Inspection of Records. The Members shall have the right to inspect the books and records of the Association at reasonable times during normal business hours by appointment.

Section 4.09. Right of Entry: Enforcement by Self Help. The Association shall have the right, but not the obligation, in addition to and not in limitation of all the rights it may have under this Declaration, to enter upon any unoccupied, vacant or abandoned Lot, including any Improvements located thereon, if deemed reasonably necessary by the Board of Directors of the Association for emergency, health, safety and/or security purposes to make repairs to Improvements, secure the Properties or abate or remove things or conditions which are potentially hazardous or which violate any provisions of this Declaration. Such right maybe exercised by the Association's Board, officers, agents, employees, managers, and all police officers, fire fighters, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, the Association shall first attempt to

provide reasonable notice to the last known Owner of the Lot. All costs of such efforts, including reasonable attorneys' fees actually incurred, shall be assessed against the Owner of the Lot and shall be collected as provided for herein for the collection of the Assessments.

ARTICLE V.

Maintenance

Section 5.01 Association's Responsibility.

- (a) Generally. This maintenance shall include, but not limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures and improvements, including any private streets, situated upon the Common Areas, landscaped medians within the public rights of way throughout the properties, landscaping and other flora on any public utility easement within the properties and such portions of additional property as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. The Association shall maintain such facilities and equipment in continuous operation, except for reasonable periods as necessary to perform required maintenance or repairs, unless members holding seventy five percent (75%) of all votes agree in writing (subject to the written agreement of the Developer during the Developer control period) to discontinue such operations. The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community wide standard.
- (b) Maintenance Easements. There are reserved to the Association easements over properties as necessary to enable the Association to full-fill the Association's maintenance responsibility.
- (c) Maintenance Expenses. Except as otherwise specifically provided herein, all costs associated with the maintenance, repair and replacement performed by the Association shall be a common expense to be allocated among all lots as part of the Assessment, notwithstanding that the Association may be entitled to reimbursement from the owner(s) of certain portions of the property pursuant to this Declaration, other recorded covenants, or agreements with owner(s) thereof
- (d) Additional Maintenance Responsibility. The Association shall not be responsible for maintenance, repair and replacement of any property within the Properties to the extent designated in any Supplemental Declaration affecting the Association. The Association may also assume maintenance responsibilities with respect to any Common Area that may be designated by any Supplemental Declaration. This assumption of responsibility may take place either by agreement or because, in the opinion of the Board, the level and quality of service then are being provided is not consistent with the Community wide standard of the Properties.

Section 5.02. Owners Responsibility.

- (a) Generally. Each Owner shall maintain his or her Lot and structures, parking areas and other improvements on the Lot in a neat and orderly condition. Owners of Lots which are adjacent to any portion of the Common Area on which walls, fences, other than walls which form part of a building, have been constructed shall maintain and irrigate that portion of the boundary. Owners of Lots adjacent to any roadway within the properties shall maintain driveways serving their respective Lots, whether or not lying within the Lot boundaries, and shall maintain landscaping on that portion of the common Area, if any, or right of way between the Lot Boundary and the back of curb of the adjacent street.
- (b) Standard of Maintenance by Owner. All maintenance required by this section shall be performed in a manner consistent with the community wide standard and all applicable Covenants, unless such maintenance responsibility is otherwise assumed by or pursuant to any Supplemental Declaration affecting the Lot.
- (c) Enforcement of Owner's Responsibility. In addition to any other enforcement rights available to the Association, in the event of violation of any Covenant or restriction herein by any Owner or occupant of any Lot and the continuance of such violation after ten (10) days written notice thereof, or in the even the Owner or occupant has not proceeded with due diligence complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair, or replacement is not capable of completion, to commence such work which shall be completed within a reasonable time, the Association may provide any such maintenance, repair, or replacement and shall bill the Owner the cost and expenses of such work, plus any administrative fees necessary, such bill to be due upon receipt and if not timely paid, such bill shall become and be deemed to be an a part of the assessment to which such Owner is subject and shall become a lien against the Lot, collectible as herein provided.

ARTICLE VI.

Architectural Review Committee

Section 6.01. Preservation of Uniform Appearance. No Building on a Lot or other improvement on any lot on which a Building is located shall be modified, enlarged or otherwise altered (including but not limited to change of exterior color scheme), nor shall there be any additional improvements, exterior construction, alteration, addition, or erection of any nature whatsoever commenced or placed upon or permitted to remain in any part of the Subdivision, except such as is installed by the Declarant or as is approved in accordance with the this Article II. No exterior construction, addition, erection, or alteration which the effect of would have altering the uniform design and color of the buildings shall be made unless and until the plans and specifications showing the nature, kind, shape, height, materials and location shall have been submitted in writing to and approved by the Architectural Review Committee. The Architectural Review

Committee or the Board of Directors may promulgate written guidelines for the exercise of this review.

Section 6.02. Creation. There is hereby created a CROSBY FARMS Architectural Review Committee (herein referred to as the "Architectural Review Committee" or the "Committee") which has exclusive jurisdiction over all construction, modifications, additions or alterations made on or to the residences and other improvements within the Properties. No person serving on the Committee shall be entitled to compensation from the Association for services performed in such capacity, however, the Committee may employ, at the expense of the Association, one or more architects, engineers, attorneys, or other consultants to assist the Committees in carrying out their respective duties hereunder.

Section 6.03. Number and Appointment of Members. The Committee shall consist of three (3) members all of whom shall be appointed by Developer, except as otherwise set forth herein. The Board of Directors of the Association may perform the functions of the Architectural Review Committee or it may appoint (or remove) members of the Committee. In the event of the death, or removal or resignation of any person serving on such Committee, the Board shall designate a successor, or successors, who shall have all of the authority and power of his or their predecessor(s). Until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to exercise the powers herein granted to such Committee. Developer shall have the continuing right to appoint all three (3) members of the Architectural Review Committee until the earlier of (a) ninety (90) days after the date that Developer or Declarant no longer own the Planned Development, or any portion thereof; or (b) such date as Developer elects to discontinue such right of appointment by written notice to the Board of Directors of the Association ("the Developer Control Period") or the date on which Developer has sold and conveyed all of its Lots within the Planned Development and the last Lot sold by Developer has been occupied as a residence. Thereafter, the Board of Directors of the Association shall have the right to appoint all members of the Architectural Review Committee.

Section 6.04. Powers of the Committee. To preserve the architectural and aesthetic appearance of the Properties, no construction of improvements, modifications or additions, to existing improvements, shall be commenced or maintained by an Owner, until the site plan and the final working plans and specifications therefor have been submitted to and approved in writing by majority vote of the Committee as to conformity with the restrictions herein contained and harmony of external design and location in relation to existing structures and compatibility with the overall character and aesthetics of the Properties. The Committee shall have the right to specify architectural and aesthetic requirements for the Subdivision. The Committee shall have the right, exercisable at their sole discretion, to grant variances to the restrictions of this Declaration in specific instances where the Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Properties. Any request for a variance shall be deemed to have been disapproved in the event of either (a) written notice of disapproval from the Committee or (b) failure by the Committee to respond to the request for variance.

Section 6.05. Architectural Review Fee. The Architectural Review Committees may, in their Architectural Guidelines, provide for the payment of a fee to accompany each request for

approval of any proposed Improvement and to cover the cost of inspecting and re-inspecting any Improvement.

Section 6.06. Decision of Committee. The decisions of the Architectural Review Committee shall be made within forty-five (45) days after receipt by a Committee of all materials required by that Committee. The decision shall be in writing and, if the decision is not to approve a proposed Improvement, the reasons therefor shall be stated. The decision of an Architectural Review Committee shall be transmitted promptly to the Applicant at the address furnished by the Applicant to the Committee. Failure of the Committee to respond shall be deemed a denial of the proposed Improvement.

Section 6.07. Appeal to Association Board. If the Architectural Review Committee membership includes persons other than board members and denies or refuses approval of a proposed Improvement, the Applicant may appeal to the Board of Directors by giving written notice of such appeal to the Association and the Architectural Review Committee within twenty (20) days after such denial or refusal. The Board of Directors shall hear the appeal with reasonable promptness after reasonable notice of such Notice and Hearing to the Applicant and shall decide with reasonable promptness whether or not the proposed Improvement shall be approved. The decision of the Board of Directors shall be final and binding on all Persons.

Section 6.08. Inspection of Work. Architectural Review Committee or their duly authorized representatives shall have the right, but not the obligation, to inspect any Improvement before or after completion, provided that the right of inspection shall terminate sixty (60) days after the Architectural Review Committee shall have received a Notice of Completion from the Applicant.

Section 6.09. Notice of Noncompliance. If, as a result of inspections or otherwise, the Architectural Review Committee finds that any Improvement has been constructed or undertaken without obtaining the approval of the Architectural Review Committee, or has been completed other than in strict conformity with the description and materials furnished by the Applicant to the Architectural Review Committee, or has not been completed within the required time period after the date of approval by the Architectural Review Committee, the Architectural Review Committee shall notify the Applicant in writing of the noncompliance ("Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

Section 6.10. Correction of Noncompliance. If the Board of Directors determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date of receipt of the notice of noncompliance. If the Applicant does not remedy the noncompliance, the Board may, at its option but with no obligation to do so, (a) record a Notice of Noncompliance against the Lot on which the noncompliance exists in the Official Public Records of Real Property of Harris County, Texas; (b) remove the non-complying Improvement; and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Board elects to take any action with respect to such violation, the Applicant shall reimburse the Association upon demand for all expenses incurred therewith. If such expenses are not promptly repaid by

the Applicant or Owner to the Association, the Board may levy a Reimbursement Assessment for such costs and expenses against the Owner of the Lot in question. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the Board to take such action) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise.

Section 6.11. No Implied Waiver or Estoppel. No action or failure to act by the Architectural Review Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by an Architectural Review Committee or the Board of Directors, with respect to any Improvement. Specifically, the approval by the Architectural Review Committee of any Improvement shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement by such Person or otherwise.

Section 6.12. Limitation of Liability. The Committees have no liability or obligation whatsoever in connection with any plans and/or specifications and no responsibility for the adequacy thereof or for the construction of any improvements contemplated by any such plans and/or specifications. The Committees have no duty to inspect any improvements; and, if a Committee should inspect any improvements, it shall have no liability or obligation to any party arising out of such inspection. The Committees expressly shall have no liability or responsibility for defects in or omissions from any plans and/or specifications or for defects in or omissions from the construction of any improvements. Notwithstanding any covenant, condition or term contained in this Declaration or provision of the By-Laws of the Association to the contrary, a Committee shall not have any liability to any Owner arising or resulting from any act or omission of the Committee taken or omitted pursuant to this Declaration or the By-Laws of the Association. Each Owner by accepting a conveyance of any Lot or of any portion of the Properties conclusively shall be deemed to have unconditionally and irrevocably waived all claims against the Committees arising or resulting from acts or omissions pursuant to this Declaration or the By-Laws of the Association.

Section 6.13. Architectural & Design Guidelines. Each Approval Entity from time to time may supplement or amend the Architectural Guidelines. The Architectural Guidelines serve as a guideline only and an Approval Entity may impose other requirements in connection with its review of any proposed Improvements. If the Architectural Guidelines impose requirements that are more stringent than the provisions of this Declaration, the provisions of the Architectural Guidelines shall control.

Differing guidelines may be prepared for different circumstance, such as guidelines for new Dwelling Unit construction. The Design Guidelines shall be those of the Association, and the Architectural Review Committee shall have sole and full authority to prepare different guidelines for different phases of the Property and to modify and to amend them from time to time without the consent of any Owner. The Architectural Review Committee shall make the Design Guidelines available to Builders or Owners who seek to engage in development of, or construction upon, all or any portion of the Property and such Builders or Owners shall conduct their operations strictly in accordance therewith. The Design Guidelines may be amended by the

Architectural Review Committee. The rules, standards and procedures set forth in the Design Guidelines, as may be amended from time to time, shall be binding and enforceable against Builders and Owners in the same manner as any other provision of this Declaration.

Section 6.14. Landscaping Approval. To preserve the aesthetic appearance of the Property, no landscaping, grading, excavation or filling of any nature whatsoever shall be implemented or installed on a Lot by any Owner unless and until the plans therefore have been submitted to and approved in writing by the Architectural Review Committee. The provisions of the Article regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, and so forth shall also be applicable to any proposed landscaping, clearing, grading, excavation or filling. Weather permitting, each Lot shall be fully landscaped.

Section 6.15. Power to Grant Variances. Each Approval Entity may authorize variances from compliance with any of the provisions of this Article (except for provision relating to single family residential construction and use), including restrictions upon placement of structures, the time for completion of construction of any Improvement to Property, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental or other relevant considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Approval Entity. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. Provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Approval Entity other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Lot concerned.

Section 6.16. Compensation of Architectural Review Committee. The members of the Architectural Review Committee shall be entitled to reimbursement by the Association for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve.

Section 6.17. Construction Period Exception. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Approval Entity may temporarily suspend certain provisions of this Declaration as to the Lot upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing shall be done that will result in a violation of any of the provisions of this Declaration upon completion or construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Property.

ARTICLE VII.

Architectural Restrictions

Section 7.01. Dwelling Unit Size. The air-conditioned livable area of each dwelling Unit constructed on a Lot, excluding the garage area, shall not be less than 1,100 square feet of living area (exclusive of porches and garages) for a single-story dwelling and no less than 1,500 square feet of living area (exclusive of porches and garages) for a two-story dwelling.

Section 7.02. Height and Character of Dwelling Unit. No Dwelling Unit shall be erected, altered or permitted to remain on any Lot other than one Dwelling Unit used for single-family residential purposes only, not to exceed two and one-half stories in height, and a fully enclosed garage as provided in Section seven (7).

Section 7.03. Location of Dwelling Unit and Improvements. The following building requirements shall apply unless the Architectural Review Committee agrees to the contrary in writing:

- (a) No Building (i) shall be placed or built on any Lot nearer to the front building line or nearer to a side Lot line than the building line therefore shown on the relevant subdivision Plat, or (ii) shall encroach any easement shown on a relevant Plat unless (a) approved in writing from the Architectural Review Committee as having resulted from settling or shifting improvement and (b) permitted by applicable law and governmental authorities having jurisdiction.
- (b) Before a Dwelling Unit constructed on a Lot is completed, the Owner shall construct an improved walkway of a size and nature, type and configuration and construction materials shall be approved by the Architectural Review Committee.
- (c) Orientation of each garage entrance to the public street on which the Dwelling Unit fronts, and other aspects of garage location, type and configuration and construction materials shall be approved by the Architectural Review Committee.

Section 7.04. Exterior Walls and Chimneys. All construction plans submitted for approval to the Architectural Review Committee must specify color and type of materials of which the structure will be built. Unless the Architectural Review Committee otherwise agrees in writing, the exterior finish of all portions of a structure facing the street, excluding windows and doors, must only be brick, stone or stucco (collectively "masonry material". All single-story homes and garages shall have a minimum of 60% masonry material around the outside perimeter of the structure. Any exception must be approved in writing by the Architectural Review Committee. No structure of any kind or character that incorporates frame construction on the exterior shall be erected on any Lot unless such structure receives at least two coats of paint at the time of construction or the exterior is of redwood or cedar material. All chimneys are to be made of brick, hardiplank or stucco materials.

Section 7.06. Drainage. No owner of a Lot shall be permitted to construct Improvements on such Lot or grade such Lot to remain in or be placed in such condition that surface water on such Lot drains to any other Lot or the Common Area.

Section 7.07. Driveways. Unless the Architectural Review Committee agrees otherwise, each Lot shall have drive-way access to the street on which the Dwelling Unit constructed thereon faces. Subject to the foregoing limitations, the Owner of each Lot shall construct and maintain at his expense a reinforced driveway from his garage to an abutting street. The Owner shall repair at his expense any damage to the street associated by connection of the driveway thereto.

Section 7.08. Roofs. Unless otherwise approved, the roof of all buildings on the Lot shall be covered with fiberglass composition shingles with a life of twenty (20) years or better, or comparable to minimum specifications as defined by the Federal Housing Authority. Tile roofing may be used if approved in writing by the Architectural Review Committee. The color of the composition shingle and tile shall be subject to written approval by the Architectural Review Committee prior to installation. Any other type roofing material may be used only if approved in writing prior to installation. Additionally, to further maintain exterior harmony, all chimneys must be finished with materials as permitted by the Architectural Guidelines.

Section 7.09. Sidewalks. Before the construction of any residence is complete, the Declarant or Builder shall construct in all adjacent rights-of-way a concrete sidewalk five (5') in width, parallel to the street curb and a minimum of two (2') from the Lot line in accordance with local standards and ordinances. The sidewalk shall extend the full width of the Lot. On corner Lots, the sidewalk shall extend the full width and depth of the Lot and up to the street curb at the other. The maintenance, repair and/or replacement of all sidewalks is the responsibility of the Owner.

Section 7.10. Grass, Shrubbery and Landscaping. Prior to the sale thereof, the Builder or Owner of each Lot with a residence thereon shall: (i) solid sod with grass the areas between the Dwelling Unit and the curb line(s) of the abutting street(s); and (ii) sprig with grass all other areas visible from any street and not located between the Dwelling Unit and the curb line(s) of the abutting street(s). All grass, plants and shrubs shall be maintained by the Owner of the Lot. The grass, plants, shrubs and trees shall be of a type and within standards approved by the Architectural Committee. The landscape requirements of the Architectural Review Committee maybe revised from time-to-time. No landscaping shall be done in the front of any Dwelling Unit in any part of the Properties until the landscape layout and plans shall have been first approved by the Architectural Review Committee. Grass and weeds shall be kept mowed and edged to prevent unsightly appearance. Dead or damaged trees or other shrubbery, which might create a hazard to property or person within the Subdivision shall be promptly removed and repaired. Vacant Lots shall be mowed and maintained in a neat and orderly appearance.

Section 7.11. Antennas and Dish-Type Devices.

- (a) Dish-Type Devices in excess of One Meter (39"). No direct broadcast satellites, multi-channel multipoint distribution type devices and microwave broadband transmitters and receivers (referred to herein collectively as "Dish-Type Devices") which exceeds one meter (39") in diameter is permitted on any Lot .

- (b) Dish-Type Devices of One meter (39”) or less, Antennas and Related Masts. A Dish-Type Device of one meter (39”) or less, television broadcast antennas (“Antennas”) and related masts, are permitted to be placed on a Lot provided any such item complies with all of the below set forth minimum conditions. Further, the Association must receive written notification at its then current address from the Owner of the applicable Lot, on or before the installation of any Dish-Type Device, Antenna or related mast provided before in this Section. Such notification must include the type and color of the Dish-Type Device, Antenna and any related mast to be installed, and the method, manner, and site of installation. The site must be shown in a plot plan.

If the Owner of a Lot proposed to install a Dish-Type Device, Antenna and any related mast as set forth in this Section (b) in any manner whatsoever which does not strictly comply with the below set forth minimum conditions, such Owner must submit an application to the Architectural Review Committee and obtain the written approval of the Architectural Review Committee prior to commencing such installation. In connection with the Architectural Review Committee’s decision, the Architectural Review Committee shall consider such factors as it deems appropriate, in its reasonable discretion. The application to the Architectural Review Committee must be made on a form approved by the Architectural Review Committee and contain such information as may be required by the Architectural Review Committee, including a statement which specifically describes the manner in which it is proposed that such Dish-Type Device, Antenna and related mast will vary from such minimum conditions. The Architectural Review Committee shall endeavor to make its decision regarding the proposed Dish-Type Device, Antenna and any related mast on an expedited basis within seven (7) days after receipt by the Architectural Review Committee of the completed application and all information required therein. The granting of a variance from such minimum conditions shall in no way affect the Owner’s obligation to comply with all governmental laws and regulations and other regulations affecting the Lot concerned.

- (c) Minimum Conditions. In addition to the foregoing requirements, no Dish-Type Device, Antenna or any related mast shall be erected, constructed, placed or permitted to remain on any Lot unless such installation strictly complies with the following Minimum Conditions (however, each Minimum Condition shall not apply if it unreasonably delays installation of the applicable Dish-Type Device and any related mast, or unreasonably increases the cost of such items or their installation, or precludes reception of an acceptable quality signal):
- a. The Dish-Type Device, Antenna and any mast must be located to the rear one-half (1/2) of the Lot and must serve only improvements on the particular Lot in which it is located.
 - b. To the extent feasible, the Dish-Type Device, Antenna and any mast, including its base and anchoring structure, shall not extend above the roofline of the house located on the Lot and shall not be visible from the frontage street or any adjoining street.
 - c. To the extent feasible, no Dish-Type Device, Antenna or mast shall be constructed or

placed or permitted to remain on any utility easement or other easement right-of-way located on any Lot.

- d. The Dish-Type Device, Antenna and any mast must be securely mounted to a base, so as to be able to withstand the effects of high winds or other extraordinary weather conditions; however, no guy wire or similar mounting apparatus will be allowed.
- e. No advertising slogans, logos, banners, signs or any other printing or illustration whatsoever shall be permitted upon or be attached to the Dish-Type Device, Antenna or mast.
- f. No Dish-Type Device or Antenna shall ever be used to send or receive any ham signal.
- g. No Dish-Type Device or Antenna shall be permitted to cause any distortion or interference whatsoever with respect to any other electronic device in the Subdivision.
- h. The Dish-Type Device or Antenna and any mast shall be one solid color only, either white or black or shades of either brown, gray or tan.
- i. Any Dish-Type Device, Antenna or related mast installed hereunder shall be installed in a manner that complies with all applicable laws and regulations and manufacturer's instructions.
- j. If any provision of this Section is ruled invalid, the remainder of the provisions in this Section shall remain in full force and effect.

Section 7.12. Private Utility Lines. All electrical, telephone and other utility lines and facilities which are located on a Lot and which are not owned and maintained by a governmental entity or a public utility company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the Architectural Review Committee, and shall be maintained at all times by the Owner of the Lot upon which it is located.

Section 7.13. Animals. No animals, reptiles, (livestock, poultry are not permitted) or (birds only indoor) of any kind shall be raised, bred or kept on any Lot, except that dogs, cats (must be kept indoors or on a leash when outside) or other household pets may be kept, not to exceed a total of three (3) such animals, provided that they are not kept, bred, maintained for commercial purpose. The foregoing limitation on number of pets shall not apply to hamsters, small birds, fish or other constantly caged animals, nor shall it apply to require the approval of any litter born to a permitted pet prior to the time that the animals in such litter are three (3) months old. Horses, reptiles, ponies, goats, sheep, hogs, pigs, monkeys, chicken, ducks, peacocks, ponies and Guinea fowl shall not be deemed as household pets and are expressly prohibited. Pets shall not be permitted to roam free. Dogs shall be securely tethered to an appropriate leash held by a responsible person whenever they are outside a Dwelling Unit or the fenced portion of a Lot not visible from the public street right-of-way directly in front of the Dwelling Unit.

Section 7.14. Exterior Noise. No external horns whistles, bells or other sound devices, except

for security systems used exclusively to protect the Dwelling Unit, shall be placed or used on any Lot or Improvements. This paragraph shall not preclude the use of outdoor speakers for hi-fis, stereos, or radios if the sound level is maintained at a reasonably low level with respect to adjoining property.

Section 7.15. Window Treatment. No window in any Dwelling Unit or other improvements that is visible from any other Lot or a street, may be covered with any aluminum foil or other reflective material. Window covering must be compatible with the design of the Dwelling Unit and the overall appearance of the Properties and from the exterior must be neutral or white if visible from the street. The Architectural Review Committee shall have the sole authority to determine whether particular window coverings are compatible with the design and color of the Dwelling Unit and the overall appearance of the Properties. Permanent window coverings must be installed within sixty (60) days of occupancy of the Dwelling Unit.

Section 7.16. Air Conditioners. No window roof or wall-type air conditioner that is visible from any street shall be used, placed or maintained on or in any garage or other Improvement.

Section 7.17. Pools. No above-ground swimming pools shall be erected, constructed or installed on any Lot.

Section 7.18. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge or shrub planting shall be placed or permitted to remain on any corner Lot within fifteen (15) feet of the point formed by the intersection of the building set back lines of such Lot.

Section 7.19. Artificial Vegetation, Exterior Sculpture and Similar Items. No artificial vegetation is permitted. No exterior sculpture, fountains, flags, birdhouses, birdbaths, other decorative embellishments or similar items shall not be permitted unless approved in writing by the Architectural Review Committee. Except for flags on free-standing flagpoles approved by the Architectural Review Committee as set forth. United States flags are permitted as approved by the Architectural Review Committee. No such decorative embellishment or similar items shall be permitted on the front portion of any Lot or yard. However, notwithstanding the foregoing, flags mounted on the front of the primary dwelling with a bracket shall be allowed for one (1) week before a nationally recognized holiday and one (1) week after such holiday only.

Section 7.20. Playstructures. Playstructures must not be higher than the height of the fence.

Section 7.21. Basketball Goals. Are not permitted on any Lots.

Section 7.22. Walls, Fences and Hedges. No hedge in excess of three feet (3') in height shall be erected or maintained nearer to the front Lot line than the building set-back line adjacent to the walls of the dwelling existing on such Lot. No side or rear fence or wall be more than six feet six inches (6'6") or less than six feet (6') in height. All fences and walls shall be of cedar construction or as approved by the Architectural Review Committee. On a lot that has frontage on a water body, metal/wrought iron fencing must be used along all rear yards and partially on side property lines (last sixteen feet (16') from rear property line which must be at least four feet

(4') in height and must be made of the same material for the same neighborhood section. On lots that have lake frontage on a water body, a metal/wrought iron fence must extend from the dwelling unit perpendicular to the side lot lines on both sides of the dwelling unit.

No chain link, chicken wire, or other open fencing is strictly prohibited on a Lot. No fence or wall shall be erected on any Lot nearer to the Street the building setback lines as shown on the Plat. The Architectural Review Committee has the right to deviate its approval for the style and materials to be used based on the location within the Properties. Title to any wall, fence or hedge shall pass ownership with title to the Lot and it shall be the Owner's responsibility to maintain said wall, fence or hedge thereafter in the manner prescribed by the Association. The foregoing restrictions shall not be applicable to the construction or erection of any fence, wall or hedge on any Lot or the Common Property by Declarant.

Section 7.23. Development Activity. Notwithstanding any other provision herein, Declarant and its successors and assigns shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property and the construction and sales of Lots within the Property and a Dwelling Unit on each Lot.

Section 7.24. Signs and Picketing. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Dwelling Unit, fence or other improvement upon such Lot so as to be visible from public view except the following which shall be subject to the rules and regulations enacted by the Board;

- (a) For Sale/For Lease signs. An owner may erect one (1) sign on the Owner's Lot, not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of such Lot advertising the property for sale/for lease.
- (b) Declarant's Signs. Declarant may erect and maintain such signs as Declarant, in Declarant's sole discretion, deems desirable for or concerning the Subdivision or the Properties or the construction, development, operation, promotion, leasing and sale of the Lots.
- (c) Builder signs. Any Dwelling Unit builder may utilize one professional sign (of not more than five (5) square feet in size) per Lot for advertising and sales promotion of such Dwelling Unit.
- (d) Model Home Sign. The one allowable yard sign will be a maximum of twelve (12) square feet in area on a standard lot and twenty-four (24) square feet in area on a corner lot. This sign will be allowed for a period of time commensurate with the homes model or sales program only. Additionally, builders will be allowed only one (1) builder sign per model park. Model homes are allowed one (1) model name sign, each which includes only the model's name. These model identification signs may not exceed three (3) square feet in surface area.
- (e) Political Signs. Political signs (of not more than three (3) square feet in size) may be erected upon a Lot by the Owner of such Lot advocating the election of one or more

political candidates or the sponsorship of a political party, issue or proposal, provided that such signs shall not be erected more than thirty (30) days in advance of the election to which they pertain and shall be removed within two (2) days after such election.

- (f) School Spirit Signs. Signs containing information about one or more children residing in the Dwelling Unit and the school they attend shall be permitted so long as the sign is not more than 36" x 36". There shall be no more than one sign for each child under the age of eighteen (18), residing in the Dwelling Unit.
- (g) Security Signs/Stickers. Signs or stickers provided to an Owner by a commercial security or alarm company providing service to the Dwelling Unit shall be permitted so long as the sign is not more than 12" x 12" or the sticker is no more than 4" x 4". There shall be no more than one sign or sticker on no more than 10% of the windows and one on a front door.

Section 7.25. Exterior Paint. The exterior surfaces of buildings, fences or walls located in the Properties shall not be painted or stained unless the Architectural Review Committee gives its prior written approval of the color of paint or stain to be used; such approval is not required when painting with the existing color. The purpose of this covenant is to maintain harmony of the exterior paint colors of the townhomes throughout the properties. Iridescent colors or tones considered to be brilliant are not permitted. Accordingly, the Architectural Review Committee shall not be obligated to approve any color of exterior paint that is different from the original paint applied to the exterior of the townhomes. Any perimeter fence or wall shall be maintained in its natural state. All painted improvements and other painted surfaces on each Lot shall be repainted by the Owner thereof at the Owner's sole cost and expense as often as is reasonably necessary to ensure the attractiveness and aesthetic quality of such Lot or dwelling unit.

Section 7.26. Solar Collections. No solar collectors shall be installed without the prior written approval of the Architectural Review Committee. Such installation shall be in harmony with the design of the Dwelling Unit. Solar collectors shall be installed in a location that is not visible from the street in front of or to the side of any Dwelling Unit.

Section 7.27. Clotheslines. Clotheslines are prohibited on any Lot. No clotheslines shall be erected or installed, and no clothing, linens or other material shall be aired or dried so as to be visible from the Common Property, the Lake system or any street.

Section 7.28. Trash Receptacles and Collection. All trash receptacles shall be screened by fences or shrubbery so as not to be generally visible by the public or from Common Property, the Lake system or any street, unless otherwise approved in writing by the Architectural Review Committee. Each and every Owner shall observe and comply with any and all regulations or requirements promulgated by the applicable governmental authority and/or the Association, in connection with the storage and removal of trash and garbage. All Lots shall at all times be kept in a healthful, sanitary and attractive condition. No Lot shall be used or maintained as a dumping ground for trash, garbage, junk or other waste matter. Builder's shall provide appropriate a suitable enclosure, to contain the construction debris on their Lots. All trash, garbage or waste matter shall be kept in adequate containers which shall be constructed of metal, plastic or

masonry materials, with tightly-fitting lids, and which shall be maintained in a clean and sanitary condition. No lot shall be used for open storage of any materials whatsoever, except that new building materials used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which these materials shall either be removed from the Lot, or stored in a suitable enclosure on the Lot. No garbage, trash, debris or other waste matter of any kind shall be burned on any Lot. No woodpiles, yard equipment and other similar items shall be located or screened so as to be concealed from view of neighboring Dwelling Units, streets, the Lake system and the Common Property. All rubbish, trash and garbage shall regularly be removed from the Property and shall not be allowed to accumulate thereon.

Section 7.29. Lighting. Except for traditional holiday decorative lights, which may be displayed for two (2) months prior to and one (1) month after any commonly recognized holiday for which lights are traditionally displayed, all exterior lights must be approved by the Architectural Review Committee.

Article IX.

Use Restrictions

Section 9.01. General. The Properties shall be used only for residential, and related purposes (which may include, without limitation, offices for any property manager retained by Declarant or the Association). Any Supplemental Declaration imposed stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards,

Section 9.02. Single Family Residential Use. Each Owner shall use his Lot and the Dwelling Unit on his Lot, if any, for single family residential purposes only. As used herein, the term "single family residential purposes" shall be deemed to specifically prohibit, by way of illustration but without limitation the use of any Lot for a duplex apartment, a garage apartment or any other apartment or for any multifamily use or for any business, educational, church, professional or other commercial activity of any type, except that an Owner may use his residence as a personal office for a profession or occupation, provided: (a) the public is not invited, permitted or allowed to enter the Dwelling Unit or any structure or Improvement upon such Lot and conduct business therein; (b) no signs advertising such profession or business are permitted; (c) no on-site employees are permitted; (d) no offensive activity or condition, noise, odor or traffic (vehicular or pedestrian) is generated and; (e) such use in all respects complies with the laws of the State of Texas, any applicable ordinances, and the laws, rules and regulations of any regulatory body or governmental agency having authority and jurisdiction over such matters. No Dwelling Unit shall be occupied by more than a single family. For purposes of these restrictions, a single family shall be defined as: (a) one or more persons related by blood, marriage or adoption, which may include only parents, their children (including foster children and wards), their dependent brothers and sisters, their dependent parents, their dependent grandparents and domestic servants; or (b) no more than two unrelated persons living together as a single

housekeeping unit and their children (including foster children and wards), their dependent brothers and sisters, their dependent parents, their dependent grandparents and domestic servants.

A person shall be deemed to be a dependent person hereunder only if they are considered to be a dependent by the Internal Revenue Service, such that the person supporting the dependent person properly qualifies for an exemption with regard to federal income taxes, as a result of furnishing such support. It is not the intent of this Declaration to exclude from a Dwelling Unit any individual who is authorized to so remain by any state or federal law. It is found that this definition, or any other provision in this Declaration, is in violation of any law, then this Section shall be interpreted to be as restrictive as possible to preserve as much of the original section as allowed by law.

Section 9.03. Occupants Bound. All provisions of this Declaration, Bylaws and any Rules and Regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners shall also apply to all occupants, guests and invitees of any Lot. Every Owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws and the Rules and Regulations adopted pursuant thereto. Adopted pursuant thereto and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws and Rules and Regulations adopted pursuant thereto.

Section 9.04. Quiet Enjoyment. No portion of the Properties shall be used in whole or in part, for the storage of any property or thing that will cause it to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any structure, thing or material be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No obnoxious, illegal or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any portion of the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Properties. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Properties. No speaker, horn, whistle, bell or other sound device, except alarm devices used exclusively for security purposes, shall be installed or operated on any Lot. The use and discharge of firecrackers and other fireworks is prohibited within the Properties. No musical group may perform or play, and no outside instruments may be played without the prior written approval of the Architectural Review Committee.

Section 9.05. Business Use. No garage sales, moving sales, rummage sales or similar activity (provided, however, an Owner of a Lot may have one total of the following types of sales). (i) garage, moving (ii) rummage of no more than one (1) full weekend during each one year period of ownership and no trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements for the

Properties; (c) the business activity does not involve persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Property; (e) and does not constitute a nuisance or a hazardous or offensive use, or threatens peaceful enjoyment, the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The Board is authorized to promulgate rules and regulations to insure that home businesses comply with the above standards and to make factual determinations regarding the impact of a home business on the residential character of the Properties, if in the judgment of the Board, a home business has a detrimental impact on the residential quality of the Properties or otherwise constitutes a nuisance, it is authorized to require that the Owner cease the home business or alter it to the Board's satisfaction.

Section 9.06. Definition of "Business" and "Trade". The terms "business" and "trade", as used herein, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provide receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or a license is required therefore. Notwithstanding the above, the leasing of a Lot shall not be considered a trade or business within the meaning of this Section. The definition of "business" and "trade" shall not apply to any activity conducted by Declarant or Developer or conducted by a Builder with the approval of the Developer with respect to its development and sale of any and all Lots or its use of any Dwelling Units which it owns within the Property, including the operation of a timeshare or similar program.

Section 9.07. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly conditions on his or her Lot. the pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Properties. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work shall be permitted provided such activities are not conducted on a regular or frequent basis and are either conducted entirely within an enclosed garage or, if conducted outside, ae begun and completed within twelve (12) hours.

Section 9.08. Leasing of Lots.

- (a) Definition. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person or persons other than the Owner for which the Owner received any consideration or benefit, including, but not limited to a fee, service, gratuity or emolument.
- (b) Leasing Provisions. Lots may only be leased for single family residential purposes as defined in this Declaration. No owner shall be permitted to lease his Lot for hotel or transient purposes, which for purposes of this section is defined as a period of less than thirty (30) days. No Owner shall be permitted to lease less than the entire Lot. Every

such lease shall be in writing. Every such lease that the tenant shall be bound by and subject to all of the obligations of the Owner under this Declaration. The Owner making such lease shall not be relieved from any such obligations. Upon the execution of a lease agreement, the Owner shall notify the Association in writing of the Owner's designated address and the name of Owner's lessee. No lessee shall be entitled to use the recreational facilities or Common Area of the Association until the information specified in this Section is provided to the Association in writing and the Owner further notifies the Association in writing that the Lessee has been granted the authority to use the recreational facilities and Common Area of the Association by such Owner. The use of the Common Areas and/or recreational facilities is limited to the benefit of one (1) family per residence and the granting of such rights to a tenant excludes the right of the Owner during such period.

Section 9.09. Compliance with Declaration, Bylaws and Rules and Regulations and Ability to Assess Fines. Every Owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws and the Rules and Regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws and Rules and Regulations adopted thereto. Failure to do so, the Association has the authority to promulgate reasonable fines.

Section 9.10. Laws and Ordinances. Every Owner and occupant of any Lot, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of Federal, State and Municipal Government applicable to the Properties and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Section 9.11. Subdivision of Lots. Declarant hereby expressly reserves the right to replat any Lot or Lots owned by the Declarant in accordance with all applicable subdivision and zoning regulations.

Section 9.12. Parking and Prohibited Vehicles.

- (a) Passenger automobiles, passenger vans, motorcycles, or pick-up trucks that (i) are in operating condition; (ii) have current license plates and inspection stickers; (iii) are in daily use as a motor vehicle on the streets and highways of the State of Texas; (iv) which do not exceed seven feet (7') in height, or eight feet (8') in width or twenty-four feet (24') in length; and (v) have no commercial advertising located thereon, may be parked in the driveway of a Lot, however, no vehicle shall be parked so as to obstruct or block a sidewalk or upon any portion of the grassed areas or yard. No vehicle may be repaired on a Lot unless the vehicle being repaired is concealed from view inside a garage or other approved enclosure. This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of a townhome in the immediate vicinity; provided, however, any such request for a variance must receive the prior approval of the Board of Directors of the Association. The Board

of Directors of the Association may adopt additional Rules and Regulations regulating parking on the streets in the Properties.

- (b) A maximum of two (2) occupant vehicles may be temporarily parked outside of the garage serving the Dwelling Unit for more than a twenty-four (24) hour period. For purposes of this provision, a vehicle shall be considered an "occupant vehicle" if it is parked on the Lot four (4) or more hours per day for four (4) or more days in any seven (7) day period.
- (c) The Board may authorize on-street parking on a temporary basis for visitors and guests, subject to reasonable rules and regulations. No garage shall be modified or otherwise used so as to reduce its capacity for parking and housing a minimum of two (2) vehicles at all times.
- (d) Garage doors which are visible from the street within the Property are requested to remain closed except during ingress or egress or when the garage is actively being used by the Owner or occupant.
- (e) Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in an enclosed garage or areas, if any, designated by the Board in its sole discretion. Stored vehicles and vehicles which are either obviously inoperable or do not have current licenses shall not be permitted to be stored on the Property except within an enclosed garage. Notwithstanding the foregoing, vehicle that become inoperable while on the Property must be moved within seventy-two (72) hours thereof. For purposes of this Section, a vehicle shall be considered "stored" if it is put on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days. Notwithstanding the foregoing, service and delivery vehicles may be parked on the Property during the daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling Unit or the Common Property. Any vehicle of this Section or parking rules by the Board may be towed. Boats are permitted on the driveway for twenty (24) hours for purposes of loading and unloading the boat.

Section 9.13. Commercial or Institutional Use. No Lot and no building erected or maintained on any Lot, shall be used for manufacturing, industrial, business, institutional or other non-residential purposes.

Section 9.14. Mailboxes. Mailboxes, house numbers and similar matter used in the Property must be harmonious with the overall character and aesthetics of the community. This provision with respect to mailboxes shall not apply when cluster box units are required by the United States Postal Service.

Section 9.15. Detached Buildings. No detached accessory building shall be erected, placed or constructed upon any Lot without the prior written consent of the Architectural Review Committee. The Architectural Review Committee shall have the right without the obligation to

promulgate rules, regulations and guidelines regarding the size, quality, location and type of these structures.

Section 9.16. No Hazardous Activities. No activity shall be conducted on and no improvements shall be constructed on any property within the Properties that is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior or exterior fireplace.

Section 9.17. On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Properties except that up to five (5) gallons of fuel may be stored on each lot for emergency purposes and operation of lawn mowers and similar tools of equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

Section 9.18. Removal of Trash and Debris During Construction. During the construction, repair and restoration of Improvements, Declarant or each Builder shall remove and haul from the Lot all tree stumps, tree limbs, branches, underbrush and all other trash or rubbish cleared from the Lot to permit construction of the Improvements, including landscaping. No burning of trash or other debris is permitted on any Lot. additionally, Declarant or each Owner or Builder, during construction of the Improvements, shall continuously keep the Lot in a reasonably clean and organized condition, papers, trash, scrap and unusable building materials are to be kept, picked up and hauled from the Lot on a regular basis. Other useable building materials are to be kept stacked and organized in a reasonable manner. No trash, materials or dirt shall be placed in the street. Any such trash, materials or dirt inadvertently spilling or getting into the street or street gutter shall be removed, without delay. During the construction period, the Builder is responsible for sweeping the streets as frequently needed.

Section 9.19. Excavation and Tree Removal. The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as maybe necessary in conjunction with the landscaping of or construction on such Lot. No trees shall be cut or removed except to provide room for construction of Improvement or to remove dead or unsightly trees; provided, however, that removal of any tree in excess of a four inch (4") caliper requires the approval of the Architectural Review Committee and the replacement, one for one, of such tree with a tree of equal or greater caliper. Any void, depression or hole created by the removal of dirt or a tree must be filled in accordance with the requirements of the Architectural Review Committee.

Section 9.20. Damage or Destruction of Improvements. Owners are bound and obligated through the purchase of a Lot to maintain the Lot and all Improvements thereon in a neat and habitable manner. In the event of damage to any Improvement, the Owner shall have the shorter of the period permitted by applicable laws or sixty (60) days to begin repairing or demolishing the destroyed or damaged portion, and, once timely commenced, such repairs or demolition must be pursued diligently to completion. If, however, damage to the Improvements is not covered by insurance, or if the Owner's claim is not approved by the Owner's insurance company, or if the Owner decides not to restore the Improvements at such time, then the Owner may apply for a

“hardship” extension to the operation of this restriction to be submitted to the Board within sixty (60) days from the date of such destruction or damage. The Board shall rule on the Owner’s application for a “hardship” extension within thirty (30) days from the date of submission. In no event shall the granting of a “hardship” extension in a particular case be deemed a waive of the right to enforce this restriction thereafter. If a “hardship” extension is granted, the Owner thereafter shall cause the damaged or destroyed Improvement to be demolished and the Lot to be suitably landscaped, subject to the approval of the Architectural Review Committee, so as to present a pleasing and attractive appearance. Such Lot will be properly mowed, cleaned and maintained after the removal of such Improvement.

Section 9.21. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall any walls, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick, or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 9.22. Treatment Facilities. No Lot shall be used for the operation of a boarding or rooming house, a residence for transients, a “group home”, “family home”, “community home”, “half-way house”, day-care center, rehabilitation center, treatment facility or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicap or illness, or other similar matters, unless otherwise allowed by the terms of any law specifically negating the provisions of restrictive covenant prohibiting same.

ARTICLE X.

Covenants For Assessments.

Section 10.01. Creation of the Lien and Personal Obligations for Assessments. The undersigned Owners hereby covenant and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such covenant and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all sums assessed against any property subject to this Declaration pursuant to this Declaration, together with interest, collection costs, other costs and reasonable attorney’s fees actually incurred, as provided herein, shall be secured by a lien on the property owned by each Owner in favor of the Association. All sums assessed against any property together with interest, collection costs, other costs and reasonable attorney’s fees, shall be a charge on the Lot and shall be secured by a continuing lien upon the Lot against which each such assessment is made. Each such assessment and other charges, together with interest, collection costs, other costs and reasonable attorney’s fees, shall also be the personal obligation of the Owner of the Lot at the time when the assessments fell due and shall not be affected by any change in the ownership thereof. All persons acquiring liens or encumbrances on any property subject to this Declaration after this Declaration shall have been recorded in the real property records of Harris County, Texas shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for Assessments, as provided herein, whether or not prior consent is

specifically set forth in the instruments creating such liens or encumbrances.

Section 10.02. Purpose of Assessment. Except to the extent otherwise specifically set forth elsewhere in this Declaration, the Assessments levied by the Association shall be used to enforce the provisions contained in this Declaration; to improve, beautify, maintain, manage and operate the Common property, pay all utility bills, taxes and insurance premiums as required and to promote the recreation health, safety, convenience and welfare of the Members carrying out the purpose of the Association as stated in its Articles of Incorporation and Bylaws of the Association.

Annual Assessments.

- (a) Generally. Each Lot in the Properties is hereby subjected to an annual assessment (the "Annual Assessment." The Annual Assessment will be paid by the Owner or Owners of each Lot within the Properties to the Association in advance on or before January 1 of each year. The rate at which each Lot will be assessed will be determined annually and may be adjusted from year to year by the Association, as hereinafter provided, or as the needs for the Properties may, in the judgment of the Association, require. The Annual Assessment shall be assessed on a per Lot basis, except as hereinafter provided for Declarant, Developer and any Builder to whom Declarant or Developer sells a lot.
- (b) Uses. The Association may use the Maintenance Fund for any purpose provided by this Declaration, including by way of clarification and not limitation, at its sole option, any or all of the following: constructing and maintaining paths, parks, landscape reserves, easement, esplanades, fences, cul-de-sac and street medians, recreational facilities, including other common areas, payment of all legal and other expenses incurred in connection with the enforcement of all charges, Assessments, covenants, restrictions and other conditions affecting the Properties, payment of all reasonable and necessary expenses in connection with the collection and administration of the Assessments, employing instructors and operators, caring for vacant lots, garbage collection, and doing other things necessary or desirable, in the opinion of the Board of Directors to keep the Properties neat and in good order or which is considered of general benefit to the Owners or occupants of the Properties. It is understood that the judgment of the Board of Directors in the expenditure of the Maintenance Fund shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation or obligation that any of the above will, in fact, be provided by the Association.
- (c) Rendition and Notice. Annual Assessments shall be payable in advance on or before January 1st of each year. The Board of Director may fix the Annual Assessment at an amount not in excess of the maximum and shall fix the amount of the Annual Assessment against each Lot by December 1 preceding the Annual Assessment period. The Annual Assessment period shall begin on January 1 of each year. Written notice of the Annual Assessment shall be sent to every Owner subject thereto at the address of each Lot or at such other address provided to the Association in writing. Annual Assessments shall be considered delinquent if not received by January 31st of the year for which the Annual

Assessment pertains.

- (d) Treatment of Lots (Assessable Tract) owned by Declarant, Developer or Builder. Lots owned by the Builders, Declarant or Developer shall be assessed at fifty (50%) percent of the amount assessed against Lots owned by other Owners. Assessable Tract shall mean and refer to any Lot or Building Plot from and after the date on which paved public street access and water and sanitary sewer service have been extended thereto, except for exempt property as described.

Section 10.03. Maximum Annual Assessments.

- (a) Without Vote of Members: the maximum Annual Assessment for calendar year 2023 shall be in the amount of Six Hundred fifty dollars (\$650.00). Beginning with Annual Assessment for calendar year 2023, the maximum Annual Assessment may be increased once a year by the Board of Directors of the Association, at its sole discretion, by an amount equal to a ten percent (10%) increase over the residential assessment for the previous year.
- (b) With Vote of Members: The Annual Assessment may be increased above that allowed in Section 3 (a) of this Article X, if, the increase is approved by the majority Member Vote or Members who are present in person or by proxy at a meeting of the Members called for such purpose. The Board shall in good faith attempt to cause notice of the Assessments to be levied against each Owner for the following year to be delivered to each Member at least thirty (30) days prior to the end of the current year.

Section 10.04. Special Assessments. In addition to the other Assessments authorized herein the Board may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or repair or replacement of a capital improvement located upon the Common Property, including fixtures and personal property related thereto; provided, however, any such special assessment must have the consent of the Declarant during the Class b Control Period and a per Lot special assessment in an amount greater than twenty percent (20%) of the residential assessment per Lot for such year, must be approved by a Majority Member Vote of Members who are present in person or by proxy at a meeting of the Members called for such purposes.

If a special assessment is approved as herein required and levied, it shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

Section 10.05. Capitalization Fee. Upon the sale of a Lot from Builder to Owner, the purchaser of such Lot shall be obligated to pay the Association a fee equal to fifty percent (50%) of the then current Annual Assessment amount per Lot, as a capitalization fee (herein "Capitalization Fee") regardless of the size or projected usage of such Lot at the time of sale. Such funds from the Capitalization Fee collected at each sale shall initially be used to defray operating costs and other expenses of the Association, as the Developer (and later the Association) shall determine in its sole discretion. Such Capitalization Fee shall be non-refundable and shall not be considered an

advance payment of any Assessments levied by the Association pursuant to the Declaration. Such Capitalization Fee will be billed to the Owner directly at the time of purchase of the Lot. If any Lot is subdivided and/or platted into multiple Lots, then the multiple Lots will thereafter be subject to the Capitalization Fee at the time of each sale of each of the multiple Lots. This Capitalization Fee shall be deemed an Assessment for collection purposes, if necessary.

Section 10.06. Notice and Quorum of any Action Authorized. The relevant provisions of the Bylaws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and proper form of notice of any meeting for the purposes set forth as applicable and to ascertain the presence of a quorum at such meeting.

Section 10.07. Reimbursement Assessments. The Board of Directors, subject to the provisions hereof, with approval of the Declarant, may levy a Reimbursement Assessment against any Member or Member's family, guests or tenants to comply with this Declaration, the Articles of Incorporation, the Bylaws, Minimum Construction Standards, or the Rules and Regulations shall have resulted in the expenditure of funds or the determination that funds will be expended by the Association to cause such compliance. The amount of the Reimbursement Assessment shall be due and payable to the Association ten (10) days after notice to the Member of the decision of the Board of Directors that the Reimbursement Assessment is owing.

Section 10.08. Estoppel/Resale Certificates. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association or its agent setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 10.09. Attribution of Payments. If any Owner's Assessment is less than the amount assessed and the payment does not specify whether it should be applied against an Annual Assessment, Special assessment, or Reimbursement Assessment, the payment received by the Association from the Owner shall be credited in the following order of priority: (a) Reimbursement Assessment until the Reimbursement Assessment has been satisfied; (b) Special Assessment until the Special Assessment has been satisfied; and (c) Annual Assessment until the Annual Assessment has been satisfied. In each of the forgoing cases, payments received shall be credited first to interest, attorney's fees and other costs of collection, and then to Assessment reduction, satisfying the oldest obligations first, followed by more current obligations, in accordance with the foregoing order of priority.

Section 10.10. Effect of Nonpayment of Assessments. Any of the Assessments which are not paid within thirty (30) days after the due date shall be delinquent and subject to the following:

- (a) Interest at the rate of eighteen percent (18%) per annum from the due date to the maximum rate of interest allowed by law, if less than eighteen percent (18%), and all costs of collection, including reasonable attorney's fees;
- (b) All rights of the Owner as a Member of the Association (but not such Owner's responsibilities) as a Member of the Association, including usage of the Common Area,

shall be automatically suspended until all Assessments and related costs are paid in full, and during such suspension, such Owner shall not be entitled to vote upon any matters on which Members are entitled to vote;

- (c) An action at law against the Owner personally obligated to pay the same, and/or foreclose on the lien retained against the Lot, interest, costs of court, and reasonable attorney fees (when placed with an attorney for collection, whether with or without suit) incurred in any such action shall be added to the amount of such Assessment or charge; and
- (d) A late charge of twenty-five dollars (\$25.00) per month until the balance is paid in full

Section 10.11. Contractual Lien.

- (a) Generally. Assessment (together with interest and reasonable attorney's fees if it becomes necessary for the Association to enforce collection of any amount in respect of any Lot) shall be a charge on each Lot and shall be secured by a continuing lien upon each Lot against which such assessment is made until paid.
- (b) Notice of Lien. Additional notice of the lien created by this Section maybe effected by recording in the Office of the County Clerk of Harris County, Texas, an affidavit, duly executed, sworn to and acknowledged by an officer of the Association, setting forth the amount owed the name of the Owner or Owners of the affected Lot, according to the books and records of the Association, and the legal description of the Lot.
- (c) Creation of Lien. Each Owner, by his acceptance of a deed to a Lot, hereby expressly grants to the Association a lien for the purpose of securing payment of Assessments upon such Lot. The Association acting by and through the Board of Directors may, but shall not be obligated to, prepare and record in the Real Property Records of Harris County, Texas, a notice of such lien which will constitute further evidence of the lien for Assessments against a Lot. In addition to and in connection therewith, by acceptance of the deed to his or her Lot, each Owner expressly GRANTS, BARGAINS, SELLS and CONVEYS to the President or Vice President or agent of the Association from time to time serving, as Trustee (and to any substitute or successors trustee as hereafter provided for such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the Assessments levied hereunder, and other sums due hereunder remaining unpaid hereunder from time to time. The Trustee herein designated may be changed for any reason and at any time and from time to time by execution of an instrument in writing signed by the President or a Vice-President of the Association and attested to by the Secretary or an Assistant Secretary of the Association and filed in the Office of the County Clerk of Harris County, Texas.
- (d) Enforcement of Lien. The Association shall have the right to enforce the aforesaid lien by all methods available for the enforcement of such liens, both judicially and nonjudicial foreclosure pursuant to Section 51.002 of the Texas Property Code (as may be amended or revised from time to time hereafter.) In the event of the election by the Board of Directors of the Association to foreclose the lien herein provided for non-payment of sums secured

by such lien, then it shall be the duty of the Trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such request Lot, and all rights appurtenant thereto in accordance with Section 51.002 of the Texas Property Code (as said statute shall read at the time of enforcement) and to make due conveyance to purchaser or purchasers by deed binding upon the Owner or Owners of such Lot and his heirs, executors, administrators and successors. The Trustee shall give notice of such proposed sale as required by Section 51.002 of the Texas Property code (as said statute shall read at the time notice is given).

- (e) Additional Matters Pertaining to Foreclosure. At any foreclosure, judicial or nonjudicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney fees and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after such foreclosure the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and further, shall be entitled to sue for recovery of possession of such Lot by a forcible detainer without further notice.

Section 10.12. Subordination of the Lien to First Mortgages. The lien securing the Assessments provided for herein shall be subordinate to (i) liens of ad valorem taxes and (ii) the lien of any first Mortgage which has been recorded in the real property records of Harris County, Texas. Sale or transfer of any Lot subject to this Declaration shall not affect the lien hereby created. However, the sale or transfer of any Lot pursuant to foreclosure of a first Mortgage or any conveyance in lieu thereof, shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due from the lien thereof.

ARTICLE XI.

Easements and Utilities

Section 11.01. General. The rights and duties of the Owners of Lots within the Property with respect to sanitary sewer, water, electricity, gas or telephone and cable television lines or drainage facilities or any portion thereof, lie in or upon Lots owned by any party other than the lines or facilities such Owners of Lots served shall the right, and are hereby granted easement to the full extent necessary to enter upon the Lots within the Property in or upon which said connections, lines or facilities or any part thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary. Wherever sanitary sewer and/or water line connections, or electricity, gas or telephone and cable television lines or drainage facilities are installed within the Property which connection serve more than one Lot, the Owner of each Lot served by the connections shall be entitled the full use and enjoyment (for their designated purposes) of such portions of said connections which service the Owners Lot.

Section 11.02. Emergency and Service Vehicles and Access. An easement is hereby granted to

ALL police, fire protection, ambulance and other emergency vehicles and other service vehicles to enter upon the Common Property, in the performance of their duties and further, an easement is granted to the Association, its officers, agents, employees and management personnel to enter the Common Property to render any service or perform any function contemplated.

Section 11.03. Stormwater Quality Control Easement and Structures. Declarant grants to the Association an easement to access and maintain structural controls and implement non-structural controls in accordance with any applicable storm water quality permit(s) or plan(s) as specified by any governmental agency rules and guidelines as mandated by the State of Texas, and its successors ordinances related to storm water quality.

Article XII.

Underground Electrical Distribution System

Section 12.01. General. An underground electrical distribution system (the "System") will be installed within that part of the Properties which, according to the Plat, contains Lots (the "Underground Residential Subdivision). The System shall embrace all Lots in the Underground Residential Subdivision. The System shall consist of overhead primary feeder circuits constructed on wood or steel poles, single or three phase, as well as under ground primary and secondary circuits, pad mounted or other types of transformers, junction boxes and such other appurtenances as shall be necessary to make underground service available to the Lots. For so long as underground service is maintained in the Underground Residential Subdivision the electric service to each Dwelling Unit shall be underground, uniform in character and exclusively of the type known as single phase, 120/240-volt, three wire, 60 cycle, alternating current.

Section 12.02. Owner's Responsibility. The Owner of each Lot containing a Dwelling Unit shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of the electric company's metering at the structure to the point of attachment at such company's installed transformer or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot containing a Dwelling Unit, shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standard and Specifications of the electric company furnishing service) for the location and installation on the meter of such electric company for the Dwelling Unit constructed on such Owner's Lot.

ARTICLE XIII.

Annexation

Section 13.01. Annexation. Additional real property and/or Common Area may be unilaterally annexed by Developer at any time without the consent or approval of Members of the Association, the Board or any other party. Further, additional real property may be unilaterally annexed hereto from time to time by the Board, with the approval of the Declarant,

without the consent or approval of the Members of the Association or any other party. Annexation of additional property shall encumber said property with similar covenants, conditions, restrictions, reservations, liens, and charges set forth in this Declaration and shall become effective on the date a Supplemental Declaration is signed and acknowledged by the owner of said annexed property and the appropriate annexing authority (either Developer or the Board), is filed for record in Harris County, Texas, evidencing the annexation. Each such instrument evidencing the annexation of additional property shall describe the portion of the property comprising the Lots and Common Areas and any covenants, conditions and restrictions which differ from those set forth in the Declaration. The funds resulting from any assessment, whether annual or special, levied against any property hereinafter annexed to the Properties may be combined with the funds collected from the Owners of Lots within the Properties and may be used for the benefit of all property and all Owners in the manner hereinabove provided.

ARTICLE XIV.

General Provisions

Section 14.01. Duration and Amendment. The covenants, conditions, restrictions, reservations, liens and charges set forth in this Declaration shall run with the land and shall be binding upon and inure to the benefit of the Association, all owners, their respective legal representatives, heirs, successors and assigns for a term of forty (40) years from the date this Declaration is filed with the County Clerk of Harris County, Texas, after which time said covenants, conditions, restrictions, reservations, liens and charges shall be automatically extended and renewed for successive periods of ten (10) years each, unless prior to said renewal date an instrument signed by the then Owners of not less than two-thirds (2/3) of the total number of Lots within the Properties, and subject to the written consent of the Developer during the Developer Control Period, is filed for record with the County Clerk of Harris County, Texas, altering, rescinding, or modifying said covenants and restrictions, in whole or in part, as of said renewal date.

Notwithstanding anything to the contrary herein contained, it is expressly understood and agreed that, subject to the written consent of the Developer during the Developer Control Period, the Owners of two-thirds (2/3) of the total number of Lots within the Properties shall always have the power and authority to amend this Declaration and such amendment shall become effective on the date any instrument signed by the then Owners of not less than two-thirds (2/3) of the total number of Lots within the Properties and signed by the Developer (if applicable) is filed for record in Harris County, Texas, so amending this Declaration. In addition, Developer shall have the right at any time and from time-to-time, without the joinder of any other party, to unilaterally amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record in Harris County, Texas.

Section 14.02. Perpetuities. Invalidation of any term or provision of this Declaration by judgment or otherwise shall not affect any other term or provision of this Declaration, and this Declaration shall remain in full force and effect as to any terms and provisions which are invalidated.

Section 14.03. Cumulative Effect: Conflict. The covenants, conditions, restrictions and provision of this Declaration shall be cumulative with any others pertaining to the Properties (“the

Additional Covenants”) and the Association may, but shall not be required to, enforce the Additional Covenants; provided, however, in the event of conflict between or among (a) the covenants, conditions, and restrictions of this Declaration; and (b) the terms of the Additional Covenants and provisions of any Articles of Incorporation, Bylaws, Rules and Regulations, policies or practices adopted or carried out pursuant thereto, the Additional Covenants shall be subject and subordinate to those of this Declaration. The foregoing priorities shall apply, but not be limited to, the lien for Assessments created in favor of the Association.

Section 14.04. Compliance. It shall be the responsibility of each Owner or occupant of a Dwelling Unit to obtain copies of and become familiar with the terms of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations and Minimum Construction Standards. Every Owner of any Lot shall comply with all lawful provisions of this Declaration, the Bylaws and Rules and Regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Lot Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration or the Bylaws.

Section 14.05. Safety and Security in Subdivision. NEITHER THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AND ATTORNEYS, ("ASSOCIATION AND RELATED PARTIES") SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SAFETY OR SECURITY WITHIN THE SUBDIVISION. THE ASSOCIATION AND RELATED ENTITIES SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. OWNERS, LESSEE AND OCCUPANTS OF ALL LOTS, ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. OWNERS, LESSEES, AND OCCUPANTS OF LOTS ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION AND RELATED PARTIES ARE NOT INSURERS AND THAT EACH OWNER, LESSEE AND OCCUPANT OF ANY LOT AND ON BEHALF OF THEMSELVES AND THEIR GUESTS AND INVITEES ASSUME ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO ANY PROPERTY OR LOT AND FURTHER ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR LESSEE ON BEHALF OF THEMSELVES AND THEIR GUESTS OR INVITEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF

MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE SUBDIVISION.

Section 14.06. Assignment of Declarant's Rights or Developer Rights. Any or all of the special rights and obligations of the Declarant or of the Developer set forth in this Declaration or the Bylaws may be transferred to other Persons, provided the transfer shall neither reduce an obligation nor enlarge a right beyond that contained herein or in the Bylaws, as applicable, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Developer and duly recorded in the Office of the County Clerk of Harris County, Texas. This Section may not be amended without the express consent of Developer.

Section 14.07. Severability. In the event of the invalidity or partial invalidity or partial unenforceability of any provision in this Declaration, the remainder of the Declaration shall remain in full force and effect.

Section 14.08. Number and Gender. Pronouns whenever used herein, and of whatever gender, shall include natural persons and corporations, entities and associations of every kind and character, and the singular shall include the plural and vice versa, whenever and as often as may be appropriate,

Section 14.09. Delay in Enforcement. No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof shall impair damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time.

Section 14.10. Enforceability. This Declaration shall run with the Properties and shall be binding upon and inure to the benefit of and be enforceable by the Association and each Owner of a Lot in the Properties, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. In the event any action to enforce this Declaration is initiated against an Owner or occupant of a Lot by the Association, the Association or other Owner, as the case may be, shall be entitled to recover reasonable attorneys' fees from the Owner, or occupant of a Lot who violated this Declaration.

Section 14.11. Remedies. In the even any person shall violate any of the provisions of the Declaration, the Association, each Owner of a Lot within the Properties, or any portion thereof, may institute and prosecute any proceedings at law or in equity to abate, preempt o enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

Section 14.12. Violations of Law. Any violation of any federal, state, municipal or local law, ordinance, rule or regulation, pertaining to the ownership, occupation or use of any Lot hereby is declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

Section 14.13. No Representation or Warranties. No representation or warranties of any kind, express or implied, shall be deemed to have been given or made by the Association or its agents or employees in connection with any portion of the Properties, or any improvements thereon, its or their physical condition, compliance with applicable laws, fitness for intended use or in connection with the sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as specifically shall be set forth in writing.

Section 14.14. Captions for Convenience. The titles, headings, captions, articles and section numbers used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration. Unless the context otherwise requires, references herein to Articles and Sections are to articles and sections of this Declaration.

Section 14.15. No Condominium. This Declaration does not and is not intended to create a condominium within the meaning of the Texas Condominium Act, Texas Property Code 81.210 (Vernon 1983).

Section 14.16. Governing Law. This Declaration shall be constructed and governed under the laws of the State of Texas.

Section 14.17. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage pre-paid, to the last known address of the person who appears as an Owner on the records of the Association at the time of such mailing.

Section 14.18. Multiple Counterparts. This Declaration may be executed in one or more counterparts which taken together shall constitute one instrument without the necessity of each party executing the same counterpart.

ARTICLE XV.

Insurance and Casualty Losses

Section 15.01. Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property. This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism, malicious mischief and flooding (if available) and shall be in an amount enough to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Each Owner must obtain insurance for their townhome as the Association will not insure the townhome and/or the contents.

Section 15.02. Liability Insurance. The Board shall obtain a general liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably

available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00). Each Owner should obtain liability insurance for their individually owned Lot(s).

Section 15.03. Premiums as a Common Expense. Premiums for all insurance which is the expense of the Association to provide shall be common expenses of the Association. The policies may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Section 15.04. Policy Provisions. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association.

Section 15.05. Bonds. In addition to the other insurance required by this Section, the Board shall obtain, if and to the extent necessary, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds and other insurance deemed prudent by the Board. The amount of fidelity coverage shall be determined in the directors' best business judgment. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 15.06. Assessment for Insurance Deficiency. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's Members, levy a special assessment against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association; provided that the Owner and Mortgagee of any Lot for which proceeds are received agree to the distribution as their interest may appear. In the event that it should be determined by the Association in the manner described above that the damage or destruction to the Common Property shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Common Property by the Association in a neat and attractive condition.

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