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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
REGENT SQUARE BROWNSTONES**

**A RESIDENTIAL SUBDIVISION IN
HARRIS COUNTY, TEXAS**

NOTICE: THIS DOCUMENT SUBSTANTIALLY EFFECTS YOUR RIGHTS AND OBLIGATIONS AS AN OWNER OF PROPERTY IN THIS SUBDIVISION. READ IT CAREFULLY. WITHOUT LIMITATION, YOU ARE SPECIFICALLY ADVISED AS FOLLOWS: (i) ARTICLE III PROVIDES FOR MANDATORY MEMBERSHIP IN A HOMEOWNERS' ASSOCIATION, AND ARTICLE V PROVIDES FOR MANDATORY PAYMENT OF ASSESSMENTS TO THE ASSOCIATION AND A CONTINUING LIEN AGAINST YOUR PROPERTY TO SECURE PAYMENT OF ASSESSMENTS WHICH MAY BE FORECLOSED EVEN IF THE PROPERTY IS YOUR HOMESTEAD. (ii) STREET AND OTHER PARKING BY OWNERS, OCCUPANTS AND GUESTS IS LIMITED AND HIGHLY REGULATED (SEE SECTIONS 7.03 & 8.01.2), (iii) DECLARANT RETAINS SUBSTANTIAL RIGHTS UNDER THE DECLARATION, INCLUDING AS PROVIDED IN EXHIBIT "A" TO THIS DECLARATION AND ESPECIALLY DURING THE DEVELOPMENT PERIOD, INCLUDING THE UNILATERAL RIGHT TO SET RATES FOR REGULAR ASSESSMENTS AND IMPOSE SPECIAL ASSESSMENTS, AND, WITHOUT NOTICE TO OR CONSENT OF ANY OWNER, TO ANNEX ADDITIONAL PROPERTIES INTO THE SUBDIVISION, TO AMEND ANY PLAT AND TO AMEND THIS DOCUMENT AND ANY OTHER "GOVERNING DOCUMENTS", AND (iv) SECTION A10.01 OF EXHIBIT "A" HERETO SETS FORTH PROCEDURES REGARDING MANDATORY DISPUTE RESOLUTION, INCLUDING A REQUIREMENT THAT A DISPUTE NOTICE BE GIVEN TO DECLARANT WITHIN 120 DAYS AND ESTABLISHMENT OF A MAXIMUM TWO YEAR STATUTE OF LIMITATIONS. YOUR RIGHTS TO ASSERT A "DISPUTE" MAY BE LOST IF YOU FAIL TO COMPLY WITH SECTION A10.01.

AFTER RECORDING RETURN TO:

WILLIAMS, BIRNBERG & ANDERSEN, L.L.P.
Attn: Lou W. Burton
2000 Bering Drive, Suite 909
Houston, Texas 77057-3746

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
REGENT SQUARE BROWNSTONES**

A RESIDENTIAL SUBDIVISION IN HARRIS COUNTY, TEXAS

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EXECUTION

DECLARANT'S ACKNOWLEDGMENT

ACKNOWLEDGMENT OF FRIENDSWOOD DEVELOPMENT COMPANY

ACKNOWLEDGMENT OF MIDWAY KINGS HARBOR PARTNERS, L.P.

ACKNOWLEDGMENT OF KINGS HARBOR CENTER ASSOCIATION

ACKNOWLEDGMENT OF KINGS HARBOR OWNERS ASSOCIATION

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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

FOR

REGENT SQUARE BROWNSTONES

A RESIDENTIAL SUBDIVISION IN HARRIS COUNTY, TEXAS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

KNOW ALL BY THESE PRESENTS THAT:

WHEREAS, the undersigned **HWD, LTD.**, a Texas limited partnership (herein referred to as "Declarant") is the current owner of all that certain real property located in Harris County, Texas, as more particularly described in **Section 1.01** hereof; and said Declarant desires to create and carry out a general and uniform plan for the improvement, development, maintenance, use and continuation of a residential community on the property as set forth in **Article I** hereof for the mutual benefit of the Owners and their successors in title which property will be conveyed subject to the covenants, conditions, restrictions, liens, charges and easements as herein set forth.

NOW, THEREFORE, in order to carry out a uniform plan for the improvement, development, maintenance, sale and use of the properties within the Subdivision as herein defined, it is hereby declared that all of the properties within the Subdivision shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements, charges and liens (sometimes herein collectively referred to as "covenants and restrictions"), all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said properties. These covenants and restrictions shall run with said real property and be binding upon all parties having or acquiring any right, title, or interest in said real property or any part thereof, their heirs, predecessors, successors and assigns, and shall inure to the benefit of each Owner thereof.

Article I

Property Subject to This Declaration; Easements

SECTION 1.01 **Property Subject to Declaration.** The real property which, by the recording of this Declaration, will be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration is that certain real property located in Harris County, Texas, more particularly described as follows, to wit:

REGENT SQUARE BROWNSTONES, an addition in Harris County, Texas according to the map or plat thereof filed under Clerk's File No. Z325496, Public Records of Real Property of Harris County, Texas, and recorded in Clerk's Film Code No. 600229, Map Records of Harris County, Texas.

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SECTION 1.02 Annexation of Other Property. During the Development Period only Declarant may annex addition real property in to and make some a part of the Subdivision. Thereafter, the Owners may annex additional real property in to and make same a part of the Subdivision by amendment of this Declaration. Any annexation must be evidenced by filing of, and is effective from the date of filing of, the amendment evidencing the annexation in the Official Public Records of Real Property of Harris County, Texas.

Article II **Definitions**

Unless the context otherwise prohibits and in addition to other defined terms set forth herein, the following words and substantive provisions regarding same when used in this Declaration shall apply, mean and refer to the following:

SECTION 2.01 "Architectural Control Committee" or "ACC" means the committee established pursuant to **Article IV** of this Declaration.

SECTION 2.02 "Architectural Guidelines" means minimum construction standards, including acceptable exterior materials, colors, finishes and similar standards, landscaping requirements and limitations and any other procedural, aesthetic, environmental and architectural policies and procedures from time to time adopted by the Architectural Control Committee as provided in **Article IV** hereof, regardless of nomenclature or manner of designation, and may include Rules and Regulations. Architectural Guidelines also include, as applicable, the "Commercial Development Guidelines" of Friendswood Development Company which are attached as Exhibit "B" to the Protective Covenants (as defined in **Section 2.12**).

SECTION 2.03 "Association" means REGENT SQUARE BROWNSTONES COMMUNITY ASSOCIATION, INC., a Texas non-profit corporation, to be incorporated for the purposes contemplated by this Declaration, and its successors (by merger, consolidation or otherwise) and assigns.

SECTION 2.04 "Board" or "Board of Directors" means the Board of Directors of the Association.

SECTION 2.05 Subject to applicable provisions set forth is Exhibit "A" hereto, "Community Properties" means:

2.05.1 all common areas so designated herein or by a Plat intended for the common use of Owners, including without limitation Restricted Reserves "A" through "F", inclusive, as so designated on the Initial Plat;

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2.05.2 all private Streets within the Subdivision, including in particular but without limitation each of the private Streets designated as "28' P.A.E." and as "Kings Harbour Court", "Westminster Trace Lane", "Windsor Square Drive" and "Regent Manor Drive" on the Initial Plat of the Subdivision, unless and until, and as to any part of, any private Street which is dedicated to the public;

2.05.3 all Subdivision Facilities; and

2.05.4 all other properties, real or personal, conveyed to or dedicated to the use of, or otherwise acquired by the Association for the common use, enjoyment or benefit of, the Association, together with all improvements thereon and appurtenances thereto.

SECTION 2.06 "Declarant" means HWD, LTD., a Texas limited partnership, and its successors and assigns if such successors or assigns: (i) acquire all of the then remaining undeveloped or developed but previously unoccupied or unsold Lots within the Subdivision from Declarant for purposes of development and resale; or (ii) are expressly designated in writings by Declarant as a successor or assign of Declarant hereunder, in whole or in part.

SECTION 2.07 "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements for Regent Square Brownstones, and all lawful amendments thereto.

SECTION 2.08 "Development Period" means the period of time beginning on the date of recordation of this Declaration in the Official Public Records of Real Property of Harris County, Texas, and ending on the earlier occurrence of either of the following events:

2.08.1 six (6) years after the later to occur of the date of recordation in the Official Public Records of Real Property of Harris County, Texas, of (a) this Declaration, or (b) the last notice of annexation of real property by Declarant as permitted by Section 1.02 which is filed of record not later than six (6) years after the date of recordation of this Declaration; or

2.08.2 upon the date of filing in the Official Public Records of Real Property of Harris County, Texas of Declarant's notice of termination of the Development Period, provided that at any time prior to complete termination of the Development Period Declarant may file one or more statements of limited termination of the Development Period to apply only to the specific functions, rights and/or responsibilities as stated therein.

SECTION 2.09 "Governing Documents" means all documents and applicable provisions thereof regarding the use, maintenance, repair, replacement, modification or appearance of any properties within the Subdivision, including each Lot, or any rights, responsibilities or obligations of any Owners pertaining thereto or to the Association or ACC, including without limitation this Declaration, the Bylaws and Articles of Incorporation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the ACC and Board, and all lawful amendments to any of the foregoing.

SECTION 2.10 "Lot" means any of the numbered plots of land shown upon any Plat upon which a single family residence is, or may be, built. The term "Lot" does not include Community Properties, and does not include commercial or other reserves so designated by a Plat, if any.

SECTION 2.11 "Master Associations" means and refers to each of the following non-profit corporations (each of which are sometimes referred to by their individual name):

2.11.1 "Kings Crossing Trail Association", a Texas non-profit corporation, as established pursuant to the Kings Crossing Declaration; and

2.11.2 "Kings Harbor Center Association", a Texas non-profit corporation; as established pursuant to the Kings Harbor Declaration.

2.11.3 "Kings Harbor Owners Association", a Texas non-profit corporation, as established pursuant to Assignment of Rights covering the Midway Covenants heretofore filed under Clerk's File No. 20070749652, Official Public Records of Real Property of Harris County, Texas.

SECTION 2.12 "Master Restrictions" means and refers to:

2.12.1 that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions (sometimes herein referred to as the "Kings Crossing Declaration") heretofore filed under Clerk's File No. N467646, Official Public Records of Real Property of Harris County, Texas;

2.12.2 that certain instrument entitled "Protective Covenants" (sometimes herein referred to as the "Protective Covenants") attached as Exhibit "B" to Special Warranty Deed heretofore filed under Clerk's File No. S229900, Official Public Records of Real Property of Harris County, Texas;

2.12.3 that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions of Kings Harbor Center, Sections One and Two", as supplemented by that certain instrument entitled "Notice of Dedicatory Instruments for Kings Harbor Center Association", said instruments being heretofore filed, respectively, under Clerk's File Nos. S850825 and W922422, Official Public Records of Real Property of Harris County, Texas (both said instruments sometimes herein referred to as the "Kings Harbor Declaration"); and

2.12.4 Exhibit "C" to that certain instrument entitled "Special Warranty Deed" and "Assignment of Rights" covering all rights and obligations under said Exhibit "C", said instruments heretofore filed, respectively, under Clerk's File Nos. Z065509 and 20070749652, Official Public Records of Real Property of Harris County, Texas (sometimes herein referred to as the "Midway Covenants").

SECTION 2.13 "Member" means every Person who is an Owner and holds a membership in the Association. Every Member which is not a natural person must designate a representative of such entity who is a natural person as provided in the Association's Bylaws.

SECTION 2.14 "New Construction Committee" or "NCC" means the committee established pursuant to Article IV of this Declaration.

SECTION 2.15 "Owner" means, whether one or more Persons: the owner according to the Official Public Records of Real Property of Harris County, Texas, whether one or more Persons, of the fee simple title to a Lot, including any mortgagee or other lien holder who acquires such ownership through judicial or non-judicial foreclosure or proceedings in lieu thereof, but excluding any Person holding a lien or other encumbrance, easement, mineral interest or royalty interest burdening title or otherwise having an interest merely as security for the performance of an obligation.

SECTION 2.16 "Person" means any natural person, as well as a corporation, joint venture, partnership (general or limited), association, trust, or other entity.

SECTION 2.17 "Plat" means the initial map or plat of the Subdivision as described in Section 1.01 which initial map or plat is sometimes herein referred to as the "Initial Plat", all maps or plats of properties made a part of the Subdivision as provided in Article I, if any, hereafter filed in the Map Records of Harris County, Texas, and all lawful modifications, amendments and/or replats of any of the foregoing.

SECTION 2.18 "Prevailing Community Standards" means those standards of aesthetics, environment, appearance, architectural design and style, maintenance, conduct and usage generally prevailing in the Subdivision as reasonably determined by the Board or ACC at any given pertinent time and from time to time, including as to each particular Regulated Modification and each other matter or circumstance considered as of the date of the evaluation (i) prevailing standards as to harmony and compatibility with surrounding aesthetics, appearance and patterns of maintenance and use, harmony and compatibility with surrounding buildings, structures and other improvements, and harmony and compatibility with surrounding grades, topography, finished ground elevations, locations, colors, finishes, styles, workmanship, type and quality of materials and designs, and (ii) compliance with this Declaration and other applicable Governing Documents, and with applicable governmental laws, ordinances and regulations.

SECTION 2.19 "Regulated Modification" means (without implication that any particular matter is permitted or prohibited by this Declaration and without limitation as to Article IV hereof) the commencement, placement, construction, reconstruction or erection on, below or above the surface of any Lot of, or modification, alteration, or addition to, any building, structure or improvement, and any usage thereof, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography, or any other Prevailing Community Standards as of the date of establishment of the Regulated Modification.

SECTION 2.20 "Related Parties" means and applies as follows:

2.20.1 Owners and Tenants. Tenants of each Owner are Related Parties of that Owner, and with respect to each such Owner and each such tenant, Related Parties of each include (i) their respective family and other household members (including in particular but without limitation all children and other dependents), (ii) their respective guests, invitees, servants, agents, representatives and employees, and (iii) all other Persons over which each has a right of control or under the circumstances could exercise or obtain a right of control.

2.20.2 Association, ACC and Declarant. Related Parties of the Association, ACC and Declarant include their respective officers, directors, partners, co-venturers, committee members, servants, agents, representatives and employees regarding all acts or omissions related to any of the foregoing representative capacities.

SECTION 2.21 "Rules and Regulations" means the policies and procedures from time to time adopted by the Board of Directors regulating the maintenance, operation, use or occupancy of the Subdivision, including the Lots and Community Properties, in accordance with Section 7.10 hereof, regardless of nomenclature or manner of designation, and may include Architectural Guidelines.

SECTION 2.22 "Subdivision" means the residential community as more particularly described in Section 1.01 hereof, and any other real property subjected to this Declaration as herein provided from time to time.

SECTION 2.23 "Subdivision Facilities" means all facilities and services built, installed, maintained, operated or provided by or through the Association for the general benefit of the Subdivision, including without limitation:

2.23.1 all Perimeter Fencing (as defined in Section 8.06), including all Subdivision main entry fences, all walls, and all entry and other identification monuments;

2.23.2 any patrol or access limiting type services, structures or devices specifically obtained and maintained by the Association for such purposes, including without limitation any controlled access gates, guardhouses and related structures or devices;

2.23.3 all mail box banks, and/or water meters, water meter banks or water meter vaults and/or electrical meter banks, and similar facilities or devices so designated by Declarant as permitted by Section 9.05, if any, including entry, access and exit areas regarding same;

2.23.4 "Drainage Devices" specifically designated as Subdivision Facilities as permitted by Section 8.04.5, if any;

2.23.5 any garbage or recycling collection, cable or satellite television, utilities, including any street lighting, and any other services provided by or through the Association, and any structures or devices related thereto; and

2.23.6 any other facilities or services as from time to time so designated by Declarant during the Development Period or by the Board thereafter.

SECTION 2.24 "Townhouse" means each single family residence which is contained within a residential building which contains two or more single family residences.

Article III

Regent Square Brownstones Community Association, Inc.

SECTION 3.01 Organization. The Association will be organized and formed as a non-profit corporation under the laws of the State of Texas. The Association has full power, authority and standing to enforce all provisions of the Governing Documents. The principal purposes of the Association are the collection, expenditure and management of the funds and financial affairs of the Association, enforcement of all provisions of the Governing Documents, providing for maintenance, preservation and architectural control within the Subdivision, the providing of such Subdivision Facilities as herein permitted or required, and all other acts and undertakings reasonably incident to any of the foregoing or in furtherance thereof.

SECTION 3.02 Board of Directors. The Association acts through a Board of Directors which manages the affairs of the Association as specified in this Declaration, the Bylaws and other applicable Governing Documents. Unless otherwise expressly required by law or other applicable provision of the Governing Documents, the Board of Directors shall exercise and have all rights, powers, authority and responsibilities of the Association. The Board is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the decisions of the Board as to any of the foregoing are final and conclusive. UNTIL THE DATE OF TRANSFER OF DECLARANT CONTROL AS PROVIDED IN EXHIBIT "A" HERETO, DECLARANT WILL APPOINT ALL MEMBERS OF THE BOARD OF DIRECTORS, AND IS ENTITLED TO REMOVE AND REPLACE ANY OF SAME, AND IN ALL OTHER RESPECTS TO EXERCISE ALL RIGHTS AND AUTHORITY OF THE ASSOCIATION AS SET FORTH IN THIS DECLARATION AND ALL OTHER GOVERNING DOCUMENTS.

SECTION 3.03 Membership. Every Owner must be and is a Member of the Association, and as such is subject to and shall have such rights, responsibilities and obligations as set forth in this Declaration and other applicable Governing Documents. The Association is entitled to rely on the Official Public Records of Real Property of Harris County, Texas in determining such status as an Owner, and may require submission to the Board of appropriate certified copies of such records as a condition precedent to recognition of status as an Owner. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and

the giving of a security interest shall not terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot. Memberships shall be appurtenant to and may not be separated from ownership of any Lot, and shall automatically pass with the title to the Lot.

SECTION 3.04 Voting Rights of Members.

3.04.1 Development Period. During the Development Period there will be two classes of membership entitled to voting rights in the Association which are as follows:

(a) Class A: All Members of the Association other than the Declarant are Class A Members. DURING THE DEVELOPMENT PERIOD, CLASS A MEMBERS HAVE NO VOTING RIGHTS WHATSOEVER EXCEPT AS PROVIDED IN SECTION 11.04.

(b) Class B: Class B Members are Declarant. DURING THE DEVELOPMENT PERIOD DECLARANT SHALL HAVE ONE VOTE FOR EACH LOT OWNED AND SHALL ADDITIONALLY HAVE ONE "AT LARGE" VOTE.

3.04.2 Post-Development Period. Upon termination of the Development Period, Declarant's one "at large" vote will automatically terminate and any remaining Class B membership will automatically convert to Class A membership. Thereafter there will be only one class of voting membership, and the Owner of each Lot, whether one or more, will be entitled to one vote on each matter coming before the membership.

3.04.3 Multiple Owners. When more than one Person holds an ownership interest in a Lot, all such Persons are Members, but in no event will they be entitled to more than one vote with respect to each particular Lot owned. The single vote, approve, or consent of such joint Owners must be cast or given in accordance with the decision of a majority, or if such joint Owners cannot reach a majority decision, then none of the joint Owners will be permitted to vote, approve, or consent as to any such matter upon which a majority decision cannot be reached. The vote, approval or consent of any single Owner from among such joint Owners is conclusively presumed to be cast or given in accordance with the decision of the majority of the joint Owners and with their full authority.

3.04.4 Cumulative Voting Prohibited. Cumulative voting is prohibited as to any matter placed before the membership for a vote, including election of Directors.

3.04.5 Suspension of Voting Rights. Voting rights of any Member may or will be suspended for breach of the Governing Documents as provided herein or in the Bylaws or Articles of Incorporation, including without limitation, suspension as provided in Section 5.08.1.

SECTION 3.05 Inspection by Members of Books and Records. Subject to protection of privileged and confidential communication, rules for inspection and other exclusions as set forth in the Bylaws, every Member of the Association, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Association relevant to that purpose, at the expense of the Member.

SECTION 3.06 Limitation of Liability; Indemnification.

3.06.1 General.

(a) "Association Representative(s)" Defined. As used in this Section 3.06.1, "Association Representative(s)" means each current or former director, governing person, officer, delegate, employee and agent of the Association, as such terms are defined in the Texas Business Organizations Code.

(b) Limitation of Liability. To the fullest extent allowed by the Texas Business Organizations Code, including Chapters 7 and 8 thereof, an Association Representative is not liable to the Association, to any Owner or Member of the Association, or to any other Person for any act by the Association Representative in the Person's capacity as an Association Representative unless the Person's conduct was not exercised in good faith, with ordinary care, and in a manner the Association Representative reasonably believes to be in the best interests of the Association.

(c) Indemnification. To the fullest extent allowed by the Texas Business Organizations Code, including Chapter 8 thereof, the Association agrees to and is required to indemnify, defend, and hold harmless, and to advance expenses to, each Association Representative, INCLUDING, IN EACH CASE, FOR CLAIMS BASED ON OR ARISING FROM SUCH PERSON'S SOLE, PARTIAL, OR CONCURRENT NEGLIGENCE, but excluding any such items incurred as a result of any act or omission for which the Association Representative is liable under the preceding subsection (b). The provisions of this subsection (c) constitute a determination that indemnification should be paid and a contract to indemnify as contemplated by Sections 8.103(c) and 8.151(d)(2) of the Texas Business Organizations Code.

(d) Report to Members. So long as required by the Texas Business Organizations Code, any indemnification of or advance of expenses to an Association Representative must be reported in writing to all Owners upon the earlier to occur of (i) with or before the notice or waiver of notice of the next meeting of Members, or (ii) with or before the next submission to Members of a consent to action without a meeting, or (iii) within twelve months after the date of the indemnification or advance.

3.06.2 Security Services. The Association may from time to time engage in activities or provide Subdivision Facilities, including activities, devices or services intended to or which may have the effect of enhancing safety or security, including activities, devices or services limiting or controlling Subdivision access, or providing of patrol services or otherwise monitor activities within

the Subdivision (including Community Properties), and may from time to time provide information through newsletters or otherwise regarding same (all such matters and all activities, services or devices of a similar nature or incident thereto herein referred to as, "Security Services"). Without limitation of Section 3.06.1, each Owner and their tenants covenant and agree regarding any and all security issues and/or criminal activities and/or conduct and/or any other "Criminal Matters" (as defined below) within or outside the Subdivision, and as to any and all Security Services provided directly or indirectly by or through the Association as follows:

(a) SECURITY IS THE SOLE RESPONSIBILITY OF LOCAL LAW ENFORCEMENT AGENCIES AND INDIVIDUAL OWNERS AND THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES. Security Services may be provided at the sole discretion of the Board of Directors. The providing of any Security Services at any time will in no way prevent the Board from thereafter discontinuing, or from temporarily or permanently modifying, terminating or removing, any Security Services, in whole or in part.

(b) Any third party providers of Security Services are independent contractors, the acts or omissions of which are not imputable to Declarant, the Association or any of their Related Parties.

(c) Providing of any Security Services may never be construed as (i) an undertaking by Declarant, the Association or any of their Related Parties to provide personal security as to any Owner, tenant or their Related Parties, or as to any other Person, or (ii) a representation or undertaking that any Security Services will be continued, or (iii) a representation, guarantee or warranty that the presence of any Security Service will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES SHALL NOT HAVE ANY DUTY WHATSOEVER TO WARN, ADVISE OR INFORM ANY OWNER, TENANT OR THEIR RELATED PARTIES AS TO CRIMINAL CONDUCT OF ANY KIND OR AS TO ANY OTHER MATTERS REGARDING OR RELATING TO SECURITY SERVICES, PAST OR PRESENT.

(d) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES ARE NOT LIABLE FOR, AND EACH OWNER, THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES, MUST INDEMNIFY, KEEP INDEMNIFIED AND HOLD DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HARMLESS AT ALL TIMES FROM, ANY INJURY, LOSS OR DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY INJURY OR DAMAGES CAUSED BY THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, TO ANY PERSON OR PROPERTY ARISING, DIRECTLY OR INDIRECTLY, FROM THE PROVIDING OR FAILURE TO PROVIDE ANY SECURITY SERVICES, OR THE DISCONTINUATION, MODIFICATION, DISRUPTION, DEFECT, MALFUNCTION, OPERATION, REPAIR, REPLACEMENT OR USE OF ANY SECURITY SERVICES.

(e) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES, HAVE NO DUTY, OBLIGATION OR RESPONSIBILITY OF ANY KIND WHATSOEVER TO WARN, ADVISE OR IN ANY OTHER MANNER INFORM ANY OWNERS, TENANTS, OR THEIR RELATED PARTIES, OR ANY OTHER RESIDENTS OR OCCUPANTS OF ANY LOT OR COMMUNITY PROPERTIES, OR ANY LAW ENFORCEMENT AGENCY, OR ANY OTHER PERSON AS TO ANY ALLEGED, SUSPECTED OR KNOWN CRIMINAL ACTIVITIES OF ANY KIND, CRIMINAL HISTORY OR BACKGROUND OF ANY PERSON, OR CRIMINAL INVESTIGATIONS BY LAW ENFORCEMENT AGENCIES OR BY ANY OTHER PERSON (ALL SUCH MATTERS, ACTIVITIES AND INVESTIGATIONS HEREIN REFERRED TO AS "CRIMINAL MATTERS"), regardless of whether the Criminal Matters involve the Subdivision, other areas in the vicinity or any other place or lands. The Association may (but has no obligation to) from time to time disclose and/or transmit information concerning Criminal Matters to Owners, tenants, and any other occupants of Lots and/or any Community Properties, to any law enforcement agencies, and to any other Person which the Association's officers, directors, agents, employees and other Related Parties in their sole discretion deem advisable. Each Owner and tenant by acceptance of any right, title or interest in any Lot, and every Owner, tenant and occupant of a Lot or any Community Properties by virtue of such occupancy, hereby consents, on their behalf and on behalf of their respective Related Parties, and on behalf of all other Persons coming upon a Lot or any Community Properties at their invitation, or with their consent or permission, to any such disclosure and/or transmittal of information. Any such disclosure and/or transmittal of information shall in no way be deemed an undertaking to do so in the future, either as to the Criminal Matters then involved or as to any other current or future Criminal Matters. All other provisions of this Section apply to any disclosure and/or transmittal of information, and to any failure to disclose and/or transmit information, concerning Criminal Matters, including in particular but without limitation, the provisions of Section 3.06.2(d) regarding the indemnity obligations of Owners, their tenants and their respective Related Parties.

3.06.3 Liability Arising From Conduct of Owners. EACH OWNER, THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES MUST INDEMNIFY AND KEEP INDEMNIFIED, AND HOLD HARMLESS, DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES FROM AND AGAINST ALL CLAIMS, DAMAGES, SUITS, JUDGMENTS, COURT COSTS, ATTORNEY'S FEES, ATTACHMENTS AND ALL OTHER LEGAL ACTIONS CAUSED THROUGH THE WILLFUL OR NEGLIGENT ACT OR OMISSION OF AN OWNER, THE OWNER'S TENANTS, OR THEIR RESPECTIVE RELATED PARTIES.

3.06.4 Subsequent Statutory Authority. If the Texas Business Organizations Code, Texas Non-Profit Corporation Law, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code or any other applicable statute, state or federal, is construed or amended to further eliminate or limit liability or authorizing further indemnification than as permitted or required by this Section 3.06, then liability will be eliminated or limited and right to indemnification will be expanded to the fullest extent permitted by such construction or amendment.

3.06.5 No Impairment. Any repeal, amendment or modification of this Section 3.06 may not adversely affect any rights or protection existing at the time of the amendment.

SECTION 3.07 Master Restrictions; Master Associations. The Subdivision is also encumbered by the Master Restrictions, and each Lot shall be owned, held, transferred, conveyed, sold, leased, rental, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the Master Restrictions except to the extent otherwise expressly provided in this Declaration. ANY AND ALL VOTING RIGHTS, INCLUDING ALL "VOTING UNITS" AS DEFINED IN SECTION 3.5 OF THE KINGS HARBOR DECLARATION, AND ANY AND ALL OTHER RIGHTS OF ANY OWNER UNDER THE MASTER RESTRICTIONS, INCLUDING THE RIGHT TO VOTE OR OTHERWISE CONSENT AS TO ANY AMENDMENTS OF THE MASTER RESTRICTIONS, ARE HEREBY EXPRESSLY ASSIGNED TO THE BOARD OF DIRECTORS, AND ALL SUCH RIGHTS SHALL BE EXERCISED EXCLUSIVELY BY THE BOARD OF DIRECTORS.

Article IV Architectural Control

SECTION 4.01 New Construction Committee ("NCC").

4.01.1 Organization. There is hereby established a New Construction Committee (herein sometimes referred to as the "NCC"). The NCC is composed of Friendswood Development Company, a Texas limited liability company, or its successors or assigns ("FDC"). Any reference to the NCC shall mean and refer to FDC, and any approval required from the NCC shall mean and refer to approval by FDC.

4.01.2 Jurisdiction. The NCC has exclusive jurisdiction as to each of the following:

(a) All initial development and original construction upon each Lot through the date of completion of the initial sale of each Lot (as defined in Section A2.01.4 of Exhibit "A" hereto), and any casualty loss repair or replacement as provided in Section 6.05.1, must be approved by the NCC as to compliance with this Declaration and the Protective Covenants.

(b) In the event any Regulated Modification does not comply with this Declaration or the Protective Covenants, the NCC may take any enforcement action authorized by this Declaration or the Protective Covenants to obtain compliance with the Protective Covenants.

(c) Any provisions of this Declaration or other Governing Documents regarding requests for or obtaining of approval of the ACC and any other rights and authority of the ACC pertaining thereto, including with respect to any request for a variance as provided in Section 4.05, shall apply to the NCC with respect to any matters covered by subsections (a) and/or (b) above.

(d) The jurisdiction of the NCC may be assigned to the ACC and/or the oversight authority of the NCC may be modified or terminated, in whole or in part, by the NCC at any time and from time to time.

4.01.3 Oversight Authority. Within ten days after receipt of any application for approval, Notice of Completion or request for variance, the ACC shall forward a true and correct copy of same to the NCC, together with all accompanying plans and specifications, and shall advise the NCC at such time as to the date of receipt by the ACC of the application, notice or request (the "Submission Date"). Within thirty days after receipt of the plans and specifications by the NCC, the NCC shall advise the ACC in writing as to any comments or directives regarding the application, notice or request. If the NCC provides written directives to the ACC, the ACC must incorporate the directives in to any response to the applicable application, notice or request. The NCC may also request inspections pursuant to a Notice of Completion or for any other reason as permitted by Section 4.06. In any such case the ACC shall promptly schedule the inspection and otherwise comply with any directives of the NCC regarding the inspection. If the NCC does not advise the ACC in writing within the thirty-day period as aforesaid, then the ACC shall thereafter proceed to respond to the application, notice or request in accordance with this Declaration. The ACC must send the NCC a true and correct copy of its decision(s), responses and all other communications regarding all applications for approval, request for variance and Notice of Completion. The provisions of this Section may be modified or terminated as provided in Section 4.01.2(d).

4.01.4 NO IMPAIRMENT OF NCC RIGHTS. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS TO THE CONTRARY, NO PROVISIONS OF THIS DECLARATION, AND NO OTHER RIGHTS OR LIMITATIONS OF LIABILITY APPLICABLE TO THE NCC PURSUANT TO THIS DECLARATION, MAY BE AMENDED, MODIFIED, CHANGED OR TERMINATED WITHOUT THE PRIOR WRITTEN CONSENT OF THE NCC.

SECTION 4.02 Architectural Control Committee ("ACC").

4.02.1 Organization. There is hereby established an Architectural Control Committee (herein sometimes referred to as the "ACC"). DECLARANT WILL ACT AS THE ACC (AND AS THE DESIGNATED REPRESENTATIVE OF THE ACC) DURING THE DEVELOPMENT PERIOD. Thereafter, the Board of Directors shall act as the ACC. The act of a majority of the members of the ACC constitutes an act of the ACC; provided, the ACC may from time to time designate any one of its members to act in its stead.

4.02.2 Jurisdiction. The ACC has exclusive jurisdiction regarding implementation of all provisions of this Article IV and all other provisions of this Declaration and all other applicable Governing Documents regarding the rights, responsibilities, duties and authority of the ACC except as to the jurisdiction of the NCC as expressly granted to the NCC by Section 4.01.2. No other approval of any kind is required, either pursuant to the Master Declaration or otherwise.

SECTION 4.03 Compensation. No person serving on the ACC is entitled to compensation for services performed, but may be reimbursed for reasonable expenses in such manner and amounts as may be approved by the Board of Directors.

SECTION 4.04 Function and Powers.

4.04.1 Submission of Plans Required. No Regulated Modification may be commenced, constructed, erected, placed, maintained or made upon any Lot or within any part of the Subdivision unless and until complete plans and specifications covering all aspects of the Regulated Modification have been submitted to and approved in writing by the ACC as to compliance with applicable Architectural Review Criteria as hereafter set forth. One complete set of plans and specifications must be submitted with each request for approval unless a greater number is required by applicable Architectural Guidelines. Any plans and specifications to be submitted must specify, as applicable and in such detail and form as the ACC may reasonably require:

(a) the location upon the Lot or within the Subdivision where the Regulated Modification will occur or be placed;

(b) the dimensions, nature, kind, shape, height, and color scheme of and all materials to be used in connection with the Regulated Modification;

(c) appropriate information concerning structural, mechanical, electrical, plumbing, grading, paving, decking and landscaping details; and

(d) intended uses.

4.04.2 Architectural Guidelines. Subject to approval as next provided, the ACC may, from time to time, adopt, modify and delete such reasonable Architectural Guidelines applicable to the Subdivision, including Lots and Community Properties, as it deems appropriate to maintain or reasonably enhance Prevailing Community Standards of the Subdivision at the time of adoption. The Commercial Development Guidelines as set forth in the Protective Covenants may not be revised, repealed, modified or otherwise amended without the written consent of Friendswood Development Company as provided in the Protective Covenants. In the event of conflict between any Commercial Development Guideline and any other Architectural Guidelines, the Commercial Development Guidelines shall control. All other proposed Architectural Guidelines, and any revisions, repeals, modifications or other amendments of Architectural Guidelines, must be submitted to and approved in writing by Friendswood Development Company in accordance with the Protective Covenants and the Master Associations.

4.04.3 Architectural Review Criteria. The ACC must evaluate all submitted applications for ACC approval on the individual merits of the particular application, and based on evaluation of the compatibility of the proposed Regulated Modification with Prevailing Community Standards (including compliance with this Declaration and all other applicable Governing

Documents) as of the date of submission of an application. The ACC must also use reasonable efforts to achieve consistency in the approval or disapproval of specific types of Regulated Modifications. To this end, consideration will be given to (but the ACC is not bound by) similar applications for architectural approval and the decisions and actions of the ACC with regard thereto.

4.04.4 Responses; No Waiver or Estoppel. The ACC shall have full and complete authority to approve, conditionally approve or disapprove any request for ACC approval in accordance with Section 4.04.3, and its judgment shall be final and conclusive. In the event the ACC fails to approve or disapprove a properly submitted and completed request for ACC approval within sixty days from the date such request is received by the ACC, then ACC approval will not be required. EXCEPT FOR COMPLIANCE WITH THE ACC APPROVAL PROVISIONS OF THIS ARTICLE IV, NO APPROVAL (EXPRESS OR IMPLIED) OR CONDITIONAL APPROVAL BY THE ACC AND NO OTHER ACTION OR OMISSION OF THE ACC SHALL OTHERWISE CONSTITUTE A WAIVER AS TO ANY OTHER PROVISIONS OF THIS DECLARATION OR PRECLUDE BY ESTOPPEL OR OTHERWISE FULL ENFORCEMENT THEREOF.

SECTION 4.05 Variances. Any request for variance as to the Protective Covenants, including the Commercial Development Guidelines attached thereto, must be submitted to and may be granted only by the NCC. The ACC may otherwise grant specific variances to Architectural Guidelines and to the architectural and use restrictions set forth in Articles VII and VIII of this Declaration. A variance may be granted only with respect to specific instances upon written request therefor, is not binding with respect to any other request for a variance whether or not similar in nature, and does not constitute a waiver, modification or repeal of any of the provisions of this Declaration or other Governing Documents except for the limited purpose of and to the extent of the specific variance expressly granted. A variance may be granted only upon specific findings (a) that the variance is necessary due to unusual circumstances which are reasonably beyond the control of the applicant to mitigate or rectify, or in other circumstances, such as due to topography or natural obstructions, as to which the ACC determines a variance will result in a material enhancement to the applicant's Lot and/or to the Subdivision, and (b) that the granting of a specific variance will not materially and adversely affect the architectural, aesthetic or environmental integrity of the Subdivision or the scheme of development therein. WHETHER OR NOT SO STATED IN A VARIANCE AND NOTWITHSTANDING ANYTHING IN A VARIANCE TO THE CONTRARY, A VARIANCE SHALL EXTEND ONLY FOR THE PERIOD OF TIME DURING WHICH AND TO THE EXTENT THAT THE CIRCUMSTANCES THAT FORMED THE BASIS THEREFOR CONTINUE TO EXIST. THE BOARD RETAINS FULL AUTHORITY AS TO ANY VARIANCE AT ANY TIME TO TERMINATE OR MODIFY SAME IN ACCORDANCE WITH ANY SUCH CHANGE IN CIRCUMSTANCES.

SECTION 4.06 Inspection Rights. Upon reasonable notice (oral or written), any member of the NCC and/or ACC or the Board of Directors, or their designated representatives, may from time to time enter upon a Lot without liability for trespass or otherwise for purposes of confirming compliance with any applicable provisions of the Governing Documents regarding a proposed Regulated Modification, the work in progress, and the completed Regulated Modification.

The aforesaid inspection rights shall terminate with respect to each applicable Regulated Modification sixty days after receipt by the NCC and/or ACC, as applicable, of a Notice of Completion covering the applicable Regulated Modification.

SECTION 4.07 Notice of Completion. Promptly upon completion of an approved or conditionally approved Regulated Modification, the applicable Owner shall deliver a "Notice of Completion" to the NCC and/or ACC, as applicable. The Notice of Completion must reference the Regulated Modification(s) to which it applies, and must be accompanied by a true and correct copy of the applicable approval or conditional approval. If for any reason other than an applicant's negligence or other fault the NCC and/or ACC, as applicable, fails to notify the applicant of any noncompliance as hereafter provided within sixty days after receipt of a Notice of Completion, then no further approval will be required and the Regulated Modification shall be deemed approved as provided in Section 4.04.4.

SECTION 4.08 Notice of Noncompliance; Corrective Action. If, as a result of an inspection or otherwise, the ACC determines that any Regulated Modification has been constructed or undertaken without obtaining of approval of the ACC, or has been completed other than in strict compliance with the applicable request for approval and all materials submitted therewith and in strict compliance with the approval or conditional approval applicable thereto, has not been timely commenced or completed, the ACC may notify the applicable Owner in writing as to the noncompliance (said notice herein referred to as a "Notice of Noncompliance"). The applicable Owner must either remove the nonconforming Regulated Modification or take all action required to cure any and all noncompliance within sixty days after receipt of the Notice of Noncompliance (or such longer period as stated in the Notice of Noncompliance or as may be permitted by the ACC upon written request stating good cause for the extension of time). If the Owner fails to comply as aforesaid, the ACC may, at its option but with no obligations to do so (i) file of record a Notice of Noncompliance as provided in Section 10.02, (ii) remove or take such other corrective action as is required regarding the Noncompliance, and (iii) assess as a specific assessment payable to the Association all costs and expenses to the defaulting Owner, including costs of all removal and/or corrective action and attorneys fees, which costs and expenses shall be due and payable upon demand. The foregoing rights and remedies are cumulative of all other rights or remedies of the Association and ACC.

SECTION 4.09 Records of Architectural Control Committee. The ACC is not required to maintain records of any of its meetings. The ACC must keep and maintain records evidencing the final decision(s) of the ACC regarding all requests for approval and requests for variance for not less than four years. The ACC must also maintain a record of all current Architectural Guidelines, and must provide copies to Owners upon written request and at the Owner's expense.

SECTION 4.10 Liability of Architectural Control Committee. Except as provided in Section 3.06, the Association, the NCC, the ACC, Friendswood Development Company LLC, Midway Kings Harbor Partners, L.P., the Master Associations, and all of their respective partners, affiliates, subsidiaries, officers, directors, agents, employees, representatives, and all other Related Parties, shall not be liable to any Owner, the Owner's tenants, the Related Parties of either, or to any other Person for any actions or failure to act in connection with any approval, conditional approval

or disapproval of any application for approval or request for variance, or the exercise or failure to exercise any other rights, responsibilities, duties or authority, including without limitation, mistakes in judgement, negligence, malfeasance, or nonfeasance. No approval or conditional approval of an application or related plans or specifications and no publication of Architectural Guidelines may ever be construed as representing or implying that, or as a covenant, representation, warranty or guaranty that, if followed, the Regulated Modification will comply with applicable legal requirements, or as to any matters relating to the health, safety, workmanship or suitability for any purpose of the Regulated Modification. The provisions hereof are cumulative of the provisions of Section 3.06.

Article V

Maintenance Fund

SECTION 5.01 Obligation for Payments to Maintenance Fund.

5.01.1 Establishment of Maintenance Fund. There is hereby established a Maintenance Fund in to which will be paid all assessments as provided for herein. The Board is responsible for the collection, management, control and expenditure of the Maintenance Fund. Each Owner of a Lot, by acquisition of any rights, title or interest therein or acceptance of an executory contract of conveyance, or a deed or other instrument of conveyance therefore, whether or not so expressed therein, covenants and agrees to pay to the Association regular or annual assessments, special assessments and specific assessments, all as herein set forth.

5.01.2 Purpose of Maintenance Fund. The Maintenance Fund must be used exclusively for the purpose of promoting the recreation, welfare, common benefit and enjoyment of the Owners and occupants of the Subdivision, including the maintenance of all Community Properties (including any maintenance required by any governmental entity), the discharge of all obligations of the Association pursuant to this Declaration and other Governing Documents, and the doing of any other thing necessary or desirable in the opinion of the Board for accomplishment of any of the foregoing, including the establishment and maintenance of reserves for repairs, maintenance, taxes, insurance, and other charges, and the expenditure of funds for the benefit of other properties within the vicinity of the Subdivision if in the judgement of the Board the Subdivision will benefit thereby. The judgement of the Board in establishing any assessments and in the collection, management and expenditure of the Maintenance Fund is final and conclusive.

5.01.3 Commencement and Proration; Personal Obligation; Transferees.

(a) The obligation to pay assessments shall commence as to each Lot upon completion of the initial sale of each Lot (as that phrase is defined in Section A2.01 of Exhibit "A" hereto). Assessments shall be prorated at the time of closing on said initial sale of each Lot from the first day of the month in which the closing occurs.

(b) In addition to the assessment lien herein established, each assessment is the personal obligation of each Owner of the Lot charged therewith at the time liability for the

assessment accrued notwithstanding any subsequent transfer of ownership. Except as to statements of account as provided in Section 5.01.4 or as to a transferee pursuant to a lawful and valid foreclosure of a superior lien as provided in Section 5.07, each Owner's transferee, whether by purchase, gift, devise or otherwise, and whether voluntary or by operation of law, is also jointly and severally liable for payment of all unpaid assessments owed to the Association at the time of transfer without prejudice to the rights of the transferee to recover from the transferor the amounts paid by said transferee.

5.01.4 Statement of Assessments. Any transferee (or prospective transferee upon presentment of an executed earnest money contract or other writing satisfactory to the Board) shall be entitled to a statement from the Association setting forth all assessments due as of the date of the written request. The request must be in writing, must be addressed to the Association and must be delivered by registered or certified mail, return receipt requested, or by personal delivery with receipt acknowledged in writing. The Board may set a reasonable charge for providing a statement of indebtedness, the payment of which is a condition precedent to the Association's obligation to provide same. Except for fraud or misrepresentation, if the Association fails to respond to a proper written request for a statement of indebtedness within thirty days after receipt of the request by the Association, and upon submission of a properly executed registered or certified mail return receipt or delivery receipt evidencing receipt of the request by the Association, upon transfer the transferee is not liable for, nor shall the Lot transferred be subject to a lien for, any unpaid assessments against the Lot accruing prior to the date of the written request.

SECTION 5.02 Uniform Rates; Application of Payments. Subject to applicable provisions of Exhibit "A" hereto, regular and special assessments on all Lots must be fixed at a uniform rate, and must be determined on a per Lot basis. All payments made by or on behalf of an Owner for assessments (regular, special or specific) are deemed made upon the date of receipt of the payment by the Association or its designated representative. All payments received, including payments received in consequence of judicial foreclosure, will be applied (i) first to payment of accrued interest, then to payment of accrued late charges, then to payment of compliance costs (including attorneys fees), and then to payment of all other specific assessments listed in Section 5.05.1 (ii) then to payment of all special assessments; and (iii) finally to payment of all regular assessments. Application within each category shall be on a first in, first out basis.

SECTION 5.03 Base Rate and Subsequent Computation of Regular Assessments.

5.03.1 Initial Base Rate of Regular Assessments; Due Dates. The initial full base rate of the regular annual assessment for 2007 per Lot (and continuing during 2007 and thereafter unless and until modified as herein provided) is ONE THOUSAND SEVEN HUNDRED TWENTY AND NO/100 DOLLARS (\$1,720.00) per Lot per year. The Board shall have the right to require regular annual assessments be paid semi-annually, quarterly or monthly, in advance (instead of annually). If the Board does so, the semi-annual, quarterly or monthly installments of regular annual assessments, as the case may be, shall be rounded upward to the next dollar, and the regular annual assessment shall be automatically adjusted upward by the amount of such rounding. UNLESS AND

UNTIL OTHERWISE DETERMINED BY THE BOARD AS AFORESAID, THE FULL AMOUNT OF REGULAR ANNUAL ASSESSMENTS IS DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR.

5.03.2 Subsequent Computation of Regular Assessments. DURING THE DEVELOPMENT PERIOD, DECLARANT IS ENTITLED TO SET AND CHANGE THE ANNUAL RATE OF REGULAR ASSESSMENTS AS PROVIDED IN SECTION 5.10. Thereafter, the Board shall adopt a budget at least annually to determine sums necessary and adequate to provide for the expenses of the Association for the succeeding twelve month period (including funding of capital, contingency and other reserves). The Board shall set the annual rate of regular assessments based on the budget. At least thirty days written notice of such determinations must be given to Owners of all Lots if any change is made as to the amount of the annual rate of regular assessment.

SECTION 5.04 No Waiver or Release. Notwithstanding anything to the contrary herein, the omission or failure for any reason of the Association to mail or deliver a notice of annual assessment or due date for payment thereof does not constitute a waiver, modification or release of an Owner's obligation to pay assessments as otherwise herein provided.

SECTION 5.05 Special Assessments. In addition to the other assessments authorized herein, including other special assessments, the Board may levy special assessments at any time during each fiscal year for purposes of defraying, in whole or in part, any expenses not anticipated by the budget then in effect, or to replace part or all of any contingency, capital or other reserve fund, or for any other purpose as deemed necessary or appropriate by the Board. SO LONG AS THE TOTAL AMOUNT OF SPECIAL ASSESSMENTS IN ANY ONE FISCAL YEAR ALLOCABLE TO EACH LOT DOES NOT EXCEED FIFTY PERCENT (50%) OF THE AMOUNT OF THE REGULAR ANNUAL ASSESSMENT THEN IN EFFECT, THE BOARD MAY IMPOSE THE SPECIAL ASSESSMENT WITHOUT VOTE OR APPROVAL OF ANY OWNER; PROVIDED, AT LEAST THIRTY DAYS WRITTEN NOTICE MUST BE GIVEN TO THE OWNERS OF ALL LOTS OF ANY SUCH SPECIAL ASSESSMENT. Special assessments allocable to each Lot exceeding the foregoing limitation will be effective only if approved by the Owners of a majority of the Lots then contained within the Subdivision. The approval may be obtained in any manner as provided for approval of an amendment of this Declaration. Special assessments are payable 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 5.06 Specific Assessments.

5.06.1 Types. Specific assessments must be assessed against individual Lots and the Owner(s) thereafter at the time liability for same accrues as follows:

(a) Painting and Roof Assessments. Painting and roof assessments shall be separately and specifically assessed as to each Lot as provided in Section 5.06.2.

(b) Interest. Interest compounded monthly from the due date at the rate of the lesser of eighteen percent (18%) per annum or the maximum legal rate will be charged on all delinquent assessments, regular, special or specific, which are not paid in full within thirty days after the due date.

(c) Late Charges. A late charge in the amount of TWENTY-FIVE DOLLARS (\$25.00), or such other reasonable amount as from time to time determined by the Board, is hereby imposed as to any regular, special or specific assessment which is not paid in full within thirty days after payment of same is due.

(d) Compliance Costs. All expenses reasonably attributable to or incurred by reason of a breach or violation of or to obtain compliance with any provisions of this Declaration or other Governing Documents must be assessed against the Owner who occasioned the incurrence of such expenses, including reasonable attorney's fees whether incurred prior to, during the pendency of or after successful completion of any actions in a court of competent jurisdiction. The foregoing shall include, without limitation, all costs, expenses and reasonable attorneys fees incurred in connection with the judicial or non-judicial foreclosure of the Association's assessment lien, including prosecution or defense of any claims or actions relating to any such foreclosure proceedings.

(e) Other Obligations (Including Transfer and ACC Fees). All other monetary obligations established by or pursuant to this Declaration or other Governing Documents or which are otherwise permitted or authorized by law, including without limitation as permitted or authorized by Chapter 204 of the Texas Property Code, and which are intended to apply to one or several but not all Lots must be assessed against the applicable Owner(s). Except for fines, the Board may from time to time contract with Managing Agents to provide statements of assessments or other charges or resale certificates, or to process changes of ownership or tenancy or applications for architectural approval, and in connection therewith (but subject to authority of the Board to waive any specific assessment as herein provided) may by contract or resolution assign to such Managing Agent the right to set the amount of fees or charges for any such services and to receive payment of the applicable charge.

5.06.2 Painting and Roof Assessments.

(a) An annual painting and roof assessment shall be separately and specifically assessed as to each Lot for funding of a painting and roof reserve. This reserve must be used exclusively for payment of costs and expenses of periodic scheduled painting (including staining, as applicable) of the exterior of each single family residence and for periodic scheduled replacement of the roof of each single family residence by the Association as provided in Section 6.01. The reserve may also be used for advance payment for preparatory or interim work pending repayment for same by applicable Owners as hereafter provided.

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(b) As to each Lot, the painting and roof assessment shall be due and payable beginning on the first day of the month following completion of the initial sale of each Lot (as defined in Section A2.01 of Exhibit "A" hereto). The first annual painting and roof assessment for each Lot shall be pro rated according to the number of months remaining in the calendar year at the time of the initial sale of the Lot. The Board shall have the right to require this assessment be paid in semi-annual, quarterly, or monthly installments (instead of annually), in advance. If the Board does so, the semi-annual, quarterly or monthly installments for this assessment, as the case may be, shall be rounded upward to the next dollar, and the annual assessment shall be automatically adjusted upward by the amount of such rounding. UNLESS AND UNTIL OTHERWISE DETERMINED BY THE BOARD AS AFORESAID, ANNUAL PAINTING AND ROOF ASSESSMENTS SHALL BE DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR, BEGINNING AS TO EACH LOT AS AFORESAID.

(c) Declarant shall set the amount of the annual painting and roof assessment during the Development Period, as Declarant may from time to time determine. The initial annual painting and roof assessment is hereby set at THREE HUNDRED AND NO/100 DOLLARS (\$300.00) per Lot per year. DURING THE DEVELOPMENT PERIOD THE PAINTING AND ROOF RESERVE WILL BE MINIMALLY FUNDED. THE ASSOCIATION HAS THE SOLE RESPONSIBILITY TO PROVIDE FOR ADEQUATE FUNDING OF THE RESERVE IN ACCORDANCE WITH THIS SECTION UPON TERMINATION OF THE DEVELOPMENT PERIOD.

(d) Within one year after termination of the Development Period, the Board shall obtain a professionally prepared reserve study (the "Reserve Study") covering sums reasonably anticipated to be necessary to provide for all costs and expenses to be incurred by the Association to provide and perform all painting and roofing work required hereby, plus anticipated administrative expenses and insurance reasonably attributable thereto, and a reasonable contingency reserve. The Reserve Study must cover a period of fifteen years, or such shorter period, but not less than five years, or longer period as may be recommended by the professional preparing the Reserve Study. The Reserve Study must also set forth a pro rata breakdown of costs and expenses on a per Lot basis to reflect significant differences in costs as among the various residences then contained in the Subdivision (such as, for example, differences in total square feet of exterior area to be painted and/or roof area to be maintained). The Reserve Study must be updated at least every five years. Costs for the Reserve Study may be paid from the painting and roof reserve or the Maintenance Fund, as determined by the Board.

(e) After termination of the Development Period, the Board shall set the amount of the annual painting and roof assessment based on the Reserve Study. The amount may be set separately as to each Lot as determined by the Board based on the Reserve Study and other relevant factors. The Board must notify the Owner of each Lot of the amount of the annual painting and roof assessment and due date(s) for payment of same as and when set by the Board as aforesaid.

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(f) If funds in the painting and roof reserve are insufficient to pay any expenses for which the fund is established in any calendar year, the Board may assess a specific assessment to the Owner of each Lot in an amount sufficient to cover such expenses. The Board may also specifically assess to the Owner of any Lot any additional costs regarding any painting or roof work as provided in **Section 6.01**, and also to cover any additional costs due to any casualty loss attributable to one or more Lots. No vote, consent or other approval of any Owner or any other Person is required as to any such specific assessment, and any such assessment shall not be subject to disapproval by Owners as otherwise herein provided as to other assessments. Any such assessment shall be due and payable as determined by the Board, including if so determined by the Board, in installments payable after the calendar year in which the assessment is made; provided, no part of any such specific assessment shall be payable earlier than thirty days after the date written notice of same is given to the Owners. Pending collection of any such assessment, the Board may pay any such expenses from the general Maintenance Fund, and reimbursement of the general Maintenance Fund for payment of any such expenses is not required.

5.06.3 Other Special Service Assessments. Additional special services assessments (such as, for example, for cable television or satellite services) may be approved by Declarant during the Development Period, and may be approved thereafter either by the Board of Directors or by the Owners by majority vote at any special meeting of Members called for such purpose. NOTICE OF APPROVAL OF ANY SUCH ASSESSMENT MUST BE FILED IN THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY OF HARRIS COUNTY, TEXAS. If so approved all Owners shall be bound by the terms of all contracts entered by the Association pursuant to such approval.

5.06.4 Payment; Waiver. Specific assessments are due and payable immediately upon the occurrence of the event giving rise to liability for payment of same. Failure of the Association to impose or collect any specific assessment is not grounds for any action against the Association, or any Director, officer, agent or employee thereof, and does not constitute a waiver of the Association's right to exercise its authority to collect any specific assessments in the future. For good cause shown as determined in the sole opinion of the Board, the Board may waive, wholly or partially, imposition of any specific assessment; provided, any such waiver is conditioned upon payment in full of all remaining monetary obligations then owed to the Association or receipt of written commitment that same will be paid within a specified period of time.

SECTION 5.07 Lien for Assessments.

5.07.1 Establishment of Lien. All sums assessed against any Lot pursuant to this Declaration, whether by regular, special or specific assessment as provided herein, are secured by a continuing lien on such Lot in favor of the Association. The recordation of this Declaration constitutes record notice and perfection of the Association's continuing lien, effective from the date of recordation of this Declaration.

5.07.2 Priority of Lien. The Association's continuing lien is superior to all other liens or encumbrances on each Lot except (i) a lien for real property taxes and other governmental

assessments or charges on a Lot; and (ii) a first lien securing payment of purchase money for a Lot, or a lien securing payment for work and materials used in constructing improvements on a Lot.

SECTION 5.08 Effect of Nonpayment of Assessments.

5.08.1 Delinquency Date; Automatic Remedies. Any assessments, regular, special or specific, which are not paid by the due date are delinquent as of midnight of the due date. Except to the extent otherwise expressly agreed in writing by the Board, if any assessments are not paid by the due date, then:

(a) late charges, interest from the due date, and all compliance costs (including reasonable attorney's fees), all as set forth in Section 5.06, shall be added to and included in the amount of such assessment;

(b) all voting rights of the Owner, and all rights to use of all recreational facilities, if any, by the Owner, their tenants and their respective Related Parties, will be automatically suspended until all assessments (including all specific assessments) are paid in full;

(c) the Association may notify any credit bureau and/or any mortgagee or other lienholder with respect to the applicable Lot as to any default under the Governing Documents, including delinquency in payment of assessments and any other monetary amounts due to the Association;

(d) upon not less than thirty days written notice and opportunity to be heard, the Association may suspend any and all services provided to a Lot, the Owner of which is delinquent in payment of any assessments used, in whole or in part, to pay the cost of the service; and/or

(e) the Association may exercise any other rights and remedies and institute and prosecute such other proceedings as it deems necessary to collect all amounts due.

5.08.2 Action for Debt; Foreclosure. Each Owner, by acquisition of any Lot within the Subdivision or any right, title or interest therein, expressly grants to and vests in the Association the right and power to bring all actions against each Owner, personally for the collection of all delinquent assessments as a debt, and the right and power to judicially foreclose the Association's continuing lien for assessments. Foreclosure of the Association's continuing lien for assessments terminates, extinguishes and forever discharges all inferior or subordinate liens and encumbrances (being all liens and encumbrances except as provided by Section 5.07) as to the affected Lot.

SECTION 5.09 Assessments as Independent Covenant. The obligation to pay assessments is a separate and independent covenant and contractual obligation on the part of each Owner. No off-set, credit, waiver, diminution or abatement may be claimed by any Owner to avoid or diminish the obligation for payment of assessments for any reason.

SECTION 5.10 Declarant Authority and Exemption as to Assessments. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, ALL PROVISIONS SET FORTH IN EXHIBIT "A" HERETO APPLY REGARDING DECLARANT'S AUTHORITY AND EXEMPTIONS AS TO ASSESSMENTS.

SECTION 5.11 Notice of Assessments by Master Associations. In addition to any and all assessments payable to the Association as provided in this Declaration, notice is hereby given to all Owners that certain other assessments and charges are payable by each Owner to the Master Associations, either directly or through the Association, as set forth in the Master Restrictions. The Association, acting through its Board of Directors, may enter into one or more agreements from time to time and at any time with one or more of the entities comprising the Master Associations whereby any such assessments due to any such entity may be paid by the Association. Without limitation of the foregoing, the Association may add any such assessments payable by the Association to the amount of assessments payable to the Association pursuant to this Declaration, and may adopt and file of record such amendments of this Declaration as are deemed necessary or appropriate by the Board for payments as aforesaid through the Association.

Article VI
Maintenance; Casualty Losses

SECTION 6.01 Association Maintenance Responsibilities.

6.01.1 General. The Association will maintain, repair and replace the Community Properties, including all Subdivision Facilities, and keep same in good repair. This maintenance includes, without limitation, maintenance, repair, and replacement of all landscaping and improvements situated on the Community Properties. THE BOARD HAS FULL AUTHORITY, WITHOUT JOINDER OR CONSENT OF ANY OWNER OR ANY OTHER PERSON, TO EXPAND, MODIFY, REPLACE, REMOVE OR IN ANY OTHER MANNER CHANGE ANY AND ALL LANDSCAPING MAINTAINED BY THE ASSOCIATION, INCLUDING ANY SUCH LANDSCAPING LOCATED UPON ANY LOT. IT IS EXPRESSLY STIPULATED AND AGREED THAT THE ASSOCIATION DOES NOT REPRESENT, GUARANTEE OR WARRANT THE VIABILITY, TYPE, QUALITY, QUANTITY OR CONTINUED EXISTENCE OF ANY LANDSCAPING WITHIN OR IN THE VICINITY OF THE SUBDIVISION, INCLUDING ANY LANDSCAPING LOCATED UPON ANY LOT, AND NO OWNER OR OTHER PERSON SHALL EVER HAVE ANY CLAIM WHATSOEVER AGAINST THE ASSOCIATION OR ANY OF ITS RELATED PARTIES REGARDING, DIRECTLY OR INDIRECTLY, ANY LANDSCAPING.

6.01.2 Exterior Painting; Roofs.

(a) General. The Board shall establish and update as needed exterior maintenance schedules covering (i) routine painting (and staining, as applicable) of the exterior of each residence, including garage, by the Association, and (ii) routine replacement of the roof of each residence, including garage, by the Association. In order to maintain consistency in the quality and appearance of the aforesaid schedule work, the Association will also perform such

preparatory work as to the scheduled work and such interim work as to same as is deemed appropriate or necessary by the Board, but all costs and expenses to provide preparatory work or interim work shall be paid by the applicable Owner. "ROUTINE" OR "SCHEDULED" WORK AS AFORESAID REFERS ONLY TO WORK REQUIRED DUE TO NORMAL WEAR AND TEAR, AND NOT TO WORK DUE TO ANY CASUALTY, VANDALISM, ABUSE OR NEGLIGENCE OF ANY OWNER, OWNER'S TENANT OR THEIR RELATED PARTIES, OR ANY OTHER CAUSE EXCEPT NORMAL WEAR AND TEAR. Scheduled work, preparatory work and interim work will be performed as provided in this Section 6.01.2.

(b) Scheduled Painting/Staining. Periodic painting (and staining, as applicable) of the exterior of each residence, including the garage, will be performed in accordance with the exterior maintenance schedule established by the Board covering said work in such manner as to maintain a neat and attractive appearance. Such painting and/or staining will include exterior areas of windows, window trim and exterior windowsills, gutters and downspouts and exterior doors, if painted. Non-painted doors are permitted only if installed as part of the original construction of a residence, or if approved in writing by the ACC. Stained garage doors will be periodically re-stained to prevent excessive drying or other deterioration. Natural finish exterior doors (such as hardwood doors with varnish, lacquer or similar finish) are permitted only if installed as part of original construction of a residence, or if approved in writing by the ACC, and all such doors must be properly maintained by the applicable Owner at all times. Gutters and downspouts, if any, will be painted or treated to prevent (as far as practical) rust and corrosion.

(c) Scheduled Roof Replacement. The roof on each Owner's residence, including the garage, will be periodically replaced in accordance with the exterior maintenance schedule established by the Board covering said work such that the exterior integrity and appearance of the roof is maintained. Such scheduled replacement will also include replacement of decking and routine and related flashing work if deemed necessary by the Board. Damaged, dysfunctional, rusted or corroded roof vents, pipes and similar protrusions will be repaired and replaced as deemed necessary by the Board, but all costs and expenses thereof shall be paid by the applicable Owner.

(d) Preparatory Work. The Association will perform all preparatory work deemed appropriate or necessary by the Board in preparation for regularly scheduled painting or roof replacement as above provided. Preparatory work as to painting/staining will include repair or replacement of rotten or deteriorated siding, wood and window and other fenestration trim, damaged or deteriorated stucco or similar exterior finish, damaged gutters, downspouts, soffit and similar vents, and any other extrusions, and such other preparatory work as determined by the Board. Preparatory work as to roof replacement will include any structural work such as repair or replacement of any rafters, repair or replacement of any parts of any chimney, plumbing or heating vents, roof vents, ridge vents and any other types of roof extrusions, and such other preparatory work as determined by the Board.

(e) Interim Work. The Association will provide interim painting/staining and roof maintenance work as deemed appropriate by the Board. Such interim work may also be requested by individual Owners in writing, provided that the written request

must state in reasonable detail the reason(s) the work is deemed necessary, and provided further that the Board's decision to grant or deny the request shall be final. The Board may also place conditions upon its approval of any request for interim work.

(f) Owners to Pay Costs of Preparatory and Interim Work. In order to maintain consistency in the quality and appearance of preparatory and interim work, all such work will be performed by or at the direction of the Board. All costs and expenses of preparatory and interim work will be assessed as a specific assessment to the applicable Owner. The Board may require advance payment of all estimated costs of preparatory and/or interim work prior to commencement of any such work. Owners must be given not less than ten days written notice of costs to be paid for interim work, including advance payments. All costs of preparatory and/or interim work which exceed the advance payment must be paid upon not less than ten days written notice from the Association; and any excess proceeds remaining after completion of preparatory and/or interim work must be refunded within a reasonable time after completion, without interest.

(g) Insurance. Without limitation of any other Owner insurance requirements hereof, each Owner must carry fire and casualty insurance covering all exterior areas of each Owner's residence and garage, including the roof, which are to be maintained in accordance with this Section (and with all other applicable provisions of this Declaration or other Governing Documents). All proceeds from insurance carried by an Owner which cover any work performed or which will be performed by the Association shall be paid to the Association as provided in Section 6.06.4. In the event any such proceeds are in fact paid to or otherwise received by an Owner, then all such proceeds shall be held by the Owner as trustee for the Association, and must be paid over to the Association within five business days after receipt thereof. In the event any Owner fails to carry any such insurance, or in the event any Owner fails to pay over to the Association any insurance proceeds as aforesaid, then the Board may assess as a specific assessment to the defaulting Owner all costs and expenses attributable to the default.

6.01.3 Landscaping. The Association will mow, trim, edge and otherwise generally maintain all lawn and landscape areas upon each Lot which is located outside the footprint of the residence thereon, which is visible from any Street, and which is not located in an area which has been enclosed by fencing or otherwise. Such maintenance shall not include any exotic landscaping installed by any Owner (whether or not approved), or any flower beds or similarly landscaped areas or any trees or shrubbery, all of which must be maintained by the Owner of each Lot, or any other maintenance substantially greater than as generally provided throughout the Subdivision. The Association may also replace any lawn or landscape area maintained by the Association, but all costs thereof shall be specifically assessed to the applicable Owner. The Association may also maintain and/or replace such other lawn and landscape areas in such manner and to the extent as from time to time approved by the Board. Without limitation of any other provisions hereof, no landscaping shall be added to, and nothing else shall be done within, any area maintained by the Association which may or does increase the Association's cost of maintenance without the prior written approval of the Board. Whether or not approved, the Board may specifically assess any such added cost of maintenance to the responsible Owner(s).

6.01.4 Owner's Duty to Provide Access. Each owner must afford to the Association and to its Related Parties, access through the Owner's Lot as is reasonably necessary for any maintenance, repair or replacement by the Association as contemplated by this Article. Owners shall comply with all directives and decisions of the Board in providing access for, and as to all other aspects of, all maintenance, repair or replacement to be provided by the Association pursuant to this Article, and otherwise fully comply with requests and directives of the Board and applicable Rules and Regulations as to same.

6.01.5 Owner's Duty to Notify and Liability for Default.

(a) EACH OWNER (AND THEIR TENANT, AS APPLICABLE) MUST PROMPTLY NOTIFY THE ASSOCIATION IN WRITING AS TO THE NEED FOR ANY MAINTENANCE WHICH IS THE RESPONSIBILITY OF THE ASSOCIATION PURSUANT TO THIS DECLARATION. ALL COSTS AND EXPENSES RESULTING DIRECTLY OR INDIRECTLY FROM ANY FAILURE TO NOTIFY THE ASSOCIATION AS AFORESAID SHALL BE SPECIFICALLY ASSESSED TO THE DEFAULTING OWNER (AND TENANT, AS APPLICABLE).

(b) Each Owner, their tenants, and their respective Related Parties are expressly prohibited from doing anything which (i) could or does increase the Association's costs of insurance or result in cancellation or diminution in insurance coverage, (ii) could or does cause damage to or increase costs of maintenance, repair, replacement, obligations regarding any Community Properties, or any other areas maintained by the Association, or (iii) could or does increase costs of management or operation of any Community Properties (including Subdivision Facilities) or discharge of any other obligations of the Association pursuant to this Declaration or other Governing Documents. Regardless of availability of insurance coverage, the Association may charge to each responsible Owner (and their tenant, as applicable), as a specific assessment, all increased costs of insurance and all costs of maintenance, repair, replacement, management or operation and all other damages resulting, directly or indirectly, from the acts or omissions of an Owner, their tenants, or their respective Related Parties in violation of the foregoing provisions.

6.01.6 Other Facilities or Services. The Association shall maintain such other properties, real or personal, and such other facilities, services and improvements as may be required by governmental authorities, any municipal utility districts or other utility providers, any special tax and development districts, and any other similar entities, such maintenance to be in accordance with applicable contracts, agreements, ordinances, rules, regulations and decisions of such authorities. Declarant is specifically authorized to enter any such contracts or agreements on behalf of the Association, and to bind the Association thereto, and Declarant may amend this Declaration at any time either during or after the Development Period to the extent it deems necessary by reason of any such contract or agreement.

6.01.7 Supplementation. The Board of Directors is hereby specifically authorized to (i) clarify, supplement or add to the provisions of Section 6.01 and/or Section 6.02, and/or to

resolve any conflicts regarding same, and (ii) delineate or determine all work constituting preparatory work under Section 6.01.2. The Board may do so on a case by case basis as needed to resolve any then pending issues, including as part of preparation for and/or during performance of any work by the Association pursuant to Section 6.01.2, by adoption of policy statements, Rules and Regulations or Architectural Guidelines, or by any combination of the foregoing. Decisions of the Board as to any of the foregoing are final.

6.01.8 Limitation of Liability. THE ASSOCIATION AND ITS RELATED PARTIES SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER DUE TO ANY ALLEGED DEFECTIVE MAINTENANCE OR FAILURE TO PROVIDE MAINTENANCE AS PROVIDED IN SECTION 6.01, INCLUDING WITH REGARD TO ANY ROOF LEAKS OR OTHER WATER PENETRATION, ABSENT PROOF OF WILLFUL MISCONDUCT AFTER OBTAINING ACTUAL KNOWLEDGE OF DEFECTIVE MAINTENANCE OR THE NEED FOR MAINTENANCE AND THAT SUCH WILLFUL MISCONDUCT PROXIMATELY CAUSED THE DAMAGE. THE FOREGOING IS CUMULATIVE OF AND SHALL NOT LIMIT THE PROVISIONS OF SECTION 3.06 OF THE DECLARATION.

SECTION 6.02 Owner Maintenance Responsibilities.

6.02.1 General. All maintenance of each Lot and all improvements thereon is the sole responsibility of the Owner thereof. Each Owner must maintain their Lot and all improvements thereon at all times in such manner as to obtain and maintain Prevailing Community Standards on a continuing basis as may be more specifically determined by this Declaration and other Governing Documents, including as determined from time to time by duly adopted Architectural Guidelines and Rules and Regulations. MAINTENANCE WHICH AFFECTS THE EXTERIOR APPEARANCE OF A RESIDENCE OR GARAGE IS SUBJECT TO APPLICABLE PROVISIONS OF ARTICLE IV REGARDING ARCHITECTURAL CONTROL COMMITTEE APPROVAL.

6.02.2 Residences and Other Improvements. Except for maintenance which the Association is expressly required hereby to provide, each Owner shall maintain and repair (and replace, as needed) the exterior of each Owner's residence, garage, and all other buildings, structures, fences, walls, recreational equipment and improvements located upon each Owner's Lot, in an attractive, sound and well maintained condition, including proper maintenance and repair as needed of paint, bricks, siding, exterior walls, driveways, parking areas and all other exterior portions of the Owner's residence and garage. Without limitation of the foregoing, each Owner shall provide proper maintenance, repair and replacement as and when needed as follows (the term "residence" includes garage, as applicable):

(a) All windows must be maintained so that no caulking thereon is chipped or cracked and no window panes are cracked or broken.

(b) Scheduled painting or staining of exterior doors, including garage doors, will be provided by the Association as provided in Section 6.01. All costs and expenses of interim and preparatory work by the Association, including for example but without limitation interim painting of a replacement garage door or repair of a garage door which is necessary in

preparation for scheduled painting or staining of the door, must be paid by each Owner as provided in **Section 6.01.2**, and all such costs and expenses shall be deemed a specific assessment against such Owner's Lot. In all other respects, all exterior doors, including garage doors, must be maintained, repaired and/or replaced by and at the sole cost of the Owner of each residence as needed to prevent an unkept or unsightly appearance and such as to maintain same in proper working condition, including replacement as needed of damaged or dented garage door panels and any cracked or broken glass in any door.

(c) All windowsills, door jams and thresholds, framing and trim for all windows and exterior doors and all hinges, latches, locks and all other hardware which are part of and/or necessary to the proper functioning of all windows and exterior doors must be maintained so that all remain whole, sound, in a neat and attractive condition and fully operational.

(d) Interior walls and ceilings of open porches and balconies and railings for same will be painted or stained by the Association during scheduled maintenance as provided in **Section 6.01**, but all other maintenance, repair and replacement as to same must be performed by the Owner in such manner as to maintain a neat, attractive and structurally sound condition at all times. All flooring and floor areas, including decking and/or concrete, brick and other floors, must be properly maintained by the applicable Owner at all times.

(e) All exterior brick and/or stone on each Owner's residence must be properly maintained at all times.

(f) All exterior surfaces of each Owner's residence, including the roof and all walls, windows and exterior doors, must be periodically cleaned as needed to prevent mold, mildew or other discoloration.

(g) The rain gutters and downspouts on each Owner's residence, if any, must be maintained so that all are properly secured to roof eaves, gables or exterior walls (as the case may be), are maintained without holes, and are promptly repaired or replaced if dented or otherwise damaged.

(h) All concrete areas on each Owner's Lot, including sidewalks and driveway, must be maintained so that all cracks are appropriately patched or surfaced and expansion joints are maintained, repaired or replaced as needed, and all such areas must be kept free of weeds, grass or other vegetation.

(i) All fences or walls erected on each Owner's Lot must be maintained to prevent any listing or leaning, and all broken or damaged members and all holes and cracks must be repaired so that no portion thereof is permitted to rot or decay, and as otherwise provided in **Section 8.06**. **PAINTING OR STAINING OF WOODEN FENCES IS PROHIBITED UNLESS APPROVED IN WRITING BY THE ACC.**

(j) All recreational equipment, which may be installed if and only if approved by the ACC, must be maintained to prevent any unsightly or unkept condition, including for example but without limitation, proper maintenance of exterior patio furniture to prevent rust and corrosion.

(k) No Owner or their tenant will allow any condition to exist or fail or neglect to provide any maintenance which adversely affects any adjoining or adjacent Lot, any Community Properties, or any improvements on any such Lot or the Community Properties.

6.02.3 Utilities. The Owner of each Lot must maintain in proper working order, and on a continuing basis, all sanitary sewer lines and facilities, drainage or storm water lines and facilities, water pipelines, water sprinkler system, water meters and related water lines and facilities, electrical and gas lines, meters and facilities, telephone and any other telecommunication lines, devices or facilities, and all other facilities, utilities and services which service each Lot (the "Owner Utilities"), regardless of the location of the Owner Utilities, save and except to the extent maintenance of any Owner Utilities is provided and actually performed by any governmental entity or utility company. Utilities which service more than one Lot must be maintained, repaired and replaced by all of the Owners of the multiple Lots served, pro rata, or in such other proportions as determined by the Board upon written request when the circumstances clearly demonstrate that a different manner of allocation is required. Owner Utilities do not include (i) any utilities which are in fact maintained by any governmental authority or by any utility provider, or (ii) any other common utility facilities which the Association is expressly required by this Declaration to maintain.

6.02.4 Landscaping. All grass, shrubbery, trees, flower beds, vegetation and all other landscaping, either natural or artificial, on each Lot which is not maintained by the Association must be maintained at all times in accordance with the seasons as reasonably necessary to obtain and maintain on a consistent and continuing basis Prevailing Community Standards, including as reasonably necessary to maintain on a consistent and continuing basis a sanitary, healthful and attractive condition and appearance and to eliminate any condition which may create any unsanitary condition or become a harborage for rodents, vermin or other pests.

6.02.5 Annual Observations and Maintenance. Without limitation of an Owner's obligation for continuing maintenance as otherwise provided herein, each Owner is responsible for conducting at least annual observations and inspections of the Owner's Lot and all improvements thereon to ascertain all maintenance and other work needed to obtain and maintain Prevailing Community Standards, including full compliance with this Section 6.02. The observations and inspections must include without limitation (i) foundations and flatworks, (ii) roofs, (iii) all wood works, including window and door frames, and (iv) all guttering, downspouts, grading and all other matters needed to ensure positive drainage from foundations to promote rapid runoff, to avoid collecting ponded water near any structure which could migrate down any soil/foundation interface and to minimize infiltration of water from rain and lawn watering, and to prevent drainage from one Lot to another Lot or to Community Properties. Each Owner must promptly perform all work which each annual observation and inspection indicates is reasonably necessary.

6.02.6 Adjacent or Adjoining Owners. No Owner or their tenant will allow any condition to exist or fail or neglect to provide any maintenance which materially and adversely affects any adjoining or adjacent Lot, any Community Properties, or any improvements on any such Lot or the Community Properties.

6.02.7 Disturbance of Community Properties. In the event the performance of any Owner's maintenance responsibilities requires that any portion of the Community Properties be modified, removed or disturbed, then such Owner must first obtain the written consent of the ACC as to same. All such work must be performed, at the option of the Association, either under the supervision of the Association in accordance with plans and specifications approved by the ACC, or by the Association at the reasonable expense of the Owner. If the Association performs the work at the expense of the Owner, the ACC may require a security deposit or advance payment of all of the estimated expenses which the Owner must pay upon demand. Such indebtedness will be added to and become a part of the specific assessment to which such Owner and the Owner's Lot are subject, and is secured by the continuing lien hereby established against such Owner's Lot.

6.02.8 Dispute Resolution Among Owners.

(a) Any disputes among Owners regarding any rights or responsibilities pursuant to this Article may be submitted to the Board for resolution. The Owner requesting dispute resolution (and/or all Owners to the dispute) must submit a written request for dispute resolution to the Board and include with the request (i) a statement of the nature of the dispute and efforts by the Owner(s) to resolve the dispute in sufficient detail to permit the Board to fully evaluate the dispute, (ii) any supporting or related plans, specifications or other documents, and (iii) such other information and/or documentation as requested by the Board. The Board shall provide notice and opportunity to be heard to all Owners involved in the dispute, and all such Owners must fully comply with all directives of the Board regarding procedures, attendance at meetings, on-site inspections and all related matters for resolution of the dispute. In the same manner, the Board also has full authority to direct submission of any dispute to the Board. After notice and opportunity to be heard, the Board has full authority to resolve all such disputes, and its decisions as to same are final.

(b) The Board's dispute resolution authority includes without limitation the right and authority (i) to direct the completion of any maintenance, repair or replacement and to allocate costs thereof among the disputing Owners, (ii) to authorize one of the disputing Owners or a third party to control the completion of the maintenance, repair or replacement, (iii) to order the disputing Owners to mediation or arbitration through a county dispute resolution center or similar organization, or under the Rules of the American Arbitration Association, and (iv) to allocate among the disputing Owners all costs of the maintenance, repair or replacement and all costs (including attorney's fees) incurred in the dispute resolution process.

(c) Each disputing Owner must pay their allocated share of compliance costs (including attorney's fees) within thirty days after receipt of a statement for payment thereof. A final costs statement may be submitted by the Board or may be submitted by disputing Owners to the Board for resolution as above provided. If any Owner has prepaid allocated costs of another, the Board may direct that the other Owner(s) reimburse the prepaying Owner directly

or that the other Owner(s) pay the reimbursement directly to the Association which will in turn reimburse the prepaying Owner. If any Owner fails to pay their allocated costs, including any reimbursement, as aforesaid, all such costs shall automatically be assessed as a specific assessment against the defaulting Owner as provided in Section 5.06. All rights and remedies under this Section are cumulative.

SECTION 6.03 Right of Entry and Inspection; Owner's Default. In the event the Board or ACC determine that (i) an Owner may have or has failed or refused to discharge properly the Owner's maintenance obligations as provided in this Article, or (ii) the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder may have or has been caused through the willful or negligent act or omission of an Owner, the Owner's tenants, or their respective Related Parties, then the Board or ACC may conduct inspections of any affected Lot, the exterior of the residence and all other buildings thereon, and all other structures and improvements thereon (a "Compliance Inspection") and/or perform the repair, replacement or maintenance (the "Required Work") in accordance with this Section. The Board or ACC must give written notice of intent to conduct a Compliance Inspection and/or to perform Required Work. The notice may be given by posting on the front door of the residence at the applicable Lot regardless of any other address maintained by the Owner, or in any other manner permitted by Section 10.05. Except in the case of an emergency, the notice shall give the applicable Owner ten days to schedule a Compliance Inspection and/or perform Required Work (or to commence and thereafter proceed with diligence to completion of Required Work which cannot be reasonably completed in ten days), failing which the Board or ACC may proceed without further notice. In the case of an emergency the Board or ACC may proceed immediately with any Required Work required to abate the emergency but shall thereafter proceed as aforesaid. All costs and expenses of conducting a Compliance Inspection as to which a violation is determined to exist and all costs and expenses of Required Work performed by the Board or ACC shall be assessed against the applicable Lot and the Owner thereof as a specific assessment which must be paid within ten days after notice of same is given to the applicable Owner. The good faith determination by the Board or ACC as to the need for a Compliance Inspection and as to all aspects of Required Work is final and conclusive, and extends to any thing or condition as to such Lot or which adversely affects any other Lot or Community Properties. The Association, the Board or ACC and their Related Parties are not liable for trespass or any other tort or claim for damages in connection with any actions or failure to act pursuant to this Section.

SECTION 6.04 Casualty Losses - Association Responsibilities. Except as hereafter provided, in the event of damage by fire or other casualty to the Community Properties or regarding any other matters as to which the Association has an obligation to maintain pursuant to this Declaration or other Governing Documents, or if any governmental authority requires any repair, reconstruction or replacement as to same, the Association must perform all repairs, reconstruction or replacement necessitated thereby (the "Casualty Work"). The Casualty Work must be such as will substantially restore the Community Properties to its condition prior to the casualty or as required by the governmental authority. Any insurance proceeds payable as to the Casualty Work must be paid to the Association. Except for Casualty Work which is required by any governmental authority, the Owners may agree not to perform any Casualty Work. Any decision not to perform Casualty

Work must be submitted to the Owners at a special meeting of Members called for that purpose, and must be approved by affirmative vote of the Owners of not less than a majority of all Lots then contained in the Subdivision.

SECTION 6.05 Casualty Losses - Owner Responsibilities.

6.05.1 Required Repair or Replacement. Whether or not insured, all damage or destruction by fire or other casualty to all or any portion of any Residential Dwelling (as defined in Section 6.06.2) on a Lot must be repaired, reconstructed or replaced by the Owner thereof in such manner as to restore the Townhouse to its appearance and condition as originally constructed (or as otherwise approved by the ACC) within seventy-five days after such damage or destruction; or, where repairs or replacements cannot be completed within seventy-five days, they must be commenced within such period and completed within a reasonable time thereafter. In all events, all casualty repairs, reconstruction and replacements must be completed within one hundred twenty days after the damage or destruction unless a longer period is approved in writing by the ACC.

6.05.2 Other Casualty Losses. Whether or not insured, any building, structure and any other type of Regulated Modification other than a Residential Dwelling which is damaged or destroyed must be repaired, reconstructed or replaced as provided above unless the ACC approves otherwise in which case the building, structure or other type of Regulated Modification must either be razed or removed in its entirety from the affected Lot and the Subdivision. All such work as aforesaid must be completed within sixty days after the damage or destruction, or such longer period as may be approved in writing by the ACC. This includes removal of any foundation as to any razed or removed building, structure or other improvement, and any other restoration required such that after razing or removal Prevailing Community Standards are maintained as determined by the ACC.

6.05.3 Utilities. Notwithstanding any other provisions hereof to the contrary, and whether or not insured, any damage or destruction to utility lines or other facilities which disrupt or interfere with utility services to any other Lot, Townhouse or Community Properties must be repaired or replaced as soon as practical. All due diligence must be exercised to complete all such repairs or replacements, and the ACC may require installation of temporary utility lines or other temporary facilities pending completion of the repairs and/or replacements.

6.05.4 ACC Approval Required. The provisions of Article IV apply to all work and any other activities pursuant to the requirements of this Section.

SECTION 6.06 Owner Insurance.

6.06.1 General. The Owner of each Lot must maintain personal liability insurance and all-risk property and casualty insurance as required by this Section, and of such types and forms, in such amounts and with such deductibles, limits and other terms as herein provided and as from time to time established by applicable Rules and Regulations. The Board is also specifically authorized from time to time to adopt and amend policies, procedures and Rules and Regulations

to clarify, supplement or add to the provisions of this Section (including all subparts). NOTWITHSTANDING THE FOREGOING OR ANY OTHER PROVISIONS OF THIS SECTION, THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS (I) OBTAINING OF LIABILITY AND PROPERTY INSURANCE REGARDING AND FOR EACH LOT AND ALL IMPROVEMENTS THEREON (INCLUDING RESIDENCES AND APPURTENANT STRUCTURES AND THE CONTENTS THEREOF) IS THE SOLE RESPONSIBILITY OF THE OWNER THEREOF, (II) DECLARANT, THE ASSOCIATION, THE BOARD AND THEIR RELATED PARTIES MAKE NO REPRESENTATION WHATSOEVER THAT THE LIMITS OR FORMS OF INSURANCE REQUIRED BY THIS SECTION OR THAT COMPLIANCE IN ANY OTHER RESPECT WITH THE PROVISIONS HEREOF (OR ANY OTHER POLICIES, PROCEDURES OR RULES AND REGULATIONS) WILL BE ADEQUATE FOR ANY PURPOSE, AND (III) DECLARANT, THE ASSOCIATION, THE BOARD AND THEIR RELATED PARTIES HAVE NO OBLIGATION WHATSOEVER TO CONFIRM COMPLIANCE BY ANY OWNER WITH ANY PROVISIONS OF THIS SECTION, OR TO ACT ON BEHALF OF ANY OWNER AS TO OBTAINING OF ANY INSURANCE OR OTHERWISE COMPLYING WITH ANY PROVISIONS OF THIS SECTION (OR ANY OTHER POLICIES, PROCEDURES ON RULES AND REGULATIONS) OR TO OTHERWISE ASSUME ANY RESPONSIBILITY REGARDING THE FOREGOING.

6.06.2 Required "Residential Dwelling" Coverage. At a minimum, the Owner of each Lot must obtain property insurance to insure the Residential Dwelling thereon with a deductible (which must be paid to the Association as hereafter provided) no greater than one percent of the complete current replacement cost of the Residential Dwelling (as hereafter defined), with a carrier or carriers authorized to do business in Texas and with a Best rating of A or better (or equivalent) and otherwise acceptable to the Association. Such coverage must include a demolition endorsement (or equivalent), and coverage against (i) fire and lightning, (ii) smoke, (iii) windstorm, hurricane and hail, (iv) explosion, (v) aircraft and vehicles, (vi) vandalism, malicious mischief and theft, (vii) riot and civil commotion, (viii) collapse of building in whole or in part, (ix) accidental discharge, leakage or overflow of water or steam from within a plumbing, heating or air conditioning system or household appliance, (x) falling objects, (xi) freezing and (xii) flood insurance, if applicable as used in this Section 6.03, "Residential Dwelling" means each Townhouse, including garage, fixtures and additions comprising each Townhouse, exterior improvements appurtenant thereto, and betterments, as applicable. Residential Dwelling does not include contents or personal property of any kind contained within a Residential Dwelling.

6.06.3 Coverage Periods, Policy Provisions Residential. Residential Dwelling coverage as required by this Section must be obtained effective as of the date of acquisition of ownership by an Owner, and must remain continuously in effect through the date of acquisition of ownership by each succeeding Owner. Each policy must name the Association as an additional insured or loss payee as hereafter provided, and to the extent obtainable (i) waive any rights of the insurer to subrogation against Declarant, the Association and their Related Parties, (ii) provide primary coverage in the event of any other coverage under other insurance carried by Declarant, the Association or their Related Parties, and (iii) provide that the insurer may not cancel or refuse to renew the policy until not less than thirty days written notice is given to the Association.

6.06.4 Association as Payee.

(a) All insurance covering each Residential Dwelling as provided in this Section must name the Association as an additional insured or a loss payee, requiring that any proceeds paid or payable under the policy must be paid to the Association as escrow agent for the Owner. In the event any such proceeds are in fact paid to or otherwise received by an Owner, then all such proceeds shall be held by the Owner as trustee for the Association, and must be paid over to the Association within five business days after receipt thereof. In the event any Owner fails to carry any such insurance, or in the event any Owner fails to pay over to the Association any insurance proceeds as aforesaid, then the Board may assess as a specific assessment to the defaulting Owner all costs and expenses attributable to the default. The Association will receive, hold and disburse all such proceeds as provided in this Section 6.06. In the event of damage or destruction by fire or other casualty to a Residential Dwelling, the Association and the Owner shall proceed to adjust all claims, and for such purposes the Association may hire a professional adjuster and charge all costs thereof to the Owner as a specific assessment.

(b) Promptly after occurrence of any casualty, the Owner shall proceed with all due diligence with solicitation of at least three bids from licensed and bonded contractors for repair, reconstruction and/or rebuilding of the Residential Dwelling. Bids must be obtained for, and the Residential Dwelling must be repaired, reconstructed or rebuilt in such manner as to restore the Residential Dwelling to substantially the same exterior dimensions and appearance (including as to color, type and quality of materials and architectural style and details) as, and must be located in substantially the same location as, when the Residential Dwelling was originally constructed, or to such other appearance and condition as approved by the ACC. The interior of the Residential Dwelling may, at the option of the Owner, be altered, provided that any additional expense thereof is paid for, in advance, by the Owner, and provided further, that the alteration does not affect the structural integrity of the Residential Dwelling. All provisions of Article IV apply to approval of all plans and specifications for all repairs, reconstruction and rebuilding. All contractors, and all final bids and all contracts for all work, must also be approved in writing by the Board. The Board may hire an engineer, architect or similar professional consultant to consult with the Board regarding all aspects of the bidding process, entry of contracts and performance of the work, and may charge all costs thereof to the Owner as a specific assessment.

(c) All insurance proceeds shall be deposited in a segregated escrow account to be held and disbursed as herein provided. Such funds may be withdrawn only by the signature of the Owner (including any single Person who is an Owner in the case of multiple Owners) and at least one member of the Board of Directors or by an agent duly authorized by the Board of Directors. The applicable Owner must also deposit in the same account before any contract is let (i) the amount of any applicable deductible, (ii) all amounts by which the bid or bids of the contractors selected by the Owner (and approved by the Board) exceed insurance proceeds, (iii) estimated costs of the Association for Architectural Review Fees and/or for hiring of an insurance adjuster, engineer, architect or other consultant as permitted hereby and (iv) a contingency reserve in the amount of ten percent (10%) of the total of (i) through (iii), or such lesser amount as may be determined by the ACC. If during the course of construction additional changes are made or

additional charges are otherwise incurred by the Owner, the Owner shall deposit in the aforesaid account all costs thereof promptly upon signing of a change order and in any event before any material or labor is provided pursuant to the applicable change order.

(d) All insurance proceeds will be paid in accordance with applicable contracts for repair, reconstruction or rebuilding, and/or any applicable escrow agreement between the applicable Owner and the Association. Upon completion of all work and approval of same by the ACC, any excess proceeds shall be paid to the applicable Owner, without interest, or, if any additional amounts are due, then the applicable Owner must deposit same upon demand for disbursement by the Board as required to cover all such deficits.

(e) ABSENT WILLFUL MISCONDUCT OR KNOWING VIOLATION OF THE LAW, THE ASSOCIATION AND ITS RELATED PARTIES ARE NOT LIABLE TO ANY OWNER, INSURER OR ANY OTHER PERSON REGARDING ANY ACTS OR OMISSIONS OF THE ASSOCIATION OR ANY OF ITS RELATED PARTIES PURSUANT TO THIS SECTION 6.06, OR RELATING DIRECTLY OR INDIRECTLY THERETO. WITHOUT LIMITATION OF THE FOREGOING, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH OWNER IS WHOLLY AND SOLELY RESPONSIBLE FOR THE SUPERVISION AND APPROVAL OF ALL REPAIR, RECONSTRUCTION AND/OR REBUILDING OF THE OWNER'S RESIDENTIAL DWELLING, INCLUDING WITHOUT LIMITATION, ALL MATTERS PERTAINING TO HEALTH, SAFETY, WORKMANSHIP AND SUITABILITY FOR ANY PURPOSE REGARDING ANY AND ALL SUCH REPAIR, RECONSTRUCTION AND/OR REBUILDING. THE PROVISIONS HEREOF ARE CUMULATIVE WITH RESPECT TO THE PROVISIONS OF SECTION 3.06.

6.06.5 Proof of Coverage; Default. At the time of acquisition of any and all coverage required by this Section or applicable Rules and Regulations and at the time of each renewal, a policy declaration signed by the insurer and setting forth the types of coverage, endorsements, deductibles and limits must be mailed to the Association. In addition, at any other time the Board deems appropriate and upon not less than five days written notice, the Board may require any Owner to provide to the Association proof of insurance as required by this Section and any applicable Rules and Regulations in such manner and form as the Board may require. If in the sole opinion of the Board satisfactory proof of insurance is not provided, the Association may obtain (but has no obligation whatsoever to obtain) such additional or other insurance coverage as the Board deems appropriate to comply with the provisions of this Section 6.06, and in such event the Association shall assess as a specific assessment all premiums and all other costs and expenses related thereto to the defaulting Owner. Prior to obtaining any such additional or other insurance coverage, the Board must give the applicable Owner not less than ten days written notice of intent to obtain the coverage, including in the notice a description of the coverage.

SECTION 6.07 Association Insurance. To the extent reasonably available, the Association shall maintain property insurance on all insurable Community Properties insuring against all risk of direct physical loss commonly insured against, including fire and extended coverage, in a total amount of at least eighty percent of the replacement cost or actual cost value of the insured property, comprehensive liability insurance, including medical payments insurance, libel, slander, false arrest and invasion of privacy coverage, and errors and omissions coverage, in amounts

determined by the Board and covering all occurrences commonly insured against for death, bodily injury, and property damage, and such other insurance as the Board deems appropriate. The Board shall determine appropriate deductibles for all insurance policies. THE ASSOCIATION, THE BOARD, THE ACC AND THEIR RELATED PARTIES ARE NOT LIABLE FOR FAILURE TO OBTAIN ANY INSURANCE COVERAGE OR TO OTHERWISE COMPLY WITH ANY OTHER PROVISIONS OF THIS ARTICLE VI REGARDING SAME IF SUCH FAILURE IS DUE TO UNAVAILABILITY OR TO EXCESSIVE COSTS AS DETERMINED IN THE SOLE GOOD FAITH OPINION OF THE BOARD, OR FOR ANY OTHER REASON BEYOND THE REASONABLE CONTROL OF THE BOARD. The Board is specifically authorized from time to time to adopt and amend policies, procedures and any other Rules and Regulations to more fully effectuate the purposes and intent of the provisions of this Article VI.

SECTION 6.08

Agreement Relating to Common Walls and Other Shared Structural Components.

6.08.1 Irrevocable Agreement. Each Townhouse will share a wall or walls common to the adjacent Townhouse or Townhouses which separates each Townhouse (the "Common Wall"). Each Owner, by acceptance of an executory contract for conveyance, deed or other conveyance to a Lot, hereby irrevocably agrees each of the provisions of this Section shall govern the use, maintenance, repair, replacement and extension of any and all Common Walls.

6.08.2 Common Usage. Each Owner acknowledges and agrees that the adjoining Townhouse Owner has full right to use the Common Wall for the insertion of beams or otherwise for support and enclosure; provided, however, that such use may not injure the adjoining Townhouse or impair the Common Wall benefits of support and enclosure to which the adjoining Townhouse is entitled; and further provided that prior written notice of such use is given to the Owner by the adjoining Owner as provided in Section 9.03.2. To facilitate such use and for the purpose of erecting, extending, repairing or replacing the Common Wall as may be herein provided, each Owner is licensed by the adjoining Owner to enter upon the adjoining Owner's premises to make necessary excavations or to do all other work necessary to exercise the rights provided in the other provisions of this Article.

6.08.3 Extensions. Both the Owner and the adjoining Owner have the right to extend the Common Wall either horizontally or vertically, or both, and to make such extension of greater thickness of the Common Wall or any extension thereof already built; provided, however, such added thickness may not be placed upon the land of the other Owner without that Owner's consent in writing, and any such addition may not injure the adjoining Townhouse or impair the Common Wall benefits of support and enclosure to which the adjoining Townhouse is entitled; and provided further that prior approval of the ACC as herein provided is obtained. In the event the Common Wall is extended as herein provided, either Owner has the right to use the same for any proper purposes for which the extension may be made to the full extent of the length and height thereof and in the same manner that the Owner is entitled, under the provisions hereof, to use the Common Wall as originally constructed. In the event the Common Wall is extended as herein provided, the cost

and expense of the extension must be borne by the Owner causing it to be made; provided, however, that should the adjoining Owner then use the extension or any portion thereof as a Common Wall, then that adjoining Owner must pay to the other Owner, fifty percent (50%) of the cost of the extension or portion thereof used as a Common Wall.

6.08.4 Costs of Repair or Rebuilding. In the event that it becomes necessary to repair or rebuild the Common Wall or any portion thereof as constructed or extended, the cost of repairing or rebuilding the portions of the Common Wall used by both Owners at the time will be at the expense of both Owners in equal shares, and the cost of repairing or rebuilding any remaining portion will be wholly at the expense of the Owner who exclusively uses that portion.

6.08.5 Damage or Destruction. In the event the Common Wall is totally or partially destroyed by fire or other casualty, the Common Wall must be reconstructed either (i) at the expense of both Owners, in equal shares, in the event both intend to continue the use of the Common Wall, or (ii) at the expense of the Owner intending to continue use of the Common Wall if only one Owner will continue its use.

6.08.6 Negligence; Weatherproofing. Notwithstanding any other provisions of this Section, an Owner who by their negligent or willful act causes damages to or destruction of a Common Wall or causes the Common Wall to be exposed to the elements must bear the whole cost of repair and replacement, including furnishing the necessary protection against such elements, and shall otherwise be liable for all damages resulting from same.

6.08.7 Other Shared Components. The Owner of each Townhouse is hereby required to share in the cost of maintenance, repair and replacement of any common roof or foundation, and such other shared components as determined by the ACC. Costs shall be shared, pro rata, based on the relative size of the foundation covered by each Townhouse or the relative size of the roof covering each Townhouse as to maintenance, repair or replacement of a shared foundation, and as to replacement (including re-shingling) of a shared roof. Costs for maintenance or repair of any portion of a roof which exclusively services only one Townhouse shall be paid by the Owner of the Townhouse so served. The affected Owners by agreement, or the ACC upon written request of any affected Owner, may vary the foregoing cost allocations when the circumstances clearly demonstrate a different manner of allocation is required, and may determine allocation of costs as to any other shared components. The ACC is also specifically authorized to adopted Architectural Guidelines regarding any shared components, and to resolve any disputes regarding same as provided in Section 6.02.8. The immediately preceding subsection regarding negligence and any other applicable provisions of this Section also apply to Townhouse shared components.

6.08.8 Duration. The duration of all provisions of this Section extends for a period of time equal to these covenants and restrictions and as long thereafter as reasonably necessary to the use and occupancy of each Townhouse, and constitutes an easement and a covenant running with the land; provided, however, that nothing herein contained shall be construed as a conveyance by either party of any rights in the fee of the land upon which a Common Wall may stand.

6.08.9 Extension of Owners' Access Easement. Notwithstanding any other provisions hereof to the contrary, the access easement as set forth in Section 9.03 is hereby extended to entry to a Townhouse as is necessary to perform needed work as to the Common Wall and other shared structural components, subject however to (i) reasonable requirements by the Owner and/or occupant of the Townhouse being accessed to protect the privacy of the occupants and the contents of the Townhouse, and (ii) such other Rules and Regulations as from time to time adopted by the Board.

6.08.10 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability of adjacent owners for property damage due to negligence or willful acts or omissions apply to each Common Wall.

SECTION 6.09 Condemnation. If at any time all or any part of the Community Properties is taken (or conveyed in lieu of and under threat of condemnation by the Association acting on the approval of the Owners of a majority of Lots then contained within the Subdivision) by any authority having the power of condemnation or eminent domain, any award compensation or damages must be paid to the Association as trustee for all Owners. The board has the exclusive right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation issues affecting such Community Properties. The Association shall give timely notice of the existence of such proceedings to all Owners and their mortgagees, if any. The expense of participation in such proceedings shall be common expenses payable from the Maintenance Fund. The Owners may, by vote of the Owners of seventy-five per cent or more of all Lots, agree to distribute the proceeds of any condemnation or taking by eminent domain, to each Owner and their mortgagee, if any, as their interest may appear. In the event the Owners do not so agree, such proceeds must be added to the funds of the Association, and the Association shall decide on whether or not to replace or restore, as far as possible, the Community Properties so taken or damaged. If condemnation proceeds are insufficient to replace or restore any loss or damage, the Association may levy a special assessment as provided for in Section 5.05 of this Declaration.

SECTION 6.10 Modification of Maintenance or Insurance Provisions. Notwithstanding any other provisions of this Declaration or other Governing Documents, the Owners of a majority of the Lots then contained in the Subdivision may amend the provisions of Sections 6.01 through 6.07, in whole or in part, from time to time and at any time. Any such amendment may be approved in any manner as permitted by, Section 10.04.1. Any such amendment must be filed of record and shall be effective as provided in Section 10.04.3.

Article VII
Use Restrictions

SECTION 7.01 Residential Use: Group Homes; Treatment Facilities.

7.01.1 General. Each and every Lot is hereby restricted to single family residential use only. No residence may be occupied by more than one single family.

7.01.2 No Business, Professional, Commercial or Manufacturing Use. No business, professional, commercial or manufacturing use may be made of any Lot or any improvement located thereon, even though such business, professional, commercial or manufacturing use be subordinate or incident to use of the premises as a residence, and regardless of whether or not done for profit or remuneration. Notwithstanding the foregoing, a single family residence may be used for maintenance of a personal professional library, keeping of personal or professional records or accounts, or handling personal business or professional telephone calls, or for other business activity, but if and only if such business activity (i) is limited to the business of the Owner or the Owner's tenant (but not both), and is secondary to use of the residence as a single family residence, (ii) is not detectable by sight, sound or smell from outside the residence, and there is no other external evidence thereof (including signs), (iii) does not involve the storage of any equipment, materials or devices which are hazardous or constitute any type of threat to health or safety or other nuisance, and (iv) complies with all applicable governmental ordinances (including zoning ordinances), and with any other governmental laws, rules, regulations and permitting or licensing requirements applicable to same.

7.01.3 Residential Use Only. Without limitation of the foregoing, as used in this Declaration the term "residential use" shall be construed to prohibit the use of any Lot or the residence thereon for apartment houses or other type of dwelling designed for multi-family dwelling, or use for or operation of a boarding or rooming house or residence for transients, or the use of any permitted outbuilding as an apartment or residential living quarters.

7.01.4 Single Family Defined. As used in this Declaration the term "single family" means either: (i) husband and wife, their dependent children and their dependent parents, grandparents, grandchildren, brothers and sisters who are maintaining a common household and who are members of a single family related by blood, marriage or adoption; or (ii) one or more natural persons not so related but who are maintaining a common household in a single family residence on a nonprofit, noncommercial basis with a common kitchen and dining area; and (iii) the bona fide domestic servants of either.

7.01.5 Group Homes; Day-Care Center; Treatment Facilities. To the fullest extent allowed by law, no Lot or any part of the single family residence thereon may be used for the operation of a group 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 handicaps or illness, or other similar matters. The foregoing does not include a "community home" established and maintained pursuant to and in strict compliance with Chapter 123 of the Texas Health and Safety Code, and all applicable governmental licensing requirements, rules and regulations.

SECTION 7.02 Pets, Animals and Livestock.

7.02.1 Permitted Pets; Leashing Required.

(a) No animals, hogs, horses, livestock, reptiles, fish or poultry of any kind may be raised, bred, kept or maintained on any Lot at any time except "Permitted Pets" which are dogs, cats and other usual and customary household pets. Not more than two Permitted Pets are allowed per Lot unless authorized in writing by the Board or applicable Rules and Regulations, and no Permitted Pets may be raised, bred, kept or maintained for commercial purposes. Subject to Section 7.04, the foregoing limitation on the number of Permitted Pets does not apply to hamsters, small birds, fish or other similar usual and customary household animals, birds or fish which are continuously kept completely within a residence, nor shall it apply to require the removal of any litter born to a Permitted Pet prior to the time that the animals in such litter are three months old. Notwithstanding the foregoing, the following are hereby excluded as Permitted Pets and shall not be allowed within any residence, upon any Lot or at any other place within the Subdivision: (i) any dog whose breed is known for its viciousness or ill temper, in particular, the American Staffordshire Terrier, known as a "Pit Bull Terrier", and any dog which in fact exhibits viciousness or ill temper, and (ii) any animal of any kind that has venom or poisonous or capture mechanisms, or if let loose would constitute vermin.

(b) All Permitted Pets must be kept on a leash or carried, and must otherwise be maintained under the control of their owner when outside the owner's residence or when not maintained in an enclosed yard from which the Permitted Pet cannot escape.

(c) Owners of a Permitted Pet must immediately remove and depose of, in a sanitary manner, feces and any other excretions left by any Permitted Pet at any location in the Subdivision outside of the Owner's Lot. Owners of a Permitted Pet must periodically remove and depose of, in a sanitary manner, feces and any other excretions left by any Permitted Pet at any location upon the Owner's Lot and/or within the Owner's residence as necessary to prevent any unsafe, unsanitary or odorous conditions. No Permitted Pet shall be allowed to cause or create any nuisance, annoyance, or unreasonable disturbance or noise. Owners must also fully comply with all applicable laws, statutes and ordinances of the City and other governmental agencies regarding each and all of each Owner's Permitted Pets, including without limitation all licensing and vaccination requirements.

(d) The Board may adopt Rules and Regulations to further regulate Permitted Pets, including without limitation a mandatory program for registration of all Permitted

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Pets with the Association, regulations to further specify types of usual and customary household pets to be included or excluded as Permitted Pets, regulations as to maximum permitted size or weight of any Permitted Pet, regulations as to number or type of animals, birds or fish which may be kept within a residence and/or other conditions or limitations as to same, and regulations as to areas outside a residence where Permitted Pets are permitted or from which they are excluded. NO PETS OF ANY KIND ARE PERMITTED UPON ANY COMMUNITY PROPERTIES EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PERMITTED BY APPLICABLE RULES AND REGULATIONS AND THEN ONLY IN STRICT COMPLIANCE THEREWITH, AND EXCEPT AS TO LEGITIMATE SEEING-EYE DOGS.

7.02.2 Removal. As to any animals or livestock not permitted by this Section, and as to any Permitted Pet which is allowed to roam free, or which in the sole opinion of the Board endanger health or safety, make objectionable noise, or constitute a nuisance, annoyance or inconvenience to the Owners or occupants of other Lots, the Community Properties or any property located adjacent to or in the vicinity of the Subdivision, or which is otherwise raised, bred, kept or maintained in violation of this Declaration or applicable Rules and Regulations, the Board may cause any such animal, livestock or Permitted Pet to be removed from the Subdivision and may prohibit the return of any such Permitted Pet to the Subdivision. Removal as aforesaid will be at the sole expense of the responsible Owner or Owner's tenant and without liability of any kind whatsoever to the Association, including the ACC, their Related Parties, or any Person which the Board may direct to remove any such animal, livestock or Permitted Pet.

SECTION 7.03 Vehicles; Parking.

7.03.1 Prohibited Vehicles; Covers Prohibited. No boat, mobile home, trailer, boat rigging, truck larger than a three-quarter ton pick-up, recreational vehicle, bus, unused vehicle, inoperable vehicle of any kind (including any vehicle requiring same which does not have both a current and valid license plate and current and valid state inspection sticker), and no unsightly vehicle as determined in the sole opinion of the Board, may be parked, stored or kept at anytime within the Subdivision, or on any driveway or upon any Lot unless such vehicle is stored completely within a garage. Use of vehicle covers of any kind (except for vehicles parked completely in a garage) is prohibited.

7.03.2 Prohibited Parking - General. No vehicle of any kind may be parked, stored or otherwise permitted to remain at any time (i) on grass or any other similar portion of any Lot or any other place within the Subdivision not intended customarily for use for parking of vehicles, or (ii) in a slanted or diagonal manner across any driveway or other designated parking space, or in any other manner other than as is customary for the type of parking space being used, or (iii) in such manner as to obstruct or impede sidewalk, driveway or street access or usage, or in such manner that any part of the vehicle extends in to any part of any street or common drive. No Owner or resident is permitted to park or store any vehicle on the Lot of another Owner or resident.

7.03.3 PARKING.

(a) OCCUPANT VEHICLES. IN THIS SECTION (AND THIS DECLARATION), "OCCUPANT VEHICLES" MEANS ANY PERMITTED VEHICLES AS TO EACH LOT WHICH ARE OWNED AND/OR OPERATED BY (I) ANY SINGLE FAMILY MEMBER OF THE RESIDENTS OF EACH LOT, AND (II) ANY OTHER PERSON VISITING OR STAYING AT THE LOT WHO PARKS THE VEHICLE WITHIN THE SUBDIVISION AT ANY TIME MORE THAN THREE DAYS IN ANY WEEK OR MORE THAN FIVE DAYS IN ANY CONSECUTIVE THIRTY DAY PERIOD. AT LEAST ONE OCCUPANT VEHICLE MUST BE PARKED IN THE GARAGE OF THE APPLICABLE LOT BEFORE ANY OTHER OCCUPANT VEHICLE IS PARKED ON THE DRIVEWAY OF THAT LOT. AT LEAST THREE OCCUPANT VEHICLES MUST BE PARKED IN THE GARAGE AND THE DRIVEWAY OF THE APPLICABLE LOT BEFORE ANY OTHER OCCUPANT VEHICLE AS TO THAT LOT IS PARKED IN THE STREET.

(b) GUEST PARKING. GUEST VEHICLES MUST BE PARKED IN THE DRIVEWAY OF THE LOT BEING VISITED IF PARKING THEREIN IS AVAILABLE. OTHERWISE, GUEST VEHICLES MAY BE PARKED IN THE STREET AS NEXT PROVIDED.

(c) STREET PARKING. WHEN PARKING OF OCCUPANT OR GUEST VEHICLES IS ALLOWED IN THE STREET AS ABOVE PROVIDED, THE VEHICLES MUST BE PARKED ALONG THE SIDE OF THE STREET IN FRONT OF, AND ON THE SAME SIDE OF THE STREET OF, THE LOT AT WHICH THE OPERATOR OF THE OCCUPANT VEHICLE RESIDES OR WHICH THE GUEST IS VISITING, OR AS CLOSE THERETO AS CIRCUMSTANCES PERMIT.

(d) OBSTRUCTION PROHIBITED. NO OBJECT, THING OR DEVISE SHALL BE PLACE, STORED OR MAINTAINED WITHIN OR UPON ANY STREET (OTHER THAN PARKING OF VEHICLES AS HEREIN PERMITTED), AND NO ACTIVITIES ARE PERMITTED THEREON WHICH WOULD IMPEDE OR IMPAIR IT'S INTENDED USE SOLELY FOR PURPOSES OF PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS. WITHOUT LIMITATION OF THE FOREGOING, NO TOYS, BARBEQUE OR OTHER COOKING EQUIPMENT, OR ANY RECREATIONAL EQUIPMENT SHALL BE PLACED, MAINTAINED OR STORED WITHIN OR UPON ANY STREET, NOR SHALL ANY LOITERING, PLAYING OR GATHERINGS BE PERMITTED THEREIN OR THEREON.

(e) OTHER RULES AND REGULATIONS. WITHOUT LIMITATION OF THE BOARD'S AUTHORITY TO OTHERWISE ENACT RULES AND REGULATIONS, THE BOARD IS HEREBY SPECIFICALLY AUTHORIZED TO DESIGNATE AREAS AS FIRE ZONES, NO PARKING ZONES, AND GUEST PARKING ONLY ZONES TO THE EXTENT ANY AREAS ARE AVAILABLE FOR SUCH GUEST PARKING AND TO OTHERWISE ADOPT REASONABLE PARKING AND TRAFFIC REGULATIONS. NO SPECIFIC GUEST PARKING AREAS ARE PLANNED INITIALLY BY DECLARANT, BUT DECLARANT

RESERVES THE RIGHT TO ESTABLISH SAME AND TO OTHERWISE DESIGNATE ZONES AND REGULATE PARKING AND TRAFFIC AS AFORESAID.

(f) RESPONSIBILITIES OF OWNERS AND TENANTS. OWNERS AND THEIR TENANTS MUST OBTAIN FULL COMPLIANCE WITH THE PROVISIONS OF THIS SECTION (INCLUDING RULES AND REGULATIONS ADOPTED PURSUANT TO THIS DECLARATION) BY THEIR RESPECTIVE RELATED PARTIES, AND EACH IS JOINTLY AND SEVERALLY LIABLE FOR ALL VIOLATIONS BY THEIR RESPECTIVE RELATED PARTIES.

7.03.4 Repair of Vehicles. No work on any vehicle within the Subdivision, including on any street, or on any Community Properties, or on any Lot, may be performed at any time other than temporary emergency repairs or other work required in order to promptly remove an inoperable or disabled vehicle from the Subdivision or to and completely within a garage.

7.03.5 Vehicle Defined. As used in this Section, "vehicle" means a device in, on, or by which a person or property may be transported, including an operable or inoperable automobile, truck, motorcycle, recreational vehicle, trailer, and such other devices as from time to time specified by applicable Rules and Regulations.

7.03.6 Presumptive Violations. Repairs or other work extended over a period exceeding eight hours is conclusively presumed not to be "temporary". Any vehicle is conclusively presumed to be "unused" or "inoperable" if the vehicle has not been operated outside the Subdivision for seven or more consecutive days or the vehicle has not been operated outside the Subdivision more than twice in any fourteen day period. The provisions hereof do not prejudice the right of the Association to otherwise establish a violation. The foregoing provisions do not apply to any vehicle completely stored within a garage. The Board may grant reasonable exceptions to the foregoing upon receipt of written request from an Owner or their tenant.

7.03.7 Towing; Other Remedies. The Board or its designated representative may, after two written warnings, cause any vehicle which is parked, stored or maintained in violation of this Declaration or other Governing Documents, or in violation of any ordinance, statute or other governmental regulation, to be removed from the Subdivision to any vehicle storage facility within Harris County, Texas at the sole cost and expense of the Person owning such vehicle (whether or not such Person is an Owner) and/or the Owner as to whom such Person is a tenant, visitor, guest, invitee or other Related Party. Any such removal may be in accordance with any applicable statute or ordinance, including Chapter 684 of the Texas Transportation Code, as amended.

7.03.8 LIMITATION OF LIABILITY. DECLARANT, THE ASSOCIATION, THEIR RELATED PARTIES, AND ANY PERSON REMOVING ANY VEHICLE AS HEREIN PROVIDED (THE "INDEMNITEES") HAVE NO LIABILITY WHATSOEVER IN CONSEQUENCE OF REMOVAL OF ANY VEHICLE AS HEREIN PROVIDED. THE PERSON OWNING EACH TOWED VEHICLE (WHETHER OR NOT SUCH PERSON IS AN OWNER)

AND THE OWNER AND OWNER'S TENANT AS TO WHOM SUCH PERSON IS A VISITOR, GUEST, INVITEE, OR OTHER RELATED PARTY, SHALL HOLD ALL SUCH INDEMNITEES HARMLESS FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LIABILITIES OR DAMAGES ARISING, DIRECTLY OR INDIRECTLY, AS RESULT OF SUCH REMOVAL. THE PROVISIONS HEREOF ARE CUMULATIVE OF THE PROVISIONS OF SECTION 3.06.

SECTION 7.04 Nuisance; Unsightly or Unkempt Conditions.

7.04.1 General. It is the continuing responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Lot. No Lot may be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition, or that will be obnoxious to the eye. No hobbies or activities which will cause disorderly, unsightly, or unkempt conditions, including without limitation the assembly or disassembly of or repair work on motor vehicles or other mechanical devices, may be performed within the Subdivision. There may not be maintained any plants, animals, devices, thing, use or activities of any sort which in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the residents of the Subdivision.

7.04.2 Nuisance or Annoyance. No substance, thing, or material may be kept upon any Lot 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 noxious or offensive trade or activity may be carried on upon any Lot, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or a nuisance to any residents of the Subdivision or to any Person using any property adjacent to the Lot. No spirituous, vinous, malt, medicated bitters, alcohol, drugs or other intoxicants may be sold or offered for sale on any part of any Lot or any other place within the Subdivision. No Lot or any part thereof may be used for any immoral or illegal purposes.

7.04.3 Pollutants; Hazardous Materials. Without limitation of any other provisions of this Section, no Owner or tenant, and Related Parties of either, shall dump grass clippings, leaves or other debris, detergents, petroleum products, fertilizers, or other pollutants or potentially hazardous or toxic substances, in any sewer system, water system, drainage ditch, stream, pond or lake within the Subdivision, or do any thing or maintain or permit any condition in violation of applicable environmental, toxic or hazardous waste or similar laws, rules or regulations. Storage of gasoline, heating or other fuels, or of any hazardous or toxic materials upon any Lot is strictly prohibited (except that up to five gallons of fuel may be stored upon a Lot for emergency purposes and operation of lawn mowers and similar tools or equipment if properly kept and stored in a safe and non-hazardous manner). THE FOREGOING DOES NOT PLACE UPON DECLARANT, THE ASSOCIATION, THE ACC OR ANY OF THEIR RELATED PARTIES ANY OBLIGATION FOR ENFORCEMENT OF ANY APPLICABLE ENVIRONMENTAL, TOXIC OR HAZARDOUS WASTE OR SIMILAR LAWS, RULES OR REGULATIONS.

7.04.4 Sound Devices; Excessive Noise. No exterior speaker, horn, whistle, bell or other sound device shall be located, placed or used upon any Lot or improvement thereon. The foregoing shall not apply to fire or security devices used exclusively for such purpose; provided, such devices must be installed such as not to be visible from any street and otherwise in as inconspicuous a manner as possible. No stereo, television, speaker, horn, whistle, bell or other sound device shall be operated within, and no other sound emitting activity (such as practice of a band, excessively loud social gatherings and similar activities) shall be conducted within, a residence, garage or other structure which is audible outside the Lot lines of the applicable residence, garage or other structure, or which is otherwise an annoyance or nuisance to any other residents as determined in the sole opinion of the Board.

SECTION 7.05 Disposal of Trash. No trash, rubbish, garbage, manure, debris or offensive material of any kind may be kept or allowed to remain on any Lot, nor may any Lot be used or maintained as a dumping ground for such materials. No incinerator may be maintained on any portion of the Subdivision, and disposal of any materials by incineration within the Subdivision is strictly prohibited. All trash and similar matter to be disposed of must be placed in cans or similar receptacles with tight fitting lids or plastic bags tied or otherwise tightly secured, and must be placed in an area adequately screened by planting or fencing from public view or within a garage except when placed for regular pickup as herein provided. Equipment used for the temporary storage and/or disposal of such material prior to removal must be kept in a clean and sanitary condition, and must comply with all applicable federal, state, county, municipal or other governmental laws and regulations. All such prohibited matter must be removed from each Lot at regular intervals if not removed or removable by a regular garbage and sanitation service. Trash and garbage for pickup by a regular service must be placed in such area or areas as the Board may from time to time direct, or as the applicable garbage and sanitation service or provider may require; provided trash and garbage may not be placed for pickup earlier than eight (8) hours prior to a scheduled pickup day, and all receptacles therefor and any remaining trash and garbage must be removed from the pickup site by midnight of the pickup day. Any of the foregoing provisions may be modified, added to or deleted by applicable Rules and Regulations.

SECTION 7.06 Firearms and Fireworks Prohibited. The use of firearms in the Subdivision is strictly prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and small or large firearms of all types. Fireworks of any type are strictly prohibited upon any Lot or at other location within the Subdivision.

SECTION 7.07 Leases.

7.07.1 Restrictions. No Lot may be leased other than for use as a single family residence as herein provided and defined. No Owner may lease a Lot and attendant use of the residence and improvements thereon for transient or hotel purposes. No lease may be for an initial term of less than twelve months. No Owner may lease less than an entire Lot and attendant use of the residence and improvements thereon. All leases: (i) must be in writing; and (ii) are specifically subject in all respects to all provisions of this Declaration and all other Governing Documents

(whether or not expressly stated in the lease), and any failure by lessee to comply with this Declaration or any other Governing Documents will be a default under the lease.

7.07.2 Default. In the event of default under any lease due to violation of this Declaration or any other Governing Documents, the Board may (but has no obligation to) initiate any proceedings, actions or litigation under the lease to enforce compliance or to terminate the lease and/or for eviction. With regard to the foregoing, each Owner hereby irrevocably appoints the Board or its designated representative as their attorney-in-fact, agrees to indemnification in regard thereto to the fullest extent herein provided (including as set forth in Section 3.06) and agrees to be solely responsible for all costs thereof (including as provided in Section 5.06). NO PROCEEDINGS, ACTION OR LITIGATION UNDER THIS SECTION OR ANY OTHER PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS SHALL EVER BE CONSTRUED AS AN ASSUMPTION BY THE ASSOCIATION OR ITS RELATED PARTIES OF ANY OBLIGATION WHATSOEVER UNDER ANY LEASE OR REGARDING ANY LEASEHOLD INTEREST, INCLUDING WITHOUT LIMITATION, ANY OBLIGATION REGARDING SECURITY DEPOSITS, MAINTENANCE AND ANY OTHER OBLIGATIONS PURSUANT TO TITLE 8 OF THE TEXAS PROPERTY CODE, ALL SUCH OBLIGATIONS BEING TO THE FULLEST EXTENT ALLOWED BY LAW HEREBY EXPRESSLY DISCLAIMED.

7.07.3 Joint and Several Liabilities. Lessor(s) and lessee(s) are jointly and severally liable for the observance and performance of all of the terms and provisions of this Declaration and all other Governing Documents, including without limitation joint and several liability for all damages, costs and expenses resulting from any violation, by either, or by their respective Related Parties, all fines and assessments imposed hereby and with respect to all other rights and remedies regarding enforcement of this Declaration and all other Governing Documents.

7.07.4 Surrender of Use of Community Properties by Lessor(s). During all periods of time during which a Lot is occupied by lessee(s), lessor(s) automatically surrender all of lessors' rights as an Owner to the use of all of the Community Properties unto such lessee(s), including without limitation all rights of use of recreational facilities. The provisions of this Section do not impair the voting rights of the lessor(s), the right to inspect the leased premises or the exercise of any other rights or remedies customarily reserved for the protection of lessor(s).

SECTION 7.08 Garage Usage. No portion of any garage may be diverted to any use other than the parking of vehicles and other generally accepted and customary usage of a garage. In particular but not in limitation of the foregoing, no portion of any garage may be used as a residence or a game room, or for any similar use as living quarters.

SECTION 7.09 Children and Other Dependents. All Owners and tenants shall insure that their children and other dependents, and the children and other dependents of any of their Related Parties, are properly supervised at all times, and shall not permit their children or other dependents to engage in any activity or conduct in violation of this Declaration or other Governing

Documents. Owners and tenants are liable for all consequences of any lack of supervision or violations.

SECTION 7.10 Use of Streets. All streets in the Subdivision, whether public or private, are restricted to use for vehicular ingress, egress and regress, parking of vehicles to the extent otherwise permitted by this Declaration, and incidental pedestrian ingress, egress and regress. As used herein, "street" includes, without limitation, any street or Shared Drive designated in Section 2.05. Without limitation of the foregoing, no street may be used as a play area or for any other recreational use, no toys, barbeque or other cooking equipment, or any recreational equipment shall be placed, maintained or stored within or upon any street, and no persons are permitted to play, loiter, congregate, or roam about within or upon any street. ALL OWNERS AND TENANTS, AND THEIR RELATED PARTIES, ASSUME SOLE RESPONSIBILITY FOR ALL CONSEQUENCES OF ANY VIOLATIONS OF THE FOREGOING, INCLUDING AS TO ALL DAMAGES FOR PERSONAL INJURY OR OTHERWISE, AND MUST INDEMNIFY AND HOLD DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HARMLESS AS TO ANY AND ALL SUCH CONSEQUENCES.

SECTION 7.11 Mineral Production. No drilling, development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

SECTION 7.12 Rules and Regulations. The Association is hereby specifically authorized to promulgate, amend, modify and delete such reasonable Rules and Regulations applicable to the operation, use and occupancy of the Subdivision, including all Lots and Community Properties, as the Association may from time to time deem beneficial to the Subdivision, including without limitation, Rules and Regulations for imposition of fines for violations of this Declaration or other Governing Documents.

Article VIII

Architectural Restrictions

SECTION 8.01 Type of Residence.

8.01.1 Single Family Residence. No building other than one single family residence not to exceed three stories which is to be occupied as a residence by one single family, an appurtenant garage and such outbuildings if and as may be approved in writing by the ACC may be constructed, placed or permitted to remain on each Lot. Without limitation of the foregoing, the term "single family residence" shall be construed to prohibit duplex houses, garage apartments, apartment houses, and any other multi-family dwelling. The foregoing shall not be construed to prohibit construction of any Townhouse as herein provided.

8.01.2 Garages and Garage Doors.

(a) General. All single family residences must have an enclosed attached or detached garage for parking of not less than two or more than three cars. Each such garage must contain a minimum of three hundred fifty (350) square feet of interior floor space. The garage must be architecturally similar and compatible to the appurtenant residence, including as to roof line and appearance. Except for porte-cocheres, carports on Lots are prohibited. All garages must be enclosed with permanent walls and their fronts enclosed with standard type overhead doors customarily used in the building industry which garage doors must be maintained in good working order at all times. ANY REPLACEMENT GARAGE DOOR MUST BE OF EQUAL OR BETTER QUALITY AND SUBSTANTIALLY THE SAME DESIGN AS THE GARAGE DOOR FOR THE GARAGE AS ORIGINALLY CONSTRUCTED, AND MUST BE PAINTED TO MATCH THE COLOR SCHEME OF THE RESIDENCE AS ORIGINALLY CONSTRUCTED OR A SUBSEQUENT COLOR SCHEME WHICH HAS BEEN APPROVED IN WRITING BY THE ACC. Except for interior modifications of a garage wholly consistent with its use as a garage and which do not alter the use or exterior appearance of the garage as originally constructed, no modification of the interior or exterior of any garage as originally constructed is permitted without prior written approval of the ACC. GARAGE DOORS MUST BE KEPT CLOSED AT ALL TIMES EXCEPT FOR ENTRY AND EXIT OF VEHICLES OR DURING BRIEF PERIODS WHEN THE GARAGE IS BEING ACTIVELY USED FOR CUSTOMARY PURPOSES.

(b) NOTICE OF SIZE LIMITATION; NO LIABILITY. GARAGES MAY NOT BE OF SUFFICIENT SIZE TO PERMIT PARKING THEREIN OF THE SAME NUMBER OF LARGE VEHICLES AS THE CUSTOMARY DESCRIPTION OF THE GARAGE. FOR EXAMPLE, A "TWO-CAR GARAGE" MAY NOT BE LARGE ENOUGH TO PERMIT PARKING THEREIN OF TWO LARGE SEDANS, TWO SUV'S OR TWO OTHER LARGE VEHICLES. THIS SIZE LIMITATION IS NOT A BASIS FOR NONCOMPLIANCE WITH APPLICABLE PROVISIONS OF THIS DECLARATION OR OTHER GOVERNING DOCUMENTS (INCLUDING APPLICABLE RULES AND REGULATIONS), AND SHALL NOT BE A BASIS FOR ANY CLAIM WHATSOEVER AGAINST DECLARANT OR THE ASSOCIATION, OR THEIR RELATED PARTIES.

8.01.3 New Construction and Continued Maintenance Required. All residences, buildings and structures must be of new construction, and no residence, building or structure may be moved from another location to any Lot without prior written approval of the ACC. All residences, buildings and structures must be kept in good repair, must be painted (as applicable) when necessary to preserve their attractiveness and must otherwise be maintained in such manner as to obtain and maintain Prevailing Community Standards.

8.01.4 Tents, Mobile Homes and Temporary Structures Prohibited. No tent, shack, mobile home, or other structure of a temporary nature shall be placed upon any Lot or elsewhere in the Subdivision. The foregoing prohibition does not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Lot, provided it receives the

prior approval of the ACC. In addition, party tents may be erected in the backyard area of a Lot for a limited period of time for special events without prior written approval of the ACC.

SECTION 8.02 Living Area Requirements. All single family residences, exclusive of porches, patios and garages, must contain not less than two-thousand four-hundred (2,400) square feet.

SECTION 8.03 Location of Residence. No single family residence may be located upon any Lot except in accordance with building setback lines shown on any applicable Plat, or as established by this Declaration or applicable governmental requirements. Subject to the foregoing, no part of any residence, garage or other structure shall be located nearer than three feet from any boundary line of any Lot; provided, however, Declarant and only Declarant may locate or approve location of (i) one or more walls of a single family residence or garage on or within one foot of any side Lot line (a "Zero Lot Line"), and/or (ii) two or more Townhouses within a single residential building such that the Common Wall separating the Townhouses is located on a common interior side boundary line of adjacent Lots. In such event all provisions of this Declaration and other Governing Documents applicable to Common Walls apply. For the purposes of this Section, eaves, roof overhangs, steps, fireplaces, chimneys, bay windows, unroofed terraces and similar architectural detail which is a part of a permitted residence or garage shall not be considered as part of a residence or garage. Unless otherwise approved in writing by the ACC, each main residence must face the front building line.

SECTION 8.04 Construction Standards.

8.04.1 Applicability. Except as may be otherwise authorized in writing by the ACC and in addition to all other applicable requirements of this Declaration and other Governing Documents, initial construction of all single family residences and appurtenant structures must be in accordance with, and such residences and appurtenant structures must thereafter be maintained to the extent applicable in accordance with, the provisions of this Section 8.04.

8.04.2 Maximum Period for Completion of Construction. Upon commencement of construction of a single family residence, the work thereon must be prosecuted diligently to the end that the same will not remain in a partly finished condition any longer than reasonably necessary for completion thereof. In any event construction must be substantially completed within six months after pouring of the slab for a single family residence. The foregoing period will be extended in the event of and only for the duration of delays due to strikes, war or acts of God. Upon written request the ACC may also extend the foregoing periods for other good causes beyond the reasonable control of the builder or Owner.

8.04.3 New Construction Materials Required. Only new construction materials (except for used brick if approved by the ACC) may be used.

8.04.4 Storage of Materials; Clean-Up. No building materials of any kind or character shall be placed or stored upon any Lot more than thirty days before construction is commenced. Except as otherwise permitted by the ACC, all materials permitted to be placed on a Lot shall be placed within the boundaries of the Lot. Upon completion of construction, any unused materials shall be promptly removed from the Lot and the Subdivision and in any event not later than thirty days after construction is completed.

8.04.5 Drainage Devices. During the Development Period Declarant (and any builder so authorized by Declarant) is hereby specifically authorized to excavate as necessary for and to establish, construct and maintain drainage swales, erosion control systems and such other things and devices (herein referred to as "Drainage Devices") upon, over, across or under any part of the Subdivision, including any Lot, as Declarant deems appropriate to properly maintain and control water drainage and erosion. Declarant during the Development Period and the Board thereafter may specifically designate any Drainage Devices as part of the Subdivision Facilities. Unless and except to the extent so designated as part of the Subdivision Facilities, all Drainage Devices shall remain unobstructed, and shall be properly maintained by and at the sole cost of the Owner of the Lot to which same pertains or, when any Drainage Device serves more than one Lot (such as in the case of guttering on residences connected to a common line), then maintenance and the costs thereof of the Drainage Device which serves the multiple Lots (being the common line in the aforesaid example but not the guttering or connections for same to the common line) shall be shared pro rata by all of the Owners to which same pertains. Each Owner must refrain from permitting any construction, grading and any other work, act or activity upon such Owner's Lot which would obstruct, alter, divert, impede or impair the proper functioning of any Drainage Device. In addition, each Owner must perform such work, act or activities and install and maintain such Drainage Devices (i) as is reasonably necessary to prevent so far as practical drainage from the Owner's Lot to any other Lot, other than drainage along established swales and along drainage patterns as established by Declarant during initial construction or the Board or ACC thereafter, and (ii) as needed to maintain so far as practical positive drainage away from the foundation of the residence located upon the Owner's Lot. Without limitation of the foregoing, no Owner may place or permit placement of any flower bed or other landscaping, or any other structure or thing along or near any Lot line which would obstruct, alter, divert, impede, or impair drainage along any Lot line within any swale or otherwise within drainage patterns as established during initial construction or by the Board or ACC thereafter. To obtain and maintain proper drainage, including as required by this Section, and/or as changing circumstances may require, the ACC is hereby specifically authorized to require any Owner to construct, install and maintain such drains, drainage lines and any other Drainage Devices and/or to remove any obstruction, thing or device or cease any activity, either upon initial construction of any residence or other improvement, or at any time thereafter that circumstances reasonably require.

8.04.6 Roof Materials. Roofs of all residences must be constructed so that the exposed material is composition type shingles, or such other material which is compatible in quality and appearance to the foregoing as may be approved by the ACC. All garage roofs, and roofs of any gazebo or outbuildings as may be approved by the ACC, must match the residence. Wood shingles of any type are prohibited on any residence, building or structure.

8.04.7 Swimming Pools. All swimming pools must be in ground, not above ground, and must be made of gunite or other materials as approved by the ACC.

8.04.8 Pre-Fabricated Homes Prohibited. No mobile homes, modular homes, manufactured home or similar pre-fabricated residential structures of any kind is permitted upon any Lot.

8.04.9 Mailboxes. To the extent mail service is provided in mailbox banks as permitted by Section 9.05 hereof, Owners must exclusively use their assigned mailbox therein and must strictly comply with all applicable rules and regulations of the Association and the United States Postal Service regarding same. Otherwise, one mailbox must be maintained at all times upon each Lot, and the mailbox must be properly maintained at all times to accommodate regular reception of mail in accordance with applicable rules and regulations of the United States Postal Service and the Association. Installation and any subsequent modification of a mailbox and post or other housing for same on each Lot must be approved by the ACC. All mailboxes must be either mounted on a black metal post with a black painted finish (or as otherwise approved), or installed in a mailbox type housing constructed of brick which matches the applicable residence, as approved by the ACC. All mailboxes, and the mounting post or housing for same, must be properly maintained at all times, including maintenance as needed to avoid any leaning or listing, periodic cleaning and painting, and, as needed, repair or replacement of damaged or deteriorated mailboxes, posts and/or housing.

8.04.10 Compliance With Laws. All construction of any single family residence must be in compliance with applicable governmental laws, ordinances and regulations, including applicable building codes or permit or licensing requirements.

SECTION 8.05 Lot Resubdivision or Combination. No Lot as originally conveyed by Declarant to any other Person, including any builder, may be thereafter subdivided or combined with any other Lot, or the boundaries thereof otherwise changed.

SECTION 8.06 Lot Fences, Walls and Hedges; Perimeter Fencing.

8.06.1 Definitions. As used in this Section (i) "Lot Fencing" means any and all fences and freestanding fence type walls, gateposts, hedges and planters, whenever and wherever located on any Lot, excluding, however, any perimeter fencing which is included in the Subdivision Facilities, and (ii) "hedge" means a row of bushes, shrubs and similar plants which, at natural maturity, will exceed three feet (3') in height and have sufficiently dense foliage as to present a visual and physical barrier substantially similar to a fence.

8.06.2 ACC Approval Required: No Lot Fencing may be constructed, placed or maintained on any Lot without prior written approval of the ACC.

8.06.3 General Requirements: Unless otherwise approved in writing by the ACC, all Lot Fencing must comply with the following:

(a) No Lot Fencing may be more than six feet in height.

(b) All Lot Fencing (other than hedges) must be constructed of redwood or cedar vertical pickets with treated pine (or equivalent) post and supports, or ornamental wrought iron, brick or masonry, or combinations thereof, or composite materials which substantially simulate the appearance of the foregoing, as approved by the ACC.

(c) NO CHAIN LINK TYPE FENCING OF ANY TYPE IS PERMITTED ON ANY LOT.

(d) NO LOT FENCING SHALL BE ERECTED OR MAINTAINED NEARER TO THE FRONT BUILDING SETBACK LINE THAN THE PLANE OF THE FRONT EXTERIOR WALL OF THE RESIDENTIAL STRUCTURE ON SUCH LOT WHICH IS FURTHERMOST FROM THE FRONT BUILDING SETBACK LINE.

8.06.4 Ownership and Maintenance. Ownership of all Lot Fencing passes with title to the Lot. All Lot Fencing must be continuously maintained in a structurally sound condition, in a neat and attractive condition, in good repair and otherwise as required to obtain and maintain Prevailing Community Standards. The foregoing shall include, without limitation, such maintenance, repair or replacement as is required to prevent listing or leaning, repair of all damaged or broken pickets and other members, and all holes and cracks, and repair or replacement as required to prevent rot or decay, and any other visible signs of dilapidation or deterioration. Fencing which has been defaced with graffiti or other markings shall be restored to its prior condition within 72 hours of such defacement or markings. PAINTING OR STAINING OF WOODEN FENCES IS PROHIBITED UNLESS APPROVED IN WRITING BY THE ACC. All maintenance, repair or replacement of Lot Line Fencing which separates adjoining Lots, or which is otherwise shared in common by two or more adjoining Lots, is the joint responsibility of, and the costs thereof shall be shared equally by, the adjoining Owners. Otherwise, all such maintenance, repair or replacement shall be the responsibility of, and at the sole cost of, the Owner upon whose Lot the Lot Fencing is located. ONCE INSTALLED, THE LOCATION, STYLE, FINISH, APPEARANCE AND ALL OTHER FEATURES OF LOT FENCING MAY NOT BE MODIFIED OR CHANGES WITHOUT PRIOR WRITTEN APPROVAL OF THE ACC.

8.06.5 Perimeter Fencing. "Perimeter Fencing" means all fences and freestanding fence type walls which encloses the exterior boundaries of the Subdivision or which is otherwise designated as Perimeter Fencing by Declarant during the Development Period or the Board thereafter and all Subdivision main entry fences, walls, and/or entry and other identification monuments. All Perimeter Fencing is a part of the Subdivision Facilities and shall be maintained as such by the Association. No Owner or their Related Parties, and no other Person may modify, alter or in any manner change; or attach anything to, any Perimeter Fencing without the prior written consent of the ACC.

SECTION 8.07 Antennas and Satellite Dish Systems. Except as otherwise expressly approved by the ACC in writing, or as otherwise expressly permitted by applicable architectural guidelines or by law, no antenna or satellite dish system of any kind is permitted upon any Lot, or the

residence or other improvement thereon, except one dish antenna, one meter or less in diameter or diagonal measurement which is designed to receive direct broadcast satellite or to receive or transmit "fixed wireless signals" (as defined by the Federal Communications Commission), and one television antenna to the extent necessary for reception of local television broadcasts, either or both of which must be installed so as not to be visible from any street. The initial antenna and satellite dish system guidelines will be adopted by the initial Board of Directors at its organizational meeting (or pursuant to a unanimous consent signed in lieu thereof).

SECTION 8.08 Signs.

8.08.1 General. As used in this Section 8.08, "sign" means and includes any billboards, posters, banners, pennants, displays, symbols, advertising devices of any kind, and any other type of sign of any kind, including without limitation business, professional, promotional or institutional signs. No sign of any kind is permitted on any Lot, or upon any residence, or within any residence if visible from the exterior of the residence, or within the Subdivision except as may be approved in writing by the ACC and except as otherwise expressly permitted in this Section 8.08. The provisions of this Section 8.08 do not apply to any sign placed within the Subdivision by Declarant or an Authorized Builder.

8.08.2 Prohibited Signs. No sign is permitted which contains language, graphics or any display that is vulgar, obscene or otherwise offensive to the ordinary person. Permitted signs must be professionally printed and prepared, and must be properly installed and maintained, to avoid unsightly appearance. The good faith determination of the ACC as to any of the foregoing is final. No sign may be illuminated. No sign may be placed on any Lot closer than the lesser of ten feet or the closest building setback line from any street or any side or back Lot line, or within any traffic sight line area as defined in Section 8.09. No Owner, Owner's tenant or their Related Parties, is permitted to place any sign on another Owner's Lot or upon any Community Properties. Foreclosure, bankruptcy and other distressed sale references are specifically prohibited. Signs disparaging, defaming or demeaning any Person, including Declarant, the Association, the ACC or their Related Parties, on account of race, creed, gender, religion or national origin, regarding any Development Activities (as defined in Section A8.01 of Exhibit "A" hereto), or for any other reason, are specifically prohibited.

8.08.3 Permitted Signs. No sign, except "political signs" as hereafter provided, is permitted upon any Lot or at any other place within the Subdivision, or within or on any residence or other improvement if the sign is visible from outside of the residence or other improvement, unless the sign is first approved in writing by the ACC. No sign will be approved other than (i) one "For Sale" or one "For Lease" sign not to exceed six square feet (which may be displayed only during such period of time that the Lot is in fact for sale or lease), and (ii) security service signs, not to exceed two in number per Lot. Security service signs must also be located near the front and/or rear entrances of the residence unless otherwise approved in writing by the ACC, may not exceed eighteen inches by twelve inches in size, and must be professionally printed, prepared and provided by a professional security service company. All approved signs must also comply with Section 8.08.2, and any applicable Rules and Regulations.

8.08.4 Political Signs. Notwithstanding any other provisions hereof, political signs advertising a political candidate or ballot item for an election (a "Political Sign") are permitted, subject to the following:

(a) No Political Sign is permitted earlier than the 90th day before the date of the election to which the sign relates, and each Political Sign must be removed in its entirety by the 10th day after the election date.

(b) No more than one Political Sign for each candidate or ballot item may be displayed per Lot.

(c) Each Political Sign must be ground-mounted.

(d) No Political Sign may (i) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component; (ii) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object; (iii) include the painting of architectural surfaces; (iv) threaten the public health or safety; (v) be larger than four feet by six feet; (vi) violate a law; (vii) contain language, graphics, or any display that would be offensive to the ordinary person; or (viii) be accompanied by music or other sounds or by streamers or be otherwise distracting to motorists.

(e) The ACC is specifically authorized to amend this Section to the extent permitted or required to conform this Section to the provisions of Section 202.009 of the Texas Property Code, as amended and/or as subsequently construed or applied by a court of competent jurisdiction, any such amendment to be effective from and after the date of filing of same in the Official Public Records of Real Property of Harris County, Texas.

8.08.5 Default. Any sign of any kind placed within the Subdivision in violation of this Section 8.08, including any Political Sign, may be removed at any time by or at the direction of Declarant or the ACC and discarded as trash without liability for trespass, conversion or damages of any kind. In addition, the ACC may, after notice and opportunity to be heard, assess as a specific assessment a fine for each day any sign is placed within the Subdivision in violation of this Section 8.08 not to exceed seventy-five dollars (\$75.00) per day per sign, or as otherwise provided by applicable Rules and Regulations.

SECTION 8.09 Traffic Sight Line Areas. No fence, wall, hedge, tree, shrub planting or any other thing or device which obstructs sight lines at elevations between two and eight feet (2' & 8') above a street shall be permitted (i) on any corner Lot within the triangular area formed by the two (2) boundary lines thereof abutting the corner streets and a line connecting them at points twenty-five feet (25') from their intersection, or (ii) on any Lot within the triangular area formed by the boundary line abutting a street, the edge line of any driveway pavement and a line connecting them at points ten feet (10') from their intersection. The foregoing shall not be construed to prohibit

construction of any residence or garage at any location permitted by this Declaration or a Plat even if the residence or garage encroaches upon either of the aforesaid sight line areas.

SECTION 8.10 Mailboxes. To the extent mail service is provided in mailbox banks as permitted by Section A8.01 of Exhibit "A" to this Declaration, Owners must exclusively use their assigned mailbox therein and shall strictly comply with all applicable rules and regulations of the United States Postal Service and the Association. Otherwise, one mailbox must be maintained at all times upon each Lot, and the mailbox must be properly maintained at all times to accommodate regular reception of mail in accordance with applicable rules and regulations of the United States Postal Service and the Association. Installation and any subsequent modification of a mailbox and post or other housing for same on each Lot must be approved by the ACC. All mailboxes, and the mounting post or housing for same, must be properly maintained at all times, including maintenance as needed to avoid any leaning or listing, periodic cleaning and painting, and, as needed, repair or replacement of damaged or deteriorated mailboxes, posts and/or housing.

SECTION 8.11 Window and Door Glass Covers. Glass in windows, doors and other similar openings must be maintained as installed during original construction except as otherwise permitted in writing by the ACC. Glass film and similar tinting, and aluminum foil and similar reflective materials, are in all events prohibited for use as a cover for any window or door; provided, factory tinted glass may be approved by the ACC. Only blinds, curtains or drapes with backing material which is white, light beige, cream, light tan or light gray, and blinds or miniblinds of the same color, are permitted, unless otherwise first approved in writing by the ACC. No other window treatment color may be visible from the exterior of any residence or other improvement. Temporary or disposable coverings, including sheets, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made or commonly used by the general public for permanent window coverings, are expressly prohibited.

SECTION 8.12 Utility, Lighting and Energy Facilities.

8.12.1 Maintenance Of Utilities Required. All utility services intended to be provided to each single family residence as originally constructed, including without limitation water, sewage, electric and gas services, must be maintained by the Owner at all times when a residence is occupied.

8.12.2 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 utility company must be installed underground unless otherwise approved in writing by the ACC, and must be maintained at all times by the Owner of the Lot upon which same is located.

8.12.3 Air Conditioners. Except as approved by the ACC, no window, wall or exterior roof mounted type air conditioners or heating units, or any part thereof, and no air conditioners or heating units, or any part thereof, which is visible from any street will be permitted.

8.12.4 Exterior Lighting. Excepting customary Christmas lighting, any exterior lighting of a residence or Lot must be approved by the ACC in accordance with Article IV. No exterior lighting (including Christmas lighting) may be directed outside property lines of the Lot upon

which same is located. All lighting fixtures (except Christmas lighting) must be compatible in style and design to the residence where located. Christmas lighting and related decorations and ornamentation may be displayed between November 15 and January 10, and the ACC may in particular instances or through Architectural Guidelines permit other holiday lighting, decorations and ornamentation (all of which for purposes of this Section are referred to as "Christmas Lighting"); provided, the ACC is authorized to fully regulate all Christmas Lighting in particular instances or by Architectural Guidelines to avoid any annoyance, nuisance, safety hazard or unsightly condition or appearance as determined in the sole opinion of the ACC.

Article IX

Easements

SECTION 9.01 Incorporation of Easements. All easements, dedications, limitations, restrictions and reservations shown on any Plat and all validly existing grants and dedications of easements and related rights heretofore made or hereafter established as herein provided affecting the Subdivision or any Lots and filed in the Official Public Records of Real Property of Harris County, Texas, are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by any Person covering any portion of the Subdivision, including any Lot. In the event of any conflict between any of the foregoing filed after the date of filing of this Declaration and any provisions of this Declaration, the provisions of this Declaration control. The foregoing shall not be construed as in any manner giving effect to any instrument of record which would not otherwise be effective or other than in accordance with the instrument and applicable law.

SECTION 9.02 Easements for Encroachment and Overhang. In the event of encroachment by any building, structure or other improvement, including without limitation, any portion of any roadway, walkway, parking area, driveway, water line, sewer line, utility line, sprinkler system, building steps, fences, fireplaces, chimneys, bay windows and similar architectural details, paving, driveway approaches and inturns, decking, footings, piers, piles, grade beams and similar improvements, which encroachment originates during original construction or results at any time from settling or shifting, on or into any adjoining Lot or on or into the Community Properties, not more than thirty inches (30") from any point on the common lot line ("Encroachment"), it shall be deemed that the Owner of the Lot encroached upon (or into) or the Association (as the case may be) has granted a perpetual easement for continuing maintenance and use of such encroaching improvements, and for maintenance, repair or replacement thereof if performed in substantial compliance with the original construction, over, above, under, and upon the adjoining, encroached upon Lot (or Community Property) for a distance co-existent with the Encroachment. An "Encroachment" as aforesaid includes, without limitation, overhead encroachments and overhangs of walls, roofs or other part of any building or structure, and encroachments which are completely underground. In addition, any such Encroachment is permitted to extend over any otherwise applicable setback line up to thirty inches (30") when the Encroachment originates during original construction or results at any time from settling or shifting as aforesaid. The term "original construction" as used in this Section means

construction, placement or modification of improvements which occurs through "completion of the initial sale" of a Lot as that phrase is defined in Section A2.01 of Exhibit "A" hereto.

SECTION 9.03 Owners' Access Easement.

9.03.1 Defined. Each Lot and the Community Properties are subject to a non-exclusive access easement for the inspection, construction, maintenance, repair and replacement of improvements located upon any adjacent Lot (the "Accessing Lot") for usage by an Accessing Lot Owner or occupant, or their agents or employees. The Lot or Community Properties being accessed is herein referred to as the "Easement Lot". This access easement area on the Easement Lot (the "Access Area") consists of a strip of land abutting the nearest boundary line of the Accessing Lot of not less than three feet nor more than six feet, as may be reasonably required, and to such additional area as may be approved in writing by the ACC upon written request stating a reasonable necessity for same, provided that the Access Area shall not in any event extend past the exterior wall of any residence or garage, or the foundation of either. THIS ACCESS EASEMENT AREA MAY BE UTILIZED ONLY WHEN AND TO THE EXTENT SAID CONSTRUCTION, MAINTENANCE, REPAIR OR REPLACEMENT CANNOT BE REASONABLY CONDUCTED WITHIN THE BOUNDARIES OF THE ACCESSING LOT. Except in the case of an Emergency, in no event will such easement extend to any part of the single family residence garage, or other building located on the Easement Lot.

9.03.2 Notice; Duration. Prior to use of the Access Area, the Owner or occupant of the Accessing Lot must give written notice of intent to utilize the Access Area stating therein the nature of intended use and the duration of such usage. Such notice must be delivered to the Owner or occupant of the Easement Lot by attaching same to the front door of the residence located upon the Easement Lot, or in any other manner as permitted by Section 10.05. If by mail, such notice must be given at least ten days prior to use of the Access Area; and if by affixing to the front door or by any other method permitted by Section 10.05, such notice must be given at least seven days prior to use of the Access Area. In case of emergency the Accessing Lot Owner or occupant may commence and continue usage of the Access Area without giving the foregoing notice for so long as is reasonably necessary to control the emergency and complete work necessitated thereby, but must proceed with giving of the required notice as soon as practical after commencement of usage.

9.03.3 Usage. Usage of the Access Area is limited to the minimum reasonable amount of time and area required to complete necessary work to preserve, protect, construct, maintain, repair, and replace the residence or other structures and improvements located on the Accessing Lot. Work during the usage period must be conducted in such manner as to minimize so far as reasonably possible inconveniences and disruptions to the Easement Lot and its occupants. Except in case of emergency or unless otherwise authorized by the Owner or occupant of the Easement Lot, work during the usage period may not be conducted during legal holidays or any Sunday and must otherwise be confined to the hours of 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 6:00 p.m. on Saturdays.

9.03.4 ACC Approval of Access Area Improvements. No structure or improvements other than grass, and customary, non-exotic flower and shrubbery beds, may be placed within the Access Area at any time without the prior written approval of the ACC. The ACC may not approve any such structures or improvements which would substantially interfere with, or be unduly burdensome to, or which would cause excessive expense to any potential Accessing Lot if access becomes necessary as herein provided.

9.03.5 Restoration. Promptly after completion of usage of an Access Area, the Accessing Lot Owner or occupant must thoroughly clean the Access Area and repair and restore same to substantially the same condition that existed at the time of commencement of usage; provided, such obligation for restoration does not apply to any structures or improvements which have been placed in the Access Area without written ACC approval. At the time of receipt of notice, the Easement Lot Owner or occupant must promptly notify the Accessing Lot Owner or occupant as provided in Section 9.03.2 of any structures or improvements within the Access Area which have been approved by the ACC.

SECTION 9.04 Association and ACC Blanket Access Easement. The Association, the ACC and their Related Parties have a continuing non-exclusive easement upon, over, under and across each Lot, and as to the exterior of the residence and garage thereon, and as to the exterior and interior of any other improvement thereon, to the extent reasonably necessary for the performance of any of the functions or duties of the Association or ACC or exercise of any of their rights under this Declaration. Prior to exercise of such easement rights written notice must be given to the Owner or occupant of the affected Lot stating the expected date of commencement of usage, the nature of the intended use and anticipated duration of such usage. The notice may be given by attaching the notice to the front door of the applicable residence, or in any other manner as permitted by Section 10.05. In case of an emergency the right of entry and usage shall be immediate without notice, but in such case notice as aforesaid shall be given as reasonable soon as practicable.

SECTION 9.05 Governmental Functions, Utilities and Other Services.

9.05.1 Governmental Functions: Removal of Obstructions. Blanket non-exclusive easements and rights-of-way are hereby granted to all applicable governmental authorities, to all police, fire protection, ambulance and other emergency vehicles, to garbage and trash collection vehicles and other service vehicles, to the United States Post Office and similar services, and to the respective agents and employees of all of the foregoing, for access, ingress and egress upon, over and across any portion of each Lot and throughout the Subdivision for purposes of the performance of any official business without liability of any kind. APPLICABLE GOVERNMENTAL AUTHORITIES AS AFORESAID ARE ALSO SPECIFICALLY AUTHORIZED TO REMOVE OBSTRUCTIONS IF NECESSARY FOR EMERGENCY AND SERVICE VEHICLE ACCESS, AND TO ASSESS THE COST OF REMOVAL TO THE OWNER OF THE OBSTRUCTION.

9.05.2 Utilities.

(a) Easements as shown on an applicable recorded Plat or otherwise of record and rights of entry to them for installation, maintenance and operation of utilities and drainage facilities are reserved. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation, maintenance or operation of utilities. The easement areas of each Lot and all improvements therein or thereon shall be maintained by the Owner of the Lot, except those improvements of a public authority or utility which shall be maintained by such authority or utility. The title to a Lot shall not include title to any utility facilities located within easements or streets. No public authority or utility shall be liable for damage to any plants, structure or buildings located in or on such easements or streets because of the installation or maintenance of the utility facilities.

(b) In addition to all other applicable easements as established herein or by any Plat, a private non-exclusive easement is hereby granted under any private street, including each Shared Drive, located within the Subdivision for purposes of erecting, installing, operating, maintaining, replacing, inspecting and removing any electrical, water, sewer, gas, cable television and any other utilities as determined by the Board, together with rights of ingress and egress to or from any such easement. This easement shall not include by implication or otherwise any appurtenant aerial easement.

(c) No pipe, conduit, cable, or line for water, gas, sewage, drainage, steam, electricity or any other energy or service shall be installed or maintained (outside of any building) above the surface of the ground upon any Lot or at any other place within the Subdivision unless otherwise approved in writing by Declarant during the Development Period or the Board thereafter.

9.05.3 Certain Subdivision Facilities. During the Development Period, Declarant may establish within the Subdivision (including upon any Lot) such easements as Declarant may determine for the placement and maintenance of (i) mail box banks, water banks, master water meters and/or electrical banks designed to serve two or more single family residences, including entry, access and exit areas as to same, (ii) Subdivision entry and/or other identification signs and/or monuments, and (iii) patrol or security access limiting type structures or devices obtained for maintenance by the ACC for such purposes, including without limitation controlled access gates, guardhouses and related structures or devices. PERMANENT EASEMENTS SHALL BE DEEMED TO HAVE BEEN ESTABLISHED BY DECLARANT AS TO ANY SUCH SUBDIVISION FACILITIES PLACED OR CONSTRUCTED UPON ANY LOT OR COMMUNITY PROPERTIES BY DECLARANT DURING THE DEVELOPMENT PERIOD. AS TO EACH SUCH SUBDIVISION FACILITY, THE AFORESAID EASEMENT SHALL EXTEND TO THE AREA OF LAND COVERED BY THE SUBDIVISION FACILITIES, TOGETHER WITH REASONABLE WORKING SPACE AND NECESSARY RIGHTS OF INGRESS, EGRESS AND REGRESS FOR PURPOSES OF THE INSTALLATION, MAINTENANCE, OPERATION, REPAIR AND REPLACEMENT OF THE FACILITY. Declarant may, but is not required to, file a formal easement or easements covering any such Subdivision Facilities in the Official Public Records of Real Property of Harris County, Texas either during or after termination of the Development Period, and the ACC may do so at any time after termination of the Development Period.

9.05.4 Other Easements. The Association shall have the right to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public, quasi-public or private utility purposes, including, without limitation, gas, electricity, telephone, sanitary or storm, cable television and similar services, along, over, above, across and under the Subdivision and any Lot; provided, such additional easements shall not be located in such manner as to encroach upon the footprint or foundation of any then existing building (including any residence) or any swimming pool. Any such easement shall not be effective unless and until notice thereof is filed in the Official Public Records of Real Property of Harris County, Texas.

SECTION 9.06 Access.

9.06.1 Egress/Regress to Public Way Required. All single family residences shall be constructed, and thereafter same and related improvements shall be maintained, such that a continuous and unobstructed means of ingress, egress and regress to a common public way is maintained in accordance with applicable building codes and ordinances of the City.

9.06.2 Reciprocal Street Easements. The Owner of each Lot in the Subdivision irrevocably grants to each other Owner of a Lot in the Subdivision, and to Declarant, the Association, the ACC and their Related Parties, reciprocal, perpetual, and non-exclusive rights-of-way and roadway easements for purposes of ingress, egress, passage, and travel by vehicles and pedestrians over and across each and all private streets located within the Subdivision, including the Shared Drive as defined in Section 2.05 which is specifically included within the meaning of the term "private street(s)". In addition, each said Owner hereby grants perpetual easements to Declarant, the Association and their Related Parties for, and irrevocably designates the Association as their agent in fact for, purposes of (i) installation, maintenance, repair, or replacement of all private streets and all other improvements incident thereto as determined in the sole opinion of Declarant and/or the Board, and (ii) regulation of all aspects of usage of all private streets by Owners, their tenants, their Related Parties, and all other Persons, in accordance with applicable Governing Documents, and in connection therewith each Owner agrees that no other easements or rights of usage of any kind may be granted by any Owner in, upon, under, over or across any private street without the prior written consent of Declarant or the Association. Each Owner hereby additionally grants to Declarant, the Association and the ACC a secondary easement not to exceed four feet from each side of any private street, and as to as much additional surface of each Owner's Lot per Section 9.04 as reasonably necessary for the installation, maintenance, repair, or replacement of a any private street and related improvements.

SECTION 9.07 Easements Perpetual and Not Conveyed. Title to any Lot conveyed by contract, deed or other conveyance may not be held or construed in any event to include the title to any easement established by this Article IX, including but not limited to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way or any pipes, lines, poles, or conduits on or in any utility facility, service equipment or appurtenances thereto. Easement rights established by or obtained pursuant to this Article IX may not, once established or obtained, be adversely effected by any amendment of this Declaration. The foregoing

does not limit subsequent abandonment or other modification of easement rights in accordance with applicable instruments covering any easement, by consent or agreement of the affected parties, or as otherwise provided by law.

Article X

General Provisions

SECTION 10.01 Development Period. All provisions set forth in Exhibit "A" attached hereto and entitled "Development Period" are incorporated by reference herein. Notwithstanding any other provisions of this Declaration or any other Governing Documents to the contrary, all provisions set forth in Exhibit "A" apply during the Development Period (and thereafter as therein provided).

SECTION 10.02 Enforcement.

10.02.1 Right to Enforce. The Association, its successors and assigns, and any Owner have the right to enforce observance and performance of all restrictions, covenants, conditions and easements set forth in this Declaration and in other Governing Documents, and in order to prevent a breach thereof or to enforce the observance or performance thereof have the right, in addition to all legal remedies, to an injunction either prohibitive or mandatory.

10.02.2 Obligation for Payment of Costs and Expenses Resulting from Violations. Each Owner and tenant of an Owner found to have committed, or who is responsible for, a violation or violations of any of the provisions of this Declaration or any other Governing Documents, is jointly and severally liable for payment to the Association for, and to indemnify and to hold and save harmless the Association, the ACC and their Related Parties from, any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, incurred or attributable to any such violation(s), and must pay over to the Association all sums of money which the Association or its representatives may pay or become liable to pay as a consequence, directly or indirectly, of such violation(s). All such sums are assessed as a specific assessment, and are secured by the continuing lien established hereunder. All such sums are due and payable upon demand by the Association or its representative without the necessity of any other or further notice of any act, fact or information concerning the Association's rights or such Owner's or their tenant's liabilities under this Section; provided, in the case of indemnification the demand shall contain a statement setting forth the Association's payment or liability to pay the claim with sufficient detail to identify the basis for the payment or liability to pay.

10.02.3 Filing of Notices of Noncompliance. At any time the Association determines there exists any noncompliance with any provisions of this Declaration or other Governing Documents, the Association may at its option direct that a Notice of Noncompliance be filed in the Official Public Records of Real Property of Harris County, Texas covering the affected Lot or Lots and the Owner(s) thereof at the sole cost and expense of such Owner(s). All such costs and expenses are due and payable upon demand, are deemed a specific assessment applicable to the affected Lot(s) and are secured by the Association's continuing assessment lien.

10.02.4 No Estoppel, Waiver or Liability. Failure of the Association, the ACC or any Owner to enforce any of the provisions of this Declaration of any other Governing Documents will in no event be deemed a waiver of the right to do so thereafter (including without limitation as to the same or similar violation whether occurring prior or subsequent thereto). No liability may attach to the Association, the ACC or any of their Related Parties for failure to enforce any provisions of this Declaration or any other Governing Documents.

SECTION 10.03 Term. Subject to the provisions hereof regarding amendment, these covenants, conditions, restrictions, reservations, easements, liens and charges run with the land and are binding upon and inure to the benefit of the Association, all Owners, their respective legal representatives, heirs, executors and administrators, predecessors, successors and assigns, and all Persons claiming under them for a period of twenty years from the date this Declaration is filed in the Official Public Records of Real Property of Harris County, Texas, after which time said covenants, conditions, restrictions, reservations, easements, liens and charges will be automatically extended for successive periods of ten years each.

SECTION 10.04 Amendment.

10.04.1 By Owners. Except as otherwise expressly herein provided, and subject to applicable provisions of Exhibit "A" hereto, the Owners of seventy-five percent (75%) of the total number of Lots then contained within the Subdivision always have the power and authority to amend this Declaration, in whole or in part, at any time and from time to time. The Owner's approval of any amendment of this Declaration may be obtained (i) by execution of the amending instrument or a consent thereto by any Owner of each Lot so approving, (ii) by affirmative vote, in person or by proxy, at a special meeting called for consideration of any such amendment, or (iii) by any combination of the foregoing.

10.04.2 By Association. Subject to applicable provisions of Exhibit "A" hereto, the Board of Directors has the right in its sole judgment, from time to time and at any time, to amend this Declaration without joinder of any Owner or any other Person for the following purposes:

(a) to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors or omissions herein; or

(b) to conform this Declaration to the requirements of any lending institution; provided, the Board has no obligation whatsoever to amend this Declaration in accordance with any such lending institution requirements, and the Board may not so amend this Declaration if in the sole opinion of the Board any substantive and substantial rights of Owners would be adversely affected thereby; or

(c) to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency,

Veterans Administration or Federal Housing Administration, and in this respect the Board shall so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance; or

(d) to conform this Declaration to any state or federal constitutional requirements, or to the requirements of any local, state or federal statute, ordinance, rule, ruling or regulation, or to any decisions of the courts regarding same.

10.04.3 Effective Date. Any lawful amendment of this Declaration will be effective from and after filing of the amending instrument in the Official Public Records of Real Property of Harris County, Texas, or such later date as may be stated in the amending instrument.

10.04.4 "Amendment" Defined. In this Declaration and all other Governing Documents the terms "amend", "amendment" or substantial equivalent mean and refer to any change, modification, revision or termination of any provisions of this Declaration or other Governing Documents.

SECTION 10.05 Notices.

10.05.1 General: "Notice" Defined. "Notice" means and refers to all notices or other communications permitted or required under this Declaration. ANY NOTICE IS DEEMED PROPERLY GIVEN ONLY IF GIVEN IN ACCORDANCE WITH THIS SECTION 10.05 EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS DECLARATION. ALL NOTICES MUST BE IN WRITING, MUST BE PROPERLY DATED, AND MUST IDENTIFY ALL PERSONS GIVING THE NOTICE AND ALL PERSONS TO WHOM THE NOTICE IS BEING GIVEN. All notices must be given by personal delivery, by certified or registered mail, return receipt requested, by facsimile transmission, or by e-mail. Notices by mail must be by deposit of the notice, enclosed in a postpaid properly addressed wrapper, in a post office or official depository under the care and custody of the United States Postal Service. Personal delivery may be made to any person at the recipient's address and such delivery may be acknowledged either by the recipient or by a third-party delivery service.

10.05.2 To Whom and Where Given.

(a) All notices to Declarant either during or after the Development period must be given to Declarant as provided in Section 5.255 of the Texas Business Organizations Code, as amended, at Declarant's registered office or principal office.

(b) All notices to the Association or ACC during the Development Period must be given to Declarant as above provided. Thereafter, all notices to the Association or ACC must be given (i) to the Association's registered agent at its registered office according to the records of the Texas Secretary of State pursuant to the Texas Business Organizations Code, or (ii) to any Director in the case of the Association or to any member of the ACC in the case of the ACC in the

4221-85-150 THE REP 061-58-1222

same manner as permitted for delivery of notice to the Director or member of the ACC as an Owner, or (iii) to the Association manager at the offices of the Association's Managing Agent, if any.

(c) All notices to an Owner must be delivered to the Owner at the Owner's Lot address, or to the Owner's alternate mailing address provided to the Association by the Owner as hereafter set forth.

(d) All notices to the tenant of an Owner must be delivered to the Lot address of the Lot at which the tenant resides.

(e) In lieu of (or in addition to) delivery to a street or mailing address as above provided, notice may be given by facsimile transmission or e-mail to the facsimile number or e-mail address (i) of an Owner or Owner's tenant according to the records of the Association, or (ii) of the Association, the Association's Managing Agent, if any, or the ACC as provided by same upon written request of any Owner or tenant or as otherwise provided by the Association (such as by publication in an Association newsletter). The foregoing shall not be construed as requiring maintenance of a facsimile number or e-mail address by any of the foregoing Persons.

(f) Notices or other communications are considered to be delivered, as applicable, on the day of personal delivery or deposit in the United States mail in accordance with this Section 10.05, or on the day and at the time the facsimile or e-mail is successfully transmitted, provided that transmission of any facsimile or e-mail after 5:00 o'clock p.m. local time of the recipient shall be deemed to be delivered on the following day. When more than one Person is the Owner or tenants of a Lot, the giving of notice as aforesaid to any single Owner or tenant constitutes notice given to all Owners or tenants. REFUSAL TO ACCEPT DELIVERY OR TRANSMISSION OF ANY NOTICE SHALL BE DEEMED ACTUAL NOTICE AND ACTUAL KNOWLEDGE OF THE MATERIALS REFUSED.

(g) One mailbox must be properly maintained at all times upon each Lot (or within a mailbox bank, if applicable), and each such mailbox must be properly maintained at all times to accommodate regular reception of mail and otherwise in accordance with applicable rules and regulations of the United States Postal Service and Rules and Regulations, if any, of the Association.

10.05.3 Owner/Tenant Contact/Occupancy Information Required. As used in this Section "contact information" means name, Lot address, alternate Owner mailing address, if applicable, home and work telephone numbers, and as applicable, mobile and facsimile numbers, and e-mail addresses. Not later than thirty days after acquiring an ownership interest in a Lot, the Owner of the Lot must give notice to the Association of the contact information for all Persons who are Owners of the applicable Lot, and the name(s) of any other person(s) occupying the Lot other than the Owner. Not later than thirty days after acquiring a leasehold interest or other right of occupancy in a Lot, the Owner of the Lot must give notice to the Association of the contact information for all Persons who are tenants as to or who have otherwise acquired a right to occupy the applicable Lot.

Not later than thirty days after any change in any of the foregoing contact information, the Owner of the applicable Lot must give notice to the Association of all such changes. In the event of any conflict between the aforesaid notices, the notice last received by the Association shall control. Upon receipt of a notice as aforesaid, that notice shall control until three business days after receipt of a proper subsequent notice, and all notices given by the Association or ACC pursuant to the prior notice shall be effective until three business days after receipt of the subsequent notice.

10.05.4 Other Information and Governing Documents. The Association may from time to time by written request require any Owner or tenant to verify any information covered by this Section 10.05 or by Section 10.06, or to provide other information or documentation relevant to the functions of the Association by submission of such information and documentation as the Association may reasonably require. Applicable provisions of this Section also apply to notices permitted or required by other Governing Documents except as otherwise expressly provided in such other Governing Documents, and provided that notice given in accordance herewith is in all events sufficient regardless of contrary provisions in other Governing Documents.

SECTION 10.06 Contact/Other Information To and From Mortgagees. Upon written request of the Association an Owner must provide to the Association a written statement setting forth the name, mailing address, telephone number, and if known or reasonably ascertainable, the facsimile number and e-mail address of each mortgagee for each mortgage covering the Owner's Lot, and each insurer or guarantor thereof, and as to each such mortgagee, insurer and guarantor, the nature of the loan or other encumbrance (such as purchase money loan, home equity loan or tax lien), and the account or similar identifying number or other designation applicable to the mortgage. The Association may at any time and from time to time provide to any mortgagee, or the insurer or guarantor of a mortgage, and upon written request of any mortgagee, the insurer or guarantor of a mortgage, the Association shall provide to such mortgagee, insurer or guarantor, a statement of any unpaid assessments or other amounts payable to the Association and any violations of the Governing Documents then known to the Association. If an Owner is delinquent in payment of assessments (regular, special or specific) to the Association, upon written request of the Association a mortgagee, or the insurer or guarantor of a mortgage, shall provide the Association with information setting forth the status of such Owner's debt secured by the mortgagee's lien and other relevant information as set forth in the Association's request. EACH OWNER EXPRESSLY CONSENTS TO THE ASSOCIATION PROVIDING SUCH INFORMATION TO A MORTGAGEE, INSURER OR GUARANTOR, AND TO A MORTGAGEE, INSURER OR GUARANTOR PROVIDING SUCH INFORMATION TO THE ASSOCIATION. As used in this section, "mortgage" means and refers to any mortgage, deed of trust and any other lien or encumbrance against a lot, and "mortgagee" means and refers to the current holder of each mortgage.

SECTION 10.07 Conflicts In Governing Documents. In the event of any conflict in the Governing Documents which cannot be reasonably reconciled after application of rules of interpretation as provided herein or by law, the Master Restrictions shall control over this Declaration, this Declaration shall control over any other Governing Documents, and all other Governing Documents shall control in the following order of priority: (i) Architectural Guidelines; (ii) Rules and Regulations; (iii) Articles of Incorporation; (iv) Bylaws; (v) Board and Member resolutions; and (vi) all others.

SECTION 10.08 Effective Date. This Declaration is effective from and after the date of filing of same in the Official Public Records of Real Property of Harris County, Texas.

IN WITNESS WHEREOF, the undersigned has executed this Declaration to be effective as above stated.

EXECUTED this 5th day of December, 2008.

HWD, LTD.
a Texas limited partnership
"Declarant"
By: HAHNFELD WITMER DAVIS INC.,
a Texas corporation,
its general partner

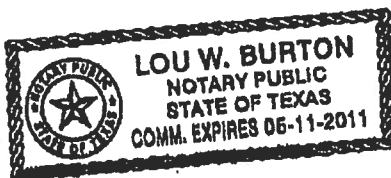
By: [Signature]
WORTH W. WITMER, President

187
202

DECLARANT'S ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 5th day of December, 2008, by WORTH W. WITMER, President of HAHNFELD WITMER DAVIS INC., a Texas corporation, on behalf of the corporation as general partner of HWD, LTD., a Texas limited partnership, on behalf of the partnership.



[Signature]
Notary Public, State of Texas
Name: _____
My Commission Expires: _____

RP 061-58-1280

**ACKNOWLEDGMENT OF
FRIENDSWOOD DEVELOPMENT COMPANY**

Friendswood Development Company hereby acknowledges that the foregoing "Declaration of Covenants, Conditions, Restrictions and Easements for Regent Square Brownstones" satisfies the requirements stated in Paragraph No. 2 of Exhibit "B" to Special Warranty Deed between Friendswood Development Company and Kings Harbour JV63 (which is filed of record in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number S229900).

EXECUTED this 2nd day of July, 2008.

LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD., a Texas limited partnership,
dba FRIENDSWOOD DEVELOPMENT COMPANY

By: LENNAR TEXAS HOLDING COMPANY,
a Texas corporation, its General Partner

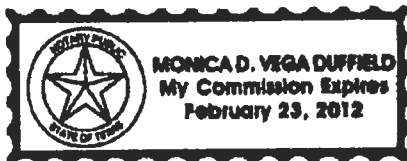
By: 

Name: John W. Hammond

Title: Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was executed before me on the 2nd day of July, 2008,
by John W. Hammond, as Vice President of LENNAR TEXAS
HOLDING COMPANY, a Texas corporation, on behalf of the corporation, in the capacity and for
the purposes and consideration express therein.



Monica D. Vega Duffield
Notary Public, State of Texas

**ACKNOWLEDGMENT OF
MIDWAY KINGS HARBOR PARTNERS, L.P.**

Midway Kings Harbor Partners, L.P. hereby acknowledges that the foregoing "Declaration of Covenants, Conditions, Restrictions and Easements for Regent Square Brownstones" satisfies the requirements of the Midway Covenants.

EXECUTED on this the 5th day of December, 2008.

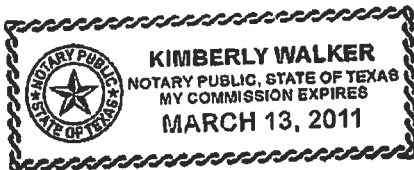
PL

MIDWAY KINGS HARBOR PARTNERS, L.P.

By: *[Signature]*
Name: E.R. Sanford II
Title: EVP of GP

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 5th day of December, 2008, by E.R. Sanford II, as EVP of GP of MIDWAY KINGS HARBOR, INC., a Texas corporation, on behalf of said corporation, as general partner of MIDWAY KINGS HARBOR PARTNERS, L.P., a Texas limited partnership, on behalf of the partnership.



[Signature]
Notary Public, State of Texas

ACKNOWLEDGMENT OF
KINGS HARBOR CENTER ASSOCIATION

Kings Harbor Center Association hereby acknowledges that the foregoing "Declaration of Covenants, Conditions, Restrictions and Easements for Regent Square Brownstones" satisfies the requirements of the Kings Harbor Declaration.

EXECUTED on this the 5th day of December, 2008.

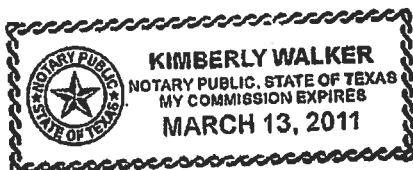
KINGS HARBOR CENTER ASSOCIATION

By: Stephen J. Bryant
Name: Stephen J. Bryant
Title: Director

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 5th day of December, 2008, by Stephen J. Bryant, as Director of KINGS HARBOR CENTER ASSOCIATION, a Texas non-profit corporation, on behalf of said corporation.



Kimberly Walker
Notary Public, State of Texas

ACKNOWLEDGMENT OF
KINGS HARBOR OWNERS ASSOCIATION

Kings Harbor Owners Association hereby acknowledges that the foregoing "Declaration of Covenants, Conditions, Restrictions and Easements for Regent Square Brownstones" satisfies the requirements of the Midway Covenants.

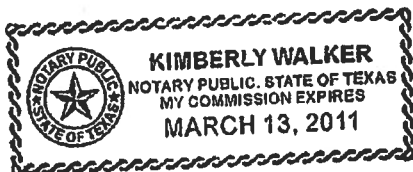
EXECUTED on this the 5th day of December, 2008.

KINGS HARBOR OWNERS ASSOCIATION

By: [Signature]
Name: Jonathan H. Brinsden
Title: Director

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 5th day of December, 2008, by Jonathan H. Brinsden, as Director of KINGS HARBOR OWNERS ASSOCIATION, a Texas non-profit corporation, on behalf of said corporation.



[Signature]
Notary Public, State of Texas

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

FOR

REGENT SQUARE BROWNSTONES

EXHIBIT "A": DEVELOPMENT PERIOD

A1.01 Application. Notwithstanding any other provisions of the Declaration or any other Governing Documents to the contrary, the provisions of this Exhibit "A" apply during the Development Period (and thereafter as herein provided).

A2.01 Association and Architectural Control; Builder Approval.

A2.01.1 Appointment of Board, ACC and Officers; Authority of Association; Declarant as Member. During the Development Period, Declarant has exclusive authority to appoint, re-appoint, elect or remove all members of the Board of Directors and ACC (including any designated representative of the ACC) and all officers of the Association, and in all other respects to exercise all rights and authority of the Association and ACC. Any provisions hereof or of the Declaration, Bylaws or any other Governing Documents regarding qualifications for members of the Board or ACC, or of any officers, are hereby specifically declared inapplicable regarding any such members or officers. Without limitation of the foregoing, Declarant is specifically authorized during the Development Period to exercise all authority of the Association and/or ACC, including without limitation, the authority to contract for, on behalf of, or in the name of the Association and to grant variances pursuant to the Declaration. Declarant is deemed to be a Member of the Association for all purposes during the Development Period whether or not Declarant continues to own any Lot.

A2.01.2 ACC Authority.

(a) ACC Approval Not Required. Except for approval of initial development and original construction as may be required by FDC or Midway, Declarant is not required to obtain ACC approval or otherwise comply with any provisions of **Article IV** of the Declaration until completion of the initial sale of each Lot, whether or not the initial sale occurs during or after the Development Period.

(b) Declarant's ACC Authority As To Initial Development of Lots. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, DECLARANT HEREBY RESERVES AND RETAINS FULL AND EXCLUSIVE AUTHORITY OF THE ACC AS TO EACH LOT, AND THE RIGHT TO ENGAGE IN ANY AND ALL DEVELOPMENT AND SALES ACTIVITIES REGARDING EACH LOT, UNTIL COMPLETION OF THE INITIAL SALE OF EACH LOT, WHETHER OR NOT COMPLETION OF THE INITIAL SALE OCCURS DURING

OR AFTER THE DEVELOPMENT PERIOD. DECLARANT'S AUTHORITY INCLUDES WITHOUT LIMITATION THE RIGHT TO ASSESS (WITHOUT FORMAL ADOPTION OF ARCHITECTURAL GUIDELINES) AND TO RECEIVE PAYMENT OF ARCHITECTURAL REVIEW FEES AS AUTHORIZED BY ARTICLE 4.02.2 OF THE DECLARATION.

A2.01.3 Approval of Builder ("Authorized Builder") By Declarant Required. During the Development Period no builders are permitted to construct any residence or appurtenant improvements upon any Lot or otherwise conduct any developmental and/or sales activities within the Subdivision other than those builders (if any, and whether one or more) which have been approved in advance in writing by Declarant (said approved builder or builders sometimes herein referred to as an "Authorized Builder"). Declarant's approval of any builder does not pass to any successor builder, and may not be otherwise transferred or assigned. Declarant's right to approve (or disapprove) any builder during the Development Period may be assigned only to another "Declarant" as so designated in accordance with applicable provisions of this Declaration.

A2.01.4 "Completion of the Initial Sale" of Lot Defined. As used herein and in the Declaration and as to each Lot, "completion of the initial sale" means and occurs upon substantial completion of the construction of a single family residence and related improvements upon the Lot and the sale of the Lot to a Person other than Declarant or a builder for use and occupancy of the Lot for a single family residence.

A3.01 Declarant Authority and Exemption as to Assessments.

A3.01.1 NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DECLARANT IS EXEMPT FROM PAYMENT OF ANY ANNUAL OR SPECIAL ASSESSMENTS, AND FROM PAYMENT OF ANY SPECIFIC ASSESSMENTS AS ESTABLISHED HEREBY, UNTIL THE FIRST DAY OF JANUARY FOLLOWING TERMINATION OF THE DEVELOPMENT PERIOD. DURING THE DEVELOPMENT PERIOD DECLARANT MAY ALSO EXEMPT ANY "AUTHORIZED BUILDER" (AS DEFINED IN SECTION A2.01) FROM PAYMENT OF ANNUAL, SPECIAL OR SPECIFIC ASSESSMENTS AS AFORESAID, IN WHOLE OR IN PART. IN THE EVENT OF RE-ACQUISITION OF OWNERSHIP OF ANY LOT BY DECLARANT, THE AFORESAID EXEMPTION AS TO PAYMENT OF ASSESSMENTS SHALL AGAIN APPLY IN ACCORDANCE WITH THIS SECTION. The forgoing shall also apply to any Lot used by Declarant or an Authorized Builder for a model residence or other development, marketing or sales purposes regardless of whether record title remains in Declarant or an Authorized Builder (such as, for example but without limitation, in the case of the sale of a resident to an Owner and lease back to Declarant for use as a model). In such cases, completion of the initial sale as provided in Section A2.01 shall not be deemed to have occurred until the first day of the month following termination of any such use of the Lot by Declarant or an Authorized Builder.

A3.01.2 During the Development Period Declarant is entitled to established all Association budgets and to set and change the annual rate of regular assessment and/or to impose special assessments and/or to set or impose specific assessments without the joinder, vote or consent

of any Owner or any other Person, and without further formality than giving of notice thereof to the Owners.

A3.01.3 Declarant may advance funds to the Association or directly pay for costs and expenses of the Association in which case Declarant shall be entitled to reimbursement from the Maintenance Fund, without interest.

A4.01 First Meeting of Owners; "Owner Directors"; "First Meeting Date".

A4.01.1 Declarant shall call the first meeting of Owners within a reasonable time after termination of the Development Period, or such earlier date as determined by Declarant. Declarant shall set the place, the time and the date (the "First Meeting Date") of the first meeting of Owners, and notice thereof must be given to all Owners. Notwithstanding any other provisions hereof or of any other Governing Documents, any notices of or relating to the first meeting of Owners may be mailed by regular mail to the street address of each Lot and may be addressed to "Association Member" or similar generic term. There is no duty by any Person giving any such notice to confirm ownership or any other mailing address. All Owners, whether Class A or Class B Members, are entitled to vote at the first meeting of Owners. Declarant may appoint any persons to act as a chairperson and secretary for the first meeting of Owners, or, if Declarant does not do so, then the Owners shall elect the chairperson and/or secretary, as applicable, for the meeting as the first order of business of the meeting. The Owners shall otherwise conduct the first meeting of Owners as provided in the Declaration, and in the Certificate of Formation and the Bylaws of the Association, and Declarant need not attend such meeting. The sole purpose of the first meeting is to conduct the election of all members of the Board of Directors ("Owner Directors") unless Declarant designates one or more other purposes in the notice of the meeting. All costs to call, notice and conduct the first meeting of Owners shall be paid from the Maintenance Fund. At the first meeting of Owners, the Owners shall elect three Owner Directors, one for a term of two years and two for a term of one year. The candidate receiving the largest number of votes shall be elected for the two year term.

A4.01.2 If one or more but less than all Owner Directors are elected at the first meeting of Owners, then the Owner Directors who have been elected, through less than a quorum, may appoint as many Owner Directors as needed to fill all remaining directorship positions. If no Owner Director is elected at the first meeting of Owners, then at any time until the expiration of ninety days after the First Meeting Date Declarant may appoint one Owner Director who may in turn appoint all remaining Owner Directors. If no Owner Director is elected or appointed as aforesaid, then after expiration of the aforesaid ninety day period any Owner may call, notice and conduct an alternate first meeting of Owners for the purpose of electing Owner Directors.

A4.01.3 Until expiration of two years following the date of transfer of Declarant control as hereafter provided, Declarant must be (i) provided with true and correct copies of any and all notices given to Owners or Members and all other documents provided with same at the same time any such notice and/or other document is given to Owners or Members, and (ii) given written notice of the name, mailing address, and, as applicable, home, work and facsimile telephone

numbers, and electronic transmission (e-mail) address of each Owner Director who is elected or appointed by Class A Members or by Owner Directors within ten days after any applicable election or appointment.

A4.01.4 IF THE CLASS A MEMBERS FAIL TO ELECT AND DECLARANT DOES NOT APPOINT AT LEAST ONE OWNER DIRECTOR NOT LATER THAN TWO YEARS PLUS ONE DAY AFTER THE FIRST MEETING DATE, THEN (i) ALL FUNDS REMAINING IN THE MAINTENANCE FUND, IF ANY, WILL BE DEEMED ABANDONED AND EXCLUSIVE OWNERSHIP THEREOF SHALL BE AUTOMATICALLY TRANSFERRED TO DECLARANT, AND (ii) ANY BOOKS AND RECORDS OF THE ASSOCIATION OR ACC IN THE POSSESSION OR CONTROL OF DECLARANT OR DECLARANT'S RELATED PARTIES MAY BE DESTROYED.

A5.01 Transfer of Declarant Control; Effect.

A5.01.1 THE DATE OF TRANSFER OF DECLARANT CONTROL IS THE DATE OF OCCURRENCE OF THE EARLIER OF (1) ELECTION BY CLASS A MEMBERS OR APPOINTMENT BY DECLARANT OF AT LEAST ONE OWNER DIRECTOR, OR (2) NINETY DAYS AFTER THE "FIRST MEETING DATE" (AS DEFINED IN SECTION A4.01.1).

A5.01.2 ON THE DATE OF TRANSFER OF DECLARANT CONTROL (1) ALL OFFICERS, DIRECTORS AND/OR ACC MEMBERS THERETOFORE APPOINTED OR ELECTED BY DECLARANT (OTHER THAN OWNER DIRECTORS) ARE AUTOMATICALLY REMOVED FROM OFFICE AND FULLY RELIEVED THEREAFTER FROM ANY FURTHER RIGHTS, DUTIES, LIABILITIES AND RESPONSIBILITIES REGARDING THE ASSOCIATION, THE ACC OR THE SUBDIVISION, AND (2) THE ASSOCIATION AND ITS MEMBERS BECOME WHOLLY AND SOLELY RESPONSIBLE FOR THE MANAGEMENT, MAINTENANCE AND OPERATION OF THE ASSOCIATION AND ACC, AND OF THE SUBDIVISION, INCLUDING WITHOUT LIMITATION FULL AND SOLE ASSUMPTION BY THE ASSOCIATION OF ALL MAINTENANCE RESPONSIBILITIES OF THE ASSOCIATION.

A6.01 Community Properties; Landscaping.

A6.01.1 REGARDLESS OF DESIGNATION BY ANY PLAT OR OTHERWISE, DURING THE DEVELOPMENT PERIOD DECLARANT MAY AT ANY TIME AND FROM TIME TO TIME (i) DESIGNATE, CONSTRUCT, OR EXPAND COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES, AND (ii) MODIFY, DISCONTINUE, REDESIGNATE OR IN ANY OTHER MANNER CHANGE THE COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT SPECIFICALLY RESERVES THE RIGHT AT ANY TIME DURING THE DEVELOPMENT PERIOD TO SELL OR OTHERWISE DISPOSE OF ANY "RESERVES" AND ANY OTHER SIMILAR AREAS, REGARDLESS OF DESIGNATION OF ANY SUCH AREA BY ANY PLAT OR OTHERWISE AS "RESTRICTED", "UNRESTRICTED", OR OTHER DESIGNATION. NEITHER THE FOREGOING NOR ANY OTHER PROVISIONS HEREOF SHALL BE

CONSTRUED AS IN ANY MANNER CONSTITUTING ANY REPRESENTATION, WARRANTY OR IMPLICATION WHATSOEVER THAT DECLARANT OR ANY BUILDER WILL UNDERTAKE ANY SUCH DESIGNATION, CONSTRUCTION, MAINTENANCE, EXPANSION, IMPROVEMENT OR REPAIR, OR THAT IF AT ANY TIME OR FROM TIME TO TIME UNDERTAKEN, ANY SUCH ACTIVITIES WILL CONTINUE, AND ANY SUCH REPRESENTATION, WARRANTY OR IMPLICATION IS HEREBY SPECIFICALLY DISCLAIMED.

A6.01.2 During the Development Period Declarant may provide and construct such Community Properties as Declarant may desire. Once provided or constructed, all costs and expenses of the operation, management, maintenance, repair and replacement of Community Properties, including all costs and expenses of insurance thereon and all ad valorem taxes and other assessments in the nature of property taxes covering or fairly allocable thereto, will be paid by the Association (either directly or by reimbursement to Declarant), regardless of whether or not title has been transferred or conveyed to the Association and regardless of whether or not any applicable contract, agreement or other arrangement for operation, management, maintenance, repair or replacement is in the name of, is procured through or has been transferred or assigned to the Association. The Association will also pay as aforesaid all costs and expenses, regardless of type and including procurement, as to service type Subdivision Facilities such as any patrol, or any garbage or recycling services

A6.01.3 Without limitation of Section A6.01 or any other provisions hereof, it is expressly stipulated and agreed that Declarant does not represent, guarantee or warrant the viability, vitality, type, quality, quantity or continued existence, maintenance or replacement of any landscaping within or in the vicinity of the Subdivision, and no Owner or any other Person shall ever have any claim whatsoever against Declarant or Declarant's Related Parties regarding, directly or indirectly, any landscaping. The foregoing applies to any and all landscaping, whether natural or pre-existing prior to initiation of any Development Activities (and hereafter defined), whether planted or otherwise maintained as part of Development Activities, and as to any change, removal or other modification of any landscaping. Once planted or otherwise provided, all costs and expenses of maintenance, replacement and/or removal of, and all risk of loss as to, all landscaping within any Community Properties or which is otherwise maintained by the Association shall be the sole responsibility of the Association, subject to Declarant's rights under Section A6.01.1.

A6.01.4 Declarant may transfer, convey or assign any or all Community Properties to the Association during the Development Period, and must do so within a reasonable time after termination of the Development Period. The Association is obligated to accept any conveyance and any other transfer of ownership of any Community Properties (as so designated by Declarant during the Development Period), regardless of whether the conveyance or other transfer occurs during or after the Development Period. The Association's acceptance as aforesaid is conclusively established upon filing of the applicable instrument of conveyance or other transfer in the Official Public Records of Real Property of Harris County, Texas, or as of the date of delivery of said instrument to the Association.

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A6.01.5 ANY RIGHT, TITLE OR INTEREST TO ALL COMMUNITY PROPERTIES, REAL OR PERSONAL, WILL BE TRANSFERRED, CONVEYED OR ASSIGNED TO THE ASSOCIATION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, AND, EXCEPT FOR SPECIAL WARRANTY OF TITLE BY, THROUGH OR UNDER DECLARANT, WITHOUT ANY COVENANT, WARRANTY, GUARANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW.

A7.01 Easements.

A7.01.1 Declarant and any Authorized Builder as so designated by Declarant, and their agents or employees (including any contractor or subcontractor) are entitled during the Development Period to use and exercise all easements set forth in the Declaration for, and Declarant may grant or exercise such additional easements for ingress, egress and usage as is reasonably necessary for, construction of single family residences, providing and development of utilities, Community Properties and/or Subdivision Facilities and any and all other Development Activities (as hereafter defined).

A7.01.2 In addition to the general easement as provided in the proceeding subsection, until completion of the initial sale (as defined in **Section A2.01** hereof) of all Lots, Declarant and any Authorized Builder shall have a temporary construction easement upon, under, over, across and above each Lot and all Community Properties for purposes of installation, construction and completion of the residence, garage and any other structures or improvements upon any adjacent Lot or Community Properties and the conducting of any other Development Activities (as hereafter defined) in relation thereto, provided that this easement shall not extend in any manner to the interior of any residence or garage and may not be utilized in such manner as to block ingress or egress as to same, and provided further that Declarant or any Authorized Builder utilizing this easement shall restore any parts of the Lot or Community Properties affected by such usage to as nearly as practicable the same condition it was prior to such usage promptly upon completion of such usage.

A8.01 Development and Sales Activities. Declarant, and any builder so authorized by Declarant, have the right to transact any business and conduct any activities reasonably necessary for all construction within, and all development of, the Subdivision, and for the sale or rental of Lots and single family residences and any other improvements to be constructed within the Subdivision (all such construction, development, sales and all related business and activities herein referred to as "Development Activities"), including without limitation as follows:

A8.01.1 Until completion of the initial sale (as provided in **Section A2.01**) of all Lots owned by Declarant or a builder, whether or not the initial sale of all Lots occurs during or after the Development Period, Declarant (and any Authorized Builder) have the right to (i) maintain models, to have, place and maintain sales and promotional signs, and any other signs (including without limitation any "sing" as that term is defined in **Section 8.08** of the Declaration), and any other promotional devices within the Subdivision, to conduct from time to time an "open house" and similar events for realtors and other persons which may include without limitation leaving limited

access gates (if any) open as hereafter provided, and to use for development, sales and/or promotional purposes all or any part of any Community Properties and any Lot, or residence or other improvements located thereon, which is owned by Declarant or a builder, and (ii) TO LEAVE LIMITED ACCESS GATES, IF ANY, OPEN FOR ANY PERIODS OF TIME (OR AT ALL TIMES) AND OTHERWISE PROVIDE FOR OR PERMIT ACCESS TO THE SUBDIVISION TO ANY PERSONNEL INVOLVED IN ANY DEVELOPMENT ACTIVITIES, TO PROSPECTIVE PURCHASERS, TO REALTORS AND TO OTHER PERSONS AS DECLARANT REASONABLY DETERMINES IS NECESSARY OR CONVENIENT TO ACCOMMODATE ANY DEVELOPMENT ACTIVITIES.

A8.01.2 Declarant (and any Authorized Builder) may or will be required during the Development Period to, and are hereby specifically authorized to, engage in construction activities upon multiple Lots or Community Properties, to store equipment or materials on multiple Lots or Community Properties, to create accumulations of trash and debris, and to otherwise engage in activities and create conditions related to development of the Subdivision, including the construction and sale of residences and any other improvements in the Subdivision. Without limitation of the foregoing, Declarant and any Authorized Builder are specifically authorized to engage in any of the foregoing activities and any other Development Activities at any times and on any days (including Sundays and holidays) as Declarant or the Authorized Builder deems necessary, subject to Declarant's right to reasonably regulate hours and days as to Authorized Builders.

A8.01.3 Declarant may establish any reasonable regulations as to Owners and tenants, as to the Association and ACC, as to any Related Parties of any of the foregoing, and as to any other Person, which Declarant deems appropriate to avoid hindrance or interference with any Development Activities, including limiting or denying access to areas of the Subdivision, designating temporary dumping sites, permitting of parking of vehicles owned or operated by construction workers or otherwise being utilized for Development Activities at any location within the Subdivision (except upon any part of any Lot occupied by an Owner other than Declarant), regardless of whether or not such parking would otherwise be prohibited by the Declaration or other Governing Documents, maintenance of metal buildings or structures and use of Community Properties and/or Subdivision Facilities in connection with any Developmental Activities.

A8.01.4 ABSENT INTENTIONAL AND WILLFUL MISCONDUCT, DECLARANT AND ANY AUTHORIZED BUILDER ARE NOT LIABLE TO ANY OWNER OR TENANT, OR TO THE ASSOCIATION OR ACC, OR TO ANY RELATED PARTIES OF ANY OF THE FOREGOING, OR TO ANY OTHER PERSON FOR ANY CONSEQUENCES OF THE REASONABLE CONDUCTING OF ANY DEVELOPMENT ACTIVITIES.

A9.01 Amendment of Governing Documents or Plat; Designation of Community Properties; Annexation. During the Development Period Declarant reserves the sole and exclusive right, without joinder or consent of, and without notice of any kind to, any Owner or other Person, to (i) amend, modify, revise or repeal, from time to time and at any time, the Declaration (including this Exhibit "A") and any other Governing Documents, (ii) prepare, amend, modify, revise or repeal any Plat covering or to cover the Subdivision, (iii) designate, construct or expand the Community Properties,

and to modify, discontinue, redesignate or in any other manner change the Community Properties, and (iv) annex and subject any other property to the scheme of the Declaration provided any such annexation is not inconsistent with the scheme of development contemplated hereby. During the Development Period, no other properties may be annexed or subjected to the scheme of the Declaration without the written consent of Declarant. Any such amendment, modification, revision, repeal or annexation shall be effective from and after filing of notice thereof in the Official Public Records of Real Property of Harris County, Texas except to the extent expressly otherwise provided in the notice.

A10.01 Binding Arbitration; Limitations. Declarant may, by written request, whether made before or after institution of any legal action, require that any Dispute (as hereafter defined) be submitted to binding arbitration to be conducted in Harris County, Texas in accordance with the Construction Industry Arbitration Rules (or substantial equivalent) of the American Arbitration Association. "Dispute" means any claim, demand, action or cause of action, and all rights and remedies regarding same, claimed or asserted by the Association, the ACC or any Owner, or by their Related Parties, against or adverse to Declarant, or to any Related Party of Declarant, regarding (i) the Declaration (including this Exhibit "A") or any other Governing Documents, and/or (ii) any of Declarant's Development Activities within or regarding the Subdivision, including the construction of any residence or other improvement. The decision(s) of the arbitrator shall be final and binding, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The initial cost of such arbitration shall be borne equally by the parties, but the cost of such proceeding, including, without limitation, expert witness fees and reasonable attorneys fees, shall be awarded to the prevailing party. NOTICE OF ANY DISPUTE MUST BE GIVEN TO DECLARANT NOT LATER THAN ONE HUNDRED TWENTY DAYS AFTER, AND SUIT REGARDING ANY DISPUTE MUST BE FILED IN A COURT OF COMPETENT JURISDICTION NOT LATER THAN TWO YEARS PLUS ONE DAY AFTER, THE DATE ANY CAUSE OF ACTION REGARDING THE DISPUTE ACCRUES.

A11.01 Notice to Declarant. All notices to Declarant, either during or after the Development Period, must be given to Declarant as provided in Section 5.255 of the Texas Business Organizations Code, as amended, at Declarant's registered office or principal office, and as otherwise provided in **Section 10.05** of the Declaration.

A12.01 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS TO THE CONTRARY, NO PROVISIONS OF THIS EXHIBIT "A", AND NO OTHER RIGHTS OR LIMITATIONS OF LIABILITY APPLICABLE TO DECLARANT PURSUANT TO THE DECLARATION, MAY BE AMENDED, MODIFIED, CHANGED OR TERMINATED EITHER DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT.

FILED
2008 DEC 15 PM 1:29
County Clerk
HARRIS COUNTY, TEXAS
Barbara A. Keefman

RP 061-56-1293

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS UNLAWFUL AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in the Number Sequence on the date and at the time
indicated hereon by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris
County, Texas on

DEC 15 2008



Beverly B. Kayman

COUNTY CLERK
HARRIS COUNTY, TEXAS