

1472A-FD-NG112
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
CEDAR WOODS
(MONTGOMERY COUNTY)

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for CEDAR WOODS (this "Declaration") is made on the date hereinafter set forth by Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (hereinafter called "Declarant")

WITNESSETH

Declarant is the owner of all of the real property described on Exhibit "A" to this Declaration.

Declarant desires to subject the real property described such Exhibit "A" to the provisions of this Declaration to create a residential community of single-family detached housing.

All Restricted and Unrestricted Reserves presently subject to this Declaration or subsequently subjected to this Declaration are, however, specifically excepted from Article IX, Restrictions of Use.

It has been deemed desirable, for the efficient preservation of values and amenities in the Property, to create an Association to which shall be delegated and assigned the powers of administering and enforcing the provisions of this Declaration including levying, collecting, and disbursing the assessments.

To exercise these functions, an association was created under a previous name which is being renamed as CEDAR WOODS Community Association, Inc., a non-profit corporation created under the laws of the State of Texas. The directors of the Association have established By-Laws by which the Association has and shall be governed.

Declarant hereby declares that the Property shall be developed, improved, sold, used, and enjoyed in accordance with and subject to the following plan of development, including the assessments, conditions, covenants, easements, reservations, and restrictions of this Declaration, all of which are adopted for and placed upon the Property; shall run with the Property and be binding on all parties who now or hereafter have or claim any right, title, or interest in the Property or any part of the Property, and on the heirs, executors, administrators, successors, and assigns of such parties, regardless of the source of or the manner in which any such right, title, or interest is or may be acquired; and shall inure to the benefit of each owner of any part of the Property.

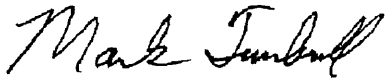
ARTICLE I
DEFINITIONS

Section 1. "Architectural Review Committee" or "ARC" shall mean and refer to the CEDAR WOODS Architectural Review Committee created by Article VI, Section 1 hereof.

Section 2. "Association" shall mean and refer to CEDAR WOODS Community Association, Inc a non-profit corporation incorporated under the laws of the State of Texas, and its successors and assigns.

Section 3. "Board" shall mean and refer to the duly elected Board of Directors of the Association.

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11/13/2013 3:09PM

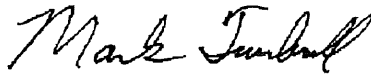


COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was e-FILED in
file number sequence on the date and at the time
stamped herein by me and was duly e-RECORDED in
the Official Public Records of Montgomery County, Texas.

11/13/2013



County Clerk
Montgomery County, Texas

14729-FD-MG112
**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
CEDAR WOODS
(MONTGOMERY COUNTY)**

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WITNESSETH

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It has been deemed desirable, for the efficient preservation of values and amenities in the Property, to create an Association to which shall be delegated and assigned the powers of administering and enforcing the provisions of this Declaration including levying, collecting, and disbursing the assessments.

To exercise these functions, an association was created under a previous name which is being renamed as CEDAR WOODS Community Association, Inc., a non-profit corporation created under the laws of the State of Texas. The directors of the Association have established By-Laws by which the Association has and shall be governed.

Declarant hereby declares that the Property shall be developed, improved, sold, used, and enjoyed in accordance with and subject to the following plan of development, including the assessments, conditions, covenants, easements, reservations, and restrictions of this Declaration, all of which are adopted for and placed upon the Property; shall run with the Property and be binding on all parties who now or hereafter have or claim any right, title, or interest in the Property or any part of the Property, and on the heirs, executors, administrators, successors, and assigns of such parties, regardless of the source of or the manner in which any such right, title, or interest is or may be acquired; and shall inure to the benefit of each owner of any part of the Property.

**ARTICLE I
DEFINITIONS**

Section 1. "Architectural Review Committee" or "ARC" shall mean and refer to the CEDAR WOODS Architectural Review Committee created by Article VI, Section 1 hereof.

Section 2. "Association" shall mean and refer to CEDAR WOODS Community Association, Inc a non-profit corporation incorporated under the laws of the State of Texas, and its successors and assigns.

Section 3. "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 4. "Builder" shall mean and refer to a department of Declarant or any other entity to which Declarant conveys Lots for the purpose of constructing homes or other permitted structures thereon.

Section 5. "Common Open Area" and "Common Open Areas" shall mean all real property owned by the Association for exclusive common use and enjoyment of the Owners, members of their families and guests.

Section 6. "Conveyance" shall mean and refer to conveyance of a fee simple title to the surface estate of a Lot from one Owner to another.

Section 7. "Lot" and "Lots" shall mean and refer to any plat of land shown upon any recorded subdivision map of the Property upon which there has been or may be constructed a single-family residence. There may be created and made subject to this Declaration, a total of 235 Lots in the entire Property, which may be increased in the event of any annexations of additional real property.

Section 8. "Declarant" shall mean and refer to Lennar Homes of Texas Land and Construction, Ltd., or any assignee, in whole or in part, of the rights and duties of the Declarant hereunder which is executed and recorded in the Montgomery County Real Property Records.

Section 9. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions and any Amendments hereto applicable to the Property recorded in the Montgomery County Real Property Records, as the same may be amended from time to time therein provided.

Section 10. "Development Period" shall mean and refer to that period of time in which Declarant is the Owner of any Lot.

Section 11. "Member" shall mean and refer to those persons entitled to membership as provided in Article IV, Section 1, of this Declaration. There are Class A and Class B members, as hereinafter set forth. The period of Class B membership shall be declarant control period and a Development Period, as those terms are used in any relevant legislation.

Section 12. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to the surface estate in any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Property" shall mean and refer to all of CEDAR WOODS, including but not limited to the real property set forth on Exhibit "A" attached hereto and made a part hereof, and any additions thereto as may have heretofore or hereafter be brought within the jurisdiction of the Association by annexation.

Section 14. "Transfer" shall mean and refer to the transfer of the surface estate of a Lot from one legal entity to any department thereof or to another legal entity whether or not the owner of record changes.

ARTICLE II RESERVATIONS, EXCEPTIONS, DEDICATIONS AND CONDEMNATION

Section 1. Incorporation of Plat. The subdivision plat of CEDAR WOODS, dedicate for use as such, subject to the limitations set forth therein, certain streets and easements shown thereon, and such subdivision plat further establish certain dedications, limitations, reservations and restrictions applicable to the Property. All dedications, limitations, restrictions and reservations shown on the subdivision plat, to the extent they apply to the Property, are incorporated herein and made a part hereof

as if fully set forth herein, and shall be construed as being adopted in each contract, deed and conveyance executed or to be executed by or on behalf of Declarant, conveying each Lot within the Property.

Section 2. Reservation of Minerals. The Property, and any future land made subject to this Declaration, is hereby subjected to the following reservation and exception: All oil, gas and other minerals in, on and under the herein above described Property are hereby excepted or reserved by predecessor or predecessors in title of Declarant and which exception is made in favor of present owner or owners or owners of such minerals as their interests may appear of record.

Section 3. Condemnation. If all or any part of the Common Open Area is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The expense of participation in such proceedings by the Association shall be borne by the Association and paid for out of assessments collected pursuant to Article V hereof. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings.

All damages or awards for such taking shall be deposited with the Association. If an action in eminent domain is brought to condemn a portion of the Common Open Areas, the Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto; or to convey such portion of the Property to the condemning authority in lieu of such condemnation proceeding.

ARTICLE III PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Lot Owner who resides on the Property shall have a right to an easement of enjoyment in and to the Common Open Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to grant or dedicate easements in, on, under or above the Common Open Areas or any part thereof to any public or governmental agency or authority or to any utility company for any service to the Property of any part thereof;
- (b) the right of the Association to prevent an Owner from planting, placing, fixing, installing or constructing any vegetation, hedge, tree, shrub, fence, wall, structure or improvement or store any personal property on the Common Open Areas or any part thereof without the prior written consent of the Association. The Association shall have the right to remove anything placed on the Common Open Areas in violation of the provisions of this subsection and to assess the cost of such removal against the Owner responsible. Such cost shall be an additional assessment as hereinafter provided for;
- (c) the right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Open Areas and the facilities thereof, for display and exhibit purposes in connection with the sale of Lots within the Property, which right Declarant hereby reserves; provided, however, that such use shall not continue for a period of more than fifteen (15) years after conveyance of the Common Open Areas within the Property to the Association, provided, further, that no such use by Declarant or its sales agents or representatives shall otherwise unreasonably restrict the Members in their use and enjoyment of the Common Open Areas;
- (d) the right of the Association to limit the number of guests of Owners utilizing the recreational facilities and improvements owned by the Association and provided upon Common Open Areas;

(e) the right of the Association to establish uniform rules and regulations and to charge reasonable admission and other fees pertaining to the use of any recreational facilities owned by the Association; and

(f) the right of the Association to suspend the voting rights of an Owner (unless prohibited by law) and the Owner's right to use any recreational facility of the Association during the period the Owner is in default in excess of thirty (30) days in the payment or any maintenance charge assessment against a Lot and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. The aforesaid rights of the Association shall not be exclusive but shall be cumulative of and in addition to all other rights and remedies which the Association may have by virtue of this Declaration or its By-Laws or at law or in equity on account of any such default or infraction.

Section 2. Delegation of Use. Owners subject to an easement of enjoyment in and to the Common Open Areas may delegate their right to or enjoyment of the Common Open Areas to members of their families, tenants or contract purchasers who reside in Owner's residential dwelling.

Section 3. Waiver of Use. No Owner may be exempt from personal liability for assessments duly levied by the Association, nor release a Lot owned from the liens and charges hereof, by waiver of the use and enjoyment of the Common Open Areas thereon or by abandonment of Owner's Lot.

Section 4. Easement for Entry. The Association shall have an easement to enter into any Lot for emergency, safety, and for other purposes reasonably necessary for the proper maintenance and operation of the Property, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. It is intended that this right of entry shall include (and this right of entry shall include) the right of the Association to enter a Lot (and the improvements thereon) to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board. The easement for entry is also for the benefit of each Owner of a Lot, for ingress and egress, over and across the other Lots (although the easement for Owners does not extend to the inside of the improvements on a Lot) for emergency purposes and/or during emergency situations, to allow Owners to remove themselves from danger.

Section 5. Indemnification. The Association and Owners each covenant and agree, jointly and severally, to indemnify, defend and hold harmless Declarant, and its respective officers, directors, parent and/or subsidiary entities, partner(s) and any related persons or corporations, and their employees, professionals and agents from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Open Areas or other property serving the Association and improvements thereon, or resulting from or arising out of activities or operations of Declarant or of the Association, or of the Owners, and from and against all costs, expenses, court costs, counsel fees (including, but not limited to, expenses, court costs, counsel fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments or decrees which may be entered relating thereto. The costs and expense of fulfilling this covenant of indemnification shall be considered operating costs of the Association to the extent such matters are not covered by insurance maintained by the Association. IT IS EXPRESSLY ACKNOWLEDGED THAT THE INDEMNIFICATION IN THIS SECTION PROTECTS DECLARANT (AND/OR ITS RESPECTIVE OFFICERS, DIRECTORS, PARENT AND/OR SUBSIDIARY ENTITIES, PARTNER(S) AND ANY RELATED PERSONS OR CORPORATIONS, AND THEIR EMPLOYEES, PROFESSIONALS AND AGENTS) FROM THE CONSEQUENCES OF THEIR RESPECTIVE ACTS OR OMISSIONS,

INCLUDING WITHOUT LIMITATION, DECLARANT'S (AND/OR ITS RESPECTIVE OFFICERS', DIRECTORS', PARENT AND/OR SUBSIDIARY ENTITIES', PARTNER(S)' AND ANY RELATED PERSONS' OR CORPORATIONS', AND THEIR EMPLOYEES', PROFESSIONALS' AND AGENTS') NEGLIGENCE ACTS OR OMISSIONS, TO THE FULLEST EXTENT ALLOWED BY LAW.

Section 6. National Electrical Safety Code Notice. Entergy Texas Inc. has installed high voltage electrical lines ("Overhead Power Lines") on certain Lots and Reserves on the Property. Owners are advised that applicable State and Federal laws mandate the requirement to maintain safe clearance distances from such Overhead Power Lines (as well as other electrical facilities) as prescribed by O.S.H.A., Chapter 752 of the Texas Health and Safety Code, the National Electric Code, and the National Electric Safety Code.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each person or entity who is a record Owner of any of the Property, which is subject to assessment by the Association, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land, which is subject to assessment, by the Association.

Section 2. Voting Classes. The Association shall initially have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant (except as hereinafter provided) and shall be entitled to one vote for each Lot, equivalent Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote of such Lot shall be exercised as the persons among themselves determine, but in no event shall more than one vote be cast with respect to each Lot owned.

Class B. The Class B member shall be the Declarant and shall be entitled to 2000 votes, regardless of the Lots owned by it. Class B membership shall cease and be converted to Class A membership on the earlier of the following dates:

- (a) On the date on which the Declarant has sold and conveyed all of the Lots it owns in the Property (including property hereafter annexed into the jurisdiction of the Association).
- (b) January 1, 2030; or
- (c) when, in its discretion, the Declarant so determines and records an instrument to such effect in the Real Property Records of Montgomery County.

From and after the happening of these events, whichever occurs earlier, the Class "B" member shall be deemed to be a Class "A" member entitled to one (1) vote for each Lot it owns.

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

forth in the preceding paragraph (b) of this Article shall be extended to the extent necessary such that in all circumstances it extends for a period no shorter than ten (10) years from the date of each such recorded annexation (i.e. Supplementary Declaration).

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) annual assessments or charges; and
- (b) additional assessments as herein provided; and
- (c) special assessments, which are to be established and collected as hereinafter, provided.

The annual, additional, and special assessments, together with interest, late fees, penalties, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing and contractual lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, late fees, penalty, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them. For purposes of this Declaration and this Article describing assessments, the billable year of assessments will be January 1 of any year to December 30 of the following year.

Section 2. Purposes of Assessment. The assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety and welfare of the Members of the Association and for the improvement and maintenance of the Common Open Areas including the improvements and landscaping thereon.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be the rate set by the Board per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year above the maximum assessment for the previous year without a vote of the membership by the percentage change by which the Consumer Price Index for the immediately preceding calendar year exceeds such Index for the calendar year prior thereto or by fifteen percent (15%), whichever is greater. As used herein, the "Consumer Price Index" shall mean the year-end Consumer Price Index for All-Urban consumers, published by the U.S. Department of Labor (or a generally accepted replacement should such Index no longer be published).

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner the maximum annual assessment may be increased above the rates specified in this Section 3, Paragraph (a) by a vote of two-thirds (2/3) of each class of Members entitled to vote in person or by proxy, at a meeting duly called for this purpose at which a quorum is present.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment billable year, a special assessment applicable to that billable year only for the purpose of defraying in whole or in part, the cost

for necessary purposes of the Association, such as the construction, reconstruction, repair or replacement of a capital improvement in the Common Open Areas, including fixtures and personal property related thereto, or for counsel fees or the fees of other retained experts. However, in the event that a special assessment is more than one-half (1/2) of the then annual assessment amount for the respective billable year, then any such special assessment shall require the assent of two-thirds (2/3) of the total votes of both classes of Members entitled to vote in person or by proxy, at a meeting duly called for this purpose at which a quorum is present.

Section 5. Rate of Assessment. All Lots within the Property shall commence to bear their applicable assessments simultaneously, and improved Lots owned by the Declarant are not exempt from assessment. Lots which are owned by or transferred to a Builder or which are occupied by residents and improved Lots owned by Declarant shall each be subject to an annual assessment as determined by the Board of Directors pursuant to the terms of this Declaration. Unimproved Lots which are owned by Declarant shall be assessed at the rate of one-fourth (1/4) of the annual assessment; however, said assessment shall be made only in the event and then only to the extent that assessments from Lots owned by other than Declarant are not sufficient to meet the operating budget of the Association. As used herein, the term "improved Lot" shall mean a Lot or on which a residential dwelling has been constructed and is ready for occupancy as evidenced by the issuance of a Certificate of Occupancy by the City of Conroe, Texas (to the extent that such Certificate of Occupancy is required by prevailing law). A Lot assessment shall be assessed against a Builder, instead of Declarant when a Lot is made available for improvement by said Builder and there is written confirmation, reservation, or conveyance of said Lot by Declarant in favor of Builder. As used in this Section 5, the term "Declarant" shall be construed to mean only Lennar Homes of Texas Land and Construction, Ltd., and its successors and assigns, acting in their capacity as land developers; and a Lot owned, reserved, or held by a home building division or any commercial construction division of Declarant shall be subject to full assessment as provided herein.

Section 6. Creation of Parcel Assessment. There are hereby created Parcel Assessments for Common Expenses as may from time to time be authorized by the Board of Directors. Parcel Assessments shall be levied against Lots within particular parcels of the Properties for whose benefit expenses are incurred, such as maintaining and operating facilities and amenities within a Parcel reserved for use of the residents within that Parcel, expenses of enforcing all assessments, covenants, and conditions relating to a respective Parcel, and expenses determined by the Board to be for the benefit of a respective Parcel. Each Lot within a Parcel shall pay a Parcel Assessment computed in the same manner as such Lot pays an annual assessment. Parcel Assessments established in one Parcel do not need to be equal to Parcel Assessments established in another Parcel. Parcel Assessments shall be collectable and enforceable in the same manner as all other assessments hereunder.

Section 7. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot to an Owner or a transfer of any Lot owned by Declarant to a Builder. The first annual assessment shall be adjusted according to the number of months remaining in the billable year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment billable year. Written notice of the annual assessment shall be sent to each Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or authorized agent of the Association setting forth whether or not the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. The annual maintenance charge assessed against each Lot shall be due and payable, in advance, on the date of the sale of such Lot by Declarant for that portion of the billable year remaining, and on the first (1st) day of each January thereafter, or other such date or dates as determined by the Board. Any annual maintenance charge which is not paid and received by the Association within thirty-one (31) days after its due date shall be deemed to be delinquent, and, without notice, shall bear interest at the rate of ten

percent (10%) per annum from the date originally due until paid. Further, the Board of Directors of the Association shall have the authority to impose a monthly late charge on any delinquent annual maintenance charge. The monthly late charge, if imposed, shall be in addition to interest. To secure the payment of the annual maintenance charge, additional assessments, special assessments levied hereunder and any other sums due hereunder (including, without limitation, interest, late fees, fines, attorney's fees or delinquency charges), there is hereby created and fixed a separate and valid and subsisting lien upon and against each Lot and all Improvements thereto for the benefit of the Association, and superior title to each Lot is hereby reserved in and to the Association. The lien described in this Section and the superior title herein reserved shall be deemed subordinate to any mortgage for the purchase or improvement of any Lot and any renewal, extension, rearrangements or refinancing thereof. The collection of such annual maintenance charge and other sums due hereunder may, in addition to any other applicable method at law or in equity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interests, costs and attorney's fees shall be chargeable to and be a personal obligation of the defaulting Owner. Further, the voting rights of any owner in default in the payment of the annual maintenance charge, or other charge owing hereunder for which an Owner is liable, and/or any services provided by the Association, may be suspended by action of the Board for the period during which such default exists, unless prohibited by law. Notice of the lien referred to in the preceding paragraph may, but shall not be required to, be given by the recordation in the office of the Montgomery County Real Property Records of an affidavit, duly executed, and acknowledged by an officer or authorized agent of the Association, setting forth the amount owned, the name of the Owner or Owners of the affected Lot, according to the books and records of the Association, and the legal description of such Lot. Each Owner, by acceptance of a deed to his Lot or, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Association the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid annual maintenance charge and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including both judicial and non-judicial foreclosure pursuant to Chapters 51 and 209 of the Texas Property Code (as same may be amended or revised from time to time hereafter) and in addition to and in connection therewith, by acceptance of the deed to his Lot, each Owner expressly grants, bargains, sells and conveys a power of sale to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid annual maintenance charge, and other sums due hereunder remaining unpaid hereunder by such Owner from time to time and grants to such trustee such power of sale. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and filed in the office of the Montgomery County Real Property Records. In the event of the election by the Board to foreclose the lien herein provided for nonpayment of sums secured by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, to enforce the lien and to sell such Lot, and all rights appurtenant thereto, in accordance with the provisions of Chapters 51 and 209 of the Texas Property Code as same may hereafter be amended. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice.

Section 9. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure or a foreclosure by Trustee's sale under a deed of trust or a foreclosure of the assessment lien retained herein. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any

proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability of any assessments which thereafter become due or from the lien thereof. In addition to the automatic subordination provided for above, the Association, in the discretion of its Board of Directors, may voluntarily subordinate the lien securing any assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board shall determine. No such voluntary subordination shall be effective unless given in writing by the Association upon a vote of the Board of Directors.

Section 10. Exempt Properties. Any portion of the Property dedicated to and accepted by a local public authority, shall be exempt from the assessments created herein. Local public authorities include Montgomery County, the City of Conroe, Montgomery County Municipal Utility District No. 92, Conroe Independent School District, and like public authorities. Non-profit organizations such as churches and private schools are not exempt from said assessments. Further, no land or improvements devoted to residential dwelling shall be exempt from said assessments.

Section 11. Capitalization Fee. Each Owner of a Lot or Commercial Unit other than Declarant or other than a Builder (whether one or more Persons) at the time it purchases a Lot or Commercial Unit either directly from Declarant or from a Builder or from any other Owner thereof, shall be obligated to pay to the Association a fee per Lot or Commercial Unit, at the time of purchase, as a Capitalization Fee, in an amount equal to one-half (1/2) of the then annual assessment amount. Such funds from the Capitalization Fee collected at each purchase and sale and resale and shall be used to defray operating costs and other expenses of the Association, and also used to ensure that the Association shall have adequate funds to meet its expenses and otherwise, as the Declarant (and later the Association) shall determine in its sole discretion (hereinafter "Capitalization Fee"). Such Capitalization Fee shall be non-refundable and shall not be considered an advance payment of any assessments levied by the Association pursuant to this Declaration. The amount of the Capitalization Fee may be changed prospectively (but not retrospectively) by the Association from time to time in its discretion. Such Capitalization Fee will be collected from the Owner directly at the purchase of the Lot or Commercial Unit. If any Lot or Commercial Unit is subdivided and/or platted into multiple Lots or Commercial Units, then each of the multiple Lots or Commercial Units will thereafter be subject to the Capitalization Fee at the time of each purchase. Such Capitalization Fee shall be deemed an assessment hereunder, and may be collected in the same fashion with the same remedies for non-payment.

ARTICLE VI ARCHITECTURAL CONTROL

Section 1. Architectural Approval. The overall plan for the development for CEDAR WOODS contemplates centralization of architectural control to enhance, insure and protect the attractiveness, beauty and desirability of the area as a whole while at the same time permitting compatible distinctiveness of individual developments within the area. For this purpose, Declarant hereby reserves and retains the right of architectural control to itself or its assignee as hereinafter provided during the Development Period. Declarant shall initially appoint an Architectural Review Committee, consisting of not less than three (3) members, who need not be members of the Association, and who by majority vote may designate a representative to act for them. Any vacancy shall be filled by a successor appointed by Declarant; until such successor(s) shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications, and plot plans submitted to or designate a representative with like authority. Declarant retains the exclusive right to review and approve or disapprove all plans and specifications for original construction of the Property.

It is accordingly covenanted and agreed that no building, fence, wall, or other structure shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition to or change or alternation to such structure or the color thereof (including, without limitation, site landscaping visible from

any part of the Property and grading plans, patio covers and trellises, plans for off-street parking of vehicles and utility layout), be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Committee. In the event the ARC, or its designated representative, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been received by it, approval will not be required, and this Article will be deemed to have been fully complied with. All plans and specifications shall be submitted in writing over the signature of the Owner of the Lot or the Owner's authorized agent. The Architectural Review Committee shall have the right to require any Owner to remove or alter any structure which has not received approval or is built other than in accordance with the approved plans. The requirement of this Article is in addition to any approvals or permits required by any appropriate governmental entity.

Declarant hereby reserves and retains the right at its option to assign in whole or in part, its rights hereinabove set forth to an Architectural Review Committee appointed by the Association. In the event Declarant elects to assign such rights of approval, such assignment shall be evidenced by an instrument in writing and acknowledged by the proper officers of Declarant and placed of record in the Montgomery County Real Property Records.

Section 2. No Liability. Neither Declarant, the Association, its Board of Directors, nor the Architectural Review Committee or the members thereof shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any Owner of a Lot affected by these restrictions by reason of mistake in judgment, negligence, or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Review Committee for approval agrees that no action or suit for damage will be brought against Declarant, the Association, its Board of Directors, the Architectural Review Committee, or any of the members thereof.

The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Property; they do not create any duty to any Person. Review and approval of any application pursuant to this Article may be made on the basis of aesthetic considerations only, and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for the material used, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners, nor for ensuring that the improvements are fit for their intended purpose.

Declarant, the Association, the Board, any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition or quality of work of any contractor or its subcontractors, employees or agents, whether or not Declarant has approved or featured such contractor as a Builder; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Board, the ARC, and the members of each shall be defended and indemnified by the Association as provided in the By-Laws.

Section 3. Notice of Noncompliance. Notwithstanding anything to the contrary contained herein, after the expiration of one (1) year from the date of issuance of a building permit by municipal or other governmental authority for any improvement, and completion of construction of the improvement in accordance with the building permit, said improvement shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to be in compliance with all provisions of this Article VI unless actual notice of such noncompliance or noncompletion, executed by the Architectural Review Committee, or its designated representative, shall appear of record in the office of the County Clerk and Recorder of

Montgomery County, Texas, or unless legal proceedings shall have been instituted to enforce compliance or completion.

Section 4. Rules and Regulations. The Architectural Review Committee may from time to time recommend to the Board, and the Board may, in its sole discretion, adopt, promulgate, amend and repeal rules and regulations interpreting and implementing the provisions of this Article VI, including adoption of detailed Guidelines for Builders and Owners and the imposition of a fee or charge for review of proposed improvements or modifications.

Section 5. Variances. The Architectural Review Committee may recommend to the Board, and the Board may, by the vote or written consent of a majority of the members thereof, allow reasonable variances as to the covenants, conditions or restrictions contained in Article IX, Sections 15, 16, 17, 21, 22, and 24 of this Declaration, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property. Variances contained in plans that are inadvertently approved by the Architectural Control Committee as part of the proposed improvements shall not be considered as having been approved unless specifically approved by the Board in accordance with the provisions of this Section.

ARTICLE VII DUTIES AND MANAGEMENT OF THE ASSOCIATION

Section 1. Duties and Powers. In addition to the duties and powers enumerated in its Certificate of Formation and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

- (a) Own, maintain and otherwise manage all Common Open Areas and all facilities, improvements and landscaping thereon, and all other property acquired by the Association.
- (b) Pay any real and personal property taxes and other charges assessed against the Common Open Areas.
- (c) Have the authority to obtain, for the benefit of all of the Common Open Areas, all water, gas and electric services and refuse collection.
- (d) Grant easements where necessary for utilities and sewer facilities over the Common Open Areas to serve the Common Open Areas and the Property in general.
- (e) Maintain such policy or policies of insurance as the Board of Directors of the Association may deem necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members.
- (f) Have the authority to contract with a management company for the performance of maintenance and repair and for conducting other activities on behalf of the Association provided that such contract shall be limited to a duration of two (2) years, except with the approval of a majority of the Members entitled to vote. Any such management agreement shall provide that it will be terminable by the Association with or without cause upon thirty (30) days' written notice.
- (g) Have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board of Directors of the Association.
- (h) Have a duty to landscape and maintain the landscaping upon the Common Open Areas and the duty to maintain the perimeter walls or fences located at entrances to the Property, Common Open Areas, greenbelt buffers, parks and fencing and walls located on portions of Lotss.

(i) To enter into such contracts and agreements concerning the Property as the Board deems reasonably necessary or appropriate to maintain and operate the Property in accordance with the Declaration, and to assume any contracts and agreements concerning the Property entered into by the Declarant, including without limitation, the right to enter into agreements with adjoining or nearby landowners or governmental entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, streets or other matters of mutual interest.

(j) To take any and all actions, and to cause to be taken any and all actions which are the responsibility of the Association and the Board pursuant to this Declaration and the By-Laws, including but not limited to duties relating to electing Directors, creating budgets, delegating power, establishing and collecting assessments, the enforcement of all of the obligations of the Owners, to receive complaints and make determinations about violations of this Declaration, the By-Laws, the rules and regulations and policies, the holding of annual and special meetings, the management and maintenance of Common Property, the performance of all maintenance obligations of the Association hereunder and the payment of all costs and expenses to be paid by the Association hereunder.

Section 2. Litigation. Except as provided below, the Association shall not commence any judicial or administrative proceeding without the approval of 67% of the total eligible Association vote. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration and/or any rules or policies (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article V; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

ARTICLE VIII UTILITY BILLS, TAXES AND INSURANCE

Section 1. Obligations of Owners.

(a) Each Owner shall have separate electric, gas and water meters and shall directly pay for all electricity, gas, water, sanitary sewer service, telephone service, security systems, cable television and other utilities used or consumed by Owner.

(b) Each Owner may directly render for taxation Owner's Lot and improvements thereon, and shall at Owner's own cost and expense directly pay all taxes levied or assessed against or upon Owner's Lot.

Section 2. Obligation of the Association.

(a) The Association shall pay, as a common expense of all Owners, for all water, gas, electricity and other utilities used in connection with the enjoyment and operation of the Common Open Areas or any part thereof.

(b) The Association may render for taxation and, as part of the common expenses of all Owners, shall pay all taxes levied or assessed against or upon the Common Open Areas and the improvements and the property appertaining thereto.

(c) The Association shall have authority to obtain and continue in effect, as a common expense of all Owners, a blanket property insurance policy or policies to insure the structures and facilities in the Common Open Areas and the contents thereof and the Association against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, in such

amounts as the Association deems proper, and said insurance may include coverage against vandalism and such other coverage as the Association may deem desirable. The Association shall also have the authority to obtain comprehensive general liability insurance in such amounts as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees and each Owner (if coverage for Owners is reasonably available) from and against liability in connection with the Common Open Areas.

(d) All costs, charges and premiums for all utility bills, taxes and any insurance to be paid by the Association as hereinabove provided shall be paid as a common expense of all Owners and shall be paid out of the assessments.

ARTICLE IX RESTRICTIONS OF USE

Section 1. Single Family Residential Construction. Subject to Sections 2 and 11 of this Article, each Lot shall be used only for single-family residence purposes. No building shall be erected, altered or permitted to remain on any Lot other than one single-family detached residential dwelling not to exceed two (2) stories in height, and a private garage for not more than three (3) cars, which structure shall not exceed the main dwelling in height or number of stories. No such residence shall be constructed on less than the equivalent of one full Lot as defined in this Declaration or that may appear on any recorded plat or replat approved by Declarant or its assignee.

Section 2. Prohibition of Offensive or Commercial Use. No activity which may be or become an annoyance or nuisance to the neighborhood or which shall in any way unreasonably interfere with the quiet enjoyment of each Owner of such Owner's Lot or which shall degrade property values or distract from the aesthetic beauty of the Property shall be conducted thereon. No repair work, dismantling, or assembling of boats, motor vehicles or other machinery shall be done in any driveway or adjoining street. No part of the Property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such nonresidential purposes. Notwithstanding the above, Declarant, its successors or assigns, or Builders may use the Property for model homes display and sales offices during the Development Period, during construction or until all new homes on the Property have been sold.

Section 3. Minimum Square Footage. The living area of the main residential structure for Lots, exclusive of porches and garage, shall not be less than 1,300 square feet. Declarant shall have the right to modify these minimum square footage requirements for any additional land annexed into the Association and made subject to this Declaration.

Section 4. Building Materials. The predominant exterior materials of the main residential structure, garage, ancillary buildings or other structures, whether attached or detached, shall be masonry (brick, stucco, natural stone or manufactured stone), wood, or fiber-cement. No single-family construction, private garage or any other structure located on the Property shall be permitted to have a heating or cooling device located in a window or any other opening which can be viewed from any portion of the Property. Heating and cooling devices may be used in windows or other openings of any structure used by Declarant or a Builder during the completion and sale of all construction of this subdivision.

Section 5. Location of Improvements upon the Lots. No building shall be located on any Lot nearer to the front line or nearer to the side street line than the minimum building setback lines shown on the recorded plats. No building or other improvements on a Lot shall be located nearer than five feet (5') to an interior lot line. Declarant shall have the right to modify these setback criteria for any additional land annexed into the Association and made subject to this Declaration, and Declarant shall establish building setback criteria for uses other than single-family residential on a case-by-case basis.

Section 6. Deviations. Declarant, at its sole discretion, is hereby permitted to approve deviations in these restrictions on building area, location of improvements on the Lots and building materials in instances where in its judgment, such deviation will not adversely affect the development of the Property as a whole. Such approvals must be granted in writing and when given will automatically amend these restrictions for that lot only.

Section 7. Composite Building Sites. Any Owner of one or more adjoining Lots (or portions thereof) may consolidate such Lots or portions into one (1) building site, with the privilege of placing or constructing improvements on such resulting site, in which event setback lines shall be measured from the resulting side property lines rather than from the lot lines as indicated on the recorded plat. Any such composite building site must have a frontage at the building setback line of not less than the minimum frontage of lots in the same block on the applicable recorded plat of the respective section of CEDAR WOODS. Any revision of lot sizes is subject to all applicable regulations and laws for the State of Texas, the County of Montgomery, and the City of Conroe.

Section 8. Utility Easement. Easements for installation and maintenance of utilities are reserved as shown on the recorded plat, and no structure shall be erected on any of such easements. Neither Declarant nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or contractors to shrubbery, trees, flowers or improvements located on the land covered by such easements.

Section 9. Electrical Distribution Service. An electric distribution system will be installed in the Property, in a service area that will embrace all of the lots which are platted in the Property. In the event that there are constructed within the Property structures containing multiple dwelling units such as townhouses, duplexes, or apartments, then the underground service area shall embrace all of the dwelling units involved. The Owner of each lot containing a single dwelling unit, or in the case of multiple dwelling unit structure, the Owner or developer, shall, at its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, the point of attachment to be made available by the electric company at a point designated by such company at the property line of each lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter.

Declarant has either by designation on the plat or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the Owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure the Owner and developer thereof, shall at its own cost, furnish, install own and maintain a meter loop (in accordance with the then-current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as this service is maintained in the Property, the electric service to each dwelling unit shall be underground, uniform in character, and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

Easements for the underground service may be crossed by driveways and walkways provided the Lot Owner makes prior arrangements with the utility company furnishing any utility service occupying the easement and provides and installs the necessary conduit of approved type and size under such driveway or walkways prior to construction thereof.

Such easement for the underground service shall be kept clear of all other improvements, including buildings, patios or other paving, and neither Declarant nor any utility company using the

easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants, to shrubbery, trees, flowers or other improvements (other than crossing driveways or walkways providing conduit has been installed as outlined above) of the Lot Owner located on the land covered by such easements.

Section 10. Audio and Video Communication Service. Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more cable television companies and Declarant shall have the right and power in such agreement or agreements to grant to such cable television company or companies the uninterrupted right to install and maintain communications cable and related ancillary equipment and appurtenances within the utility easements and rights-of ways dedicated by the subdivision plat or by separate instruments pertaining to the Property. In the event that audio and video communication services and facilities are made available to any Lot by means of an underground cable system, there is hereby reserved to the company furnishing such services and facilities a two foot (2') wide easement along and centered on the underground wire or cable when and as installed by the company furnishing the service from the utility easement nearest to the point of connection on the permanent improvement of structure constructed, or to be constructed, upon the Lot and in a direct line from the nearest utility easement to the point of connection.

Section 11. Temporary Structures. No structures of temporary character, nor any recreational vehicle, mobile home, trailer, basement, tent, shack, garage, barn, playhouse or other outbuilding shall be constructed, erected, altered, placed or permitted to remain on any Lot at any time as a residence. Notwithstanding the foregoing, Declarant reserves the exclusive right to erect, place and maintain, and permit builders to erect, place and maintain, such facilities in and upon the Property as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and sale of homes and construction of other improvements on the Property.

Section 12. Outbuildings. Outbuildings, whether temporary or permanent, used for accessory, storage or other purposes shall be limited to eight (8) feet in height and one hundred (100) square feet in area. All outbuildings are subject to approval by the ARC. The standard, type, quality and color of materials used in the construction outbuildings shall be harmonious with those of the main residence. Metal siding or roofing shall not be permitted. Outbuildings may not be placed nearer than ten (10) feet to the rear property line, are not allowed on lots which backup to amenity ponds/detention ponds or reserves, and shall meet the side lot setback criteria set forth in Article IX, Section 5 of this Declaration, as modified for future land annexed into the Association and made subject to this Declaration.

Section 13. Play Structures and Basketball Goals

(a) Play Structures. One (1) free-standing play structure is permitted on a Lot with the prior written approval of the ARC; provided that, in no event shall a permitted play structure exceed twelve (12) feet in height, measured from the ground to the highest point of the play structure, and in no event shall a platform of a play structure extend above the ground by more than five (5) feet. The canopy of a play structure, if any, shall be a solid color approved in writing by the ARC; a multi-colored canopy is not permitted. A play structure on a Lot must be located within the rear yard of the Lot and in accordance with the applicable side and rear building setbacks. Provided that, Declarant, as long as there is a Class B Membership in the Association, and, thereafter, the ARC, shall have the authority to require a play structure on a Lot adjacent to a Common Area to be located farther from the rear or side property line than the applicable building setbacks to minimize the visibility of the play structure. Provided further that, a play structure on a corner lot shall not be located near to the side property line adjacent to the side street than twenty (20) feet. A free standing play structure shall not be deemed to be an outbuilding for purposes of Section 12, above.

(b) Basketball Goals. A pole-mounted basketball goal shall not be installed on a Lot without the prior written approval of the ARC. Upon reviewing an application for a pole-mounted basketball goal, the ARC is expressly authorized to consider, in addition to all other factors, the location of the proposed

basketball goal in relation to the residential dwelling on the adjacent Lot with regard to noise. Wall or roof mounted basketball goals are not approvable. Basketball goals may be regulation height.

Portable basketball goals may be placed in, or adjacent to, Owner's driveways for a period not to exceed twenty-four (24) consecutive hours. Portable basketball goals must be stored out of view from any street in the subdivision when not in use. Portable basketball goals may not be utilized within any common area or public right of way (including greenbelts, sidewalks, streets or cul-de-sacs).

Section 14. Animal Husbandry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except dogs, cats or other common household pets (not to exceed two of each category) provided they are not kept, bred or maintained for commercial purposes. Notwithstanding the foregoing, no animals or fowl may be kept on the Property which result in an annoyance or are obnoxious to residents in the vicinity. Animals are not permitted to roam the Property and must be controlled on a leash if they are not on a Lot. The Board of Directors shall have the right to limit the number of, and/or prohibit entirely, breeds of dogs that exhibit aggressive tendencies.

Section 15. Walls, Fences and Hedges.

(a) All walls, fences, planters and hedges shall be controlled strictly for compliance with this Declaration and architectural standards established and promulgated by the Declarant or the ARC.

(b) No wall, fence, planter or hedge in excess of two feet (2') in height shall be erected or maintained on a side lot line forward of point located three feet (3') back from the front exterior corners of the main residential structure located on a Lot. For the purpose of this provision the front wall of the main residential structure excludes bay or box windows, chimney structures or any other similar appendage.

(c) No wall, fence, or hedge in excess of six feet (6') in height shall be erected and maintained on a side lot line from a point located three feet (back from the front exterior corner of the main residential structure, backward to the rear property line on a Lot.

(d) On corner lots, side yard fences must be set back from the side property line one-half (½) of the side building line setback shown on the plat.

(e) Perimeter fencing on all Lots shall be maintained to a fence standard equivalent to original construction and all fencing must be consistent with this Declaration and architectural standards established and promulgated by Declarant or the ARC.

(f) Fences of wire or chain link construction are prohibited, and the design and materials of all fences shall be approved by the ARC prior to construction.

Section 16. Antennas. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by the regulations promulgated under the Telecommunications Act of 1996, as amended from time to time. The ARC is empowered to adopt rules governing the types of antennae that are permissible in the Property and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that receipt of an acceptable signal would not be impaired, antennae permissible pursuant to the rules of the ARC may only be installed on the roof to the rear of the improvements on the Lot, and integrated with the dwelling. Antennae shall be installed in compliance with all state and local laws and regulations.

Section 17. Visual Screening. All clothesline, equipment, garbage cans, service yards, woodpiles, refuse containers, or storage piles and household projects such as equipment repair and

construction projects shall be screened by adequate planting or fencing so as to conceal them from view of neighboring lots, streets, parks and public areas. All rubbish, trash, and garbage shall be kept in sanitary refuse containers with tightly fitting lids and shall be regularly removed from the lots and not allowed to accumulate thereon.

All stack vents and attic ventilators shall be located on the rear roof slopes perpendicular to the ground plane. They shall be placed in a location least visible from public areas and adjoining property.

Section 18. Visual Obstructions at the Intersections of Public Streets. No object or thing which obstructs sight lines at elevations between two feet (2') and six feet (6') above the roadways within the triangular area formed by the junction of street curb lines and a line connecting them at points twenty-five feet (25') from the junction of the street curb lines (or extensions thereof) shall be placed, planted or permitted to remain on any corner lots.

Section 19. Lot Maintenance. All Lots shall be kept at all times in a sanitary, healthful and attractive condition, and the Owner or occupant of all Lots and shall eradicate all weeds and keep all grass thereon cut, neatly maintained, and regularly fertilized. Owner, at all times, shall be responsible for prompt removal and replacement of dead or dying trees, bushes and bedding plants. In no event shall Owner use, or allow any Lot to be used, for storage of material and equipment except for normal residential purposes or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon, and shall not burn any garbage, trash or rubbish.

Section 20. Storage of Automobiles, Boats, Trailers, Other Vehicles and Equipment. Except as otherwise specifically provided in this Declaration, no Owner, lessee, tenant or occupant of a Lot, including all persons who reside with such Owner, lessee or occupant on the Lot, shall park, keep or store any vehicle on any Lot which is visible from any street in the Subdivision or any neighboring Lot other than a passenger vehicle or light truck and then only if parked on the driveway for a period not exceeding forty-eight (48) consecutive hours. For purposes of these Restrictions, the term "passenger vehicle" is limited to any vehicle which displays a passenger vehicle license plate issued by the State of Texas or which, if displaying a license plate issued by another state, would be eligible to obtain a passenger vehicle license plate from the State of Texas, and the term "light truck" is limited to a one (1) ton capacity pickup truck, sports utility vehicle, or van which has not been adapted or modified for commercial use. Such commercial modifications may include, but is not limited to, business signage on the vehicle. No passenger vehicle or light truck owned or used by the residents of a Lot shall be permitted to be parked overnight on any street in the Subdivision. No guest of an Owner, lessee or other occupant of a Lot shall be entitled to park on any street in the Subdivision overnight or on the driveway of a Lot for a period longer than forty-eight (48) consecutive hours. Motorcycles, bicycles, ATV's or other such vehicles, together with lawn mowers, lawn tractors and similar equipment, must stored out of view from any street in the subdivision when not in use

Section 21. Signs, Advertisements and Billboards. No sign, advertisement, billboard or advertising structure of any kind shall be displayed to the public view on any portion of a Lot or Common Open Areas except for one sign for each Lot of not more than twenty-eight (28) inches by thirty-eight (38) inches solely advertising the Lot for sale or rent, and except signs used by Declarant or a Builder to advertise the Lot during the construction and sales period. The Declarant and the Association shall have the right to remove any signs, advertisements or billboard or structure which is placed on said Lot or Common Open Areas, in violation of this section and in so doing shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal. The Architectural Guidelines approved by the Board may permit school spirit or security signs subject to the conditions relating to size and period of display as contained in the guidelines and subject to obtaining the Architectural Committee's prior written approval.

Section 22. Removal of Soil and Trees. The digging of soil or the removal of soil from any Lot is expressly prohibited except as necessary in conjunction with the landscaping of or construction on said Lot. No trees shall be cut except to provide room for construction of improvements or to remove dead or unsightly trees and then only following the obtaining of written approval for such cutting by Declarant or the Association, given in their sole discretion.

Section 23. Roofing Material. Roofing materials may include dimensional (architectural) composition shingles having a minimum warranty period of 25 years. Three-dimensional composition asphalt shingles shall be black. Colors for slate, clay or concrete tile roofs shall be approved individually by the Declarant or its assignee. Any other type or classification roofing material shall be permitted only at the sole discretion of the Declarant or its assigns upon written request, as may be further supplemented by Board resolution.

Section 24. Landscaping.

(a) The landscaping plan for each Lot shall be submitted to the ARC for review and approval before commencing installation. The landscape plan shall in compliance with guidelines published and promulgated by the ARC.

(b) All landscaping for a Lot shall be completed in accordance with the landscaping plan approved by the ARC no later than thirty (30) days following the issuance of a certificate of occupancy for the residential dwelling situated thereon.

(c) All front, back and side yards of each Lot shall, unless otherwise approved by the ARC, be sodded with St Augustine grass. The Owner of each Lot shall plant and maintain St Augustine grass between the boundary of their Lot and the paved right of way adjacent to their Lot.

(d) No hedge or shrubbery planting which obstructs sight lines of streets and roadways shall be placed or permitted to remain on any Lot where such hedge or shrubbery interferes with traffic sight lines for roadways within the subdivision. The determination of whether any such obstruction exists shall be made by the ARC, whose determination shall be final, conclusive and binding on all Owners.

(e) No rocks, rock walls or other substances shall be placed on any Lot as a front or side yard border or to prevent vehicles from parking on or pedestrians from walking on any portion of such Lot or to otherwise impede or limit access to the same. No bird baths, foundations, reflectors, flag poles, statues, lawn sculptures, artificial plants, rock gardens, rock walls, free-standing bird houses or other fixtures and accessories shall be placed or installed within the front or side yards of any Lot.

(f) No vegetable, herb or similar gardens or plants shall be planted or maintained in the front or side yards of any Lot or in the rear (back) yard of any Lot if visible from any street.

(g) The ARC may from time to time establish and promulgate rules and regulations adopting an approved list of plant life which may be utilized on any Lot, which rules and regulations may prescribe that a minimum dollar amount be established and utilized as the landscaping budget for each Lot.

(h) No Owner shall allow the grass on this Lot to grow to a height in excess of six (6) inches, measured from the surface of the ground.

(i) Seasonal or holiday decorations (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be removed from each Lot or residential dwelling within a reasonable period of time after such holiday passes. The ARC shall have the sole discretion to determine what is a reasonable period of time for seasonal or holiday decorations to exist after the holiday passes and its determination shall be final.

(j) Each Owner shall be responsible for maintaining and replacing, if necessary, the front yard and street trees in accordance with Guidelines published and promulgated by the ARC.

(k) Declarant or the ARC shall have the right to modify or establish landscape requirements for any additional land or lots annexed into the Association and made subject to this Declaration and shall establish landscape requirements for uses other than single-family residential on a case-by-case basis.

Section 25. Swimming Pools and Other Water Amenities. No swimming pool, outdoor hot tub, reflecting pond, sauna, whirlpool, lap pool and other water amenity shall be constructed, installed and maintained on a Lot without the prior written approval of the ARC. The ARC shall have the right to adopt Guidelines governing the construction of swimming pools, outdoor water features and other amenities on Lots within the Subdivision. Permanent, above-ground swimming pools are not permitted. The construction of swimming pools shall conform to the building line and setback requirements subject to City of Katy or other authorized agency.

Section 26. Mail Delivery Receptacles. The ARC reserves the right to approve the type, design and installation of any mail delivery boxes or mail deposit receptacles.

Section 27. Drainage. Without the prior written consent of the ARC, no Owner of a Lot shall be permitted to construct improvements on such Lot or grade such Lot or permit such Lot to remain in or be placed in such condition that surface water on such Lot drains to any other Lot or the Common Open Areas.

Section 28. Solar Panels. A Solar Panel (or Solar Module) is a packaged interconnected assembly of solar cells, also known as photovoltaic cells. The Solar Panel can be used as a component of a larger photovoltaic system to generate and supply electricity to individual residences on a Lot. To be approved as a Solar Panel, the installation must produce alternating current for the use on a Lot or single family residence on the Lot. All other solar energy devices are prohibited during the Development Period. It is expressly recognized that the Solar Panels may generate excess electricity which may be sold by the Owner back to their electrical provider.

(a) ARC Approval Required. Any installation of Solar Panels is subject to ARC approval pursuant to Article VI. The ARC reserves the right to determine the size, shape, number color and location of any Solar Panels permitted to be installed on a Lot.

(b) Mounting Location. Solar Panels may be mounted on roof surfaces of the main residence with back lot and/or side lot exposure, or behind the fenced area of a Lot below the fence line. Solar Panels may not be mounted on any pergola or outbuilding. In no case may any Solar Panel be mounted on any roof surface parallel to the front street (i.e. the street of address) of any residence.

(c) General Product Specification. Solar Panels mounted on the roof of a residence are to be black in color, with a low-profile mount allowing no more than four inches (4") between the roof shingles and the base of the Solar Panel. The ARC reserves the right to maintain a list of approved Solar Panels for roof installation. Typical installation shall be a single array on one roof surface. In cases where a residence may have limited southern exposure, two separate arrays may be employed.

(d) Obstructions to Sunlight. Although an Owner's intent may be that Solar Panels shall be installed on Owner's Lot with unrestricted access to direct sunlight, Owner may only control those obstructions on Owner's Lot. Neither Owner, nor installer may enter onto adjacent common area or adjacent Lots to remove any actual or perceived obstructions to sunlight on those adjacent properties, nor may they demand that such obstructions be removed for their benefit. It is recognized by all parties that natural growth from trees planted on the Lot, on adjacent Lots, and on adjacent common areas may in time obstruct sunlight to the Solar Panel.

(e) Maintenance. Solar Panels shall be maintained to a standard equivalent to original construction. In the event the Solar Panels are no longer functioning, Owner or Occupant shall remove the Solar Panels and restore the roof of the residence to a "like new" condition.

(f) Solar Shingles. Solar Shingles are solar cells designed to look like conventional asphalt shingles. Solar Shingles are approvable for installation subject to the restrictions of use for Solar Panels. The ARC reserves the right to approve colors for Solar Shingles.

(g) Owner's Liability. Owner shall indemnify and hold harmless the Association, and the ARC, and the Declarant, and their respective officers, directors, members, agents and employees from any claims arising from or related to, in whole or in part, the installation, use or presence of Solar Panels or Solar Shingles on such Owner's Lot, whether installed by or at the request of such Owner or otherwise.

Section 29. Rules. The Declarant and/or the Board of Directors is hereby specifically authorized to promulgate rules and policies governing the Property, including but not limited to rules or policies incorporating use restrictions, design guidelines, parking and traffic issues, usage of the Common Open Areas and any other activity within or related to the Property. All such rules, regulations, policies and guidelines shall be recorded in the Montgomery County Real Property Records.

Section 30. Enforcement. In the event of default on the part of the Owner or occupant of any Lot in observing any or all of the requirements herein set forth, and such default continuing after ten (10) days' written notice thereof, the Declarant or the Association may, without liability to the Owner or occupant, in trespass or otherwise, enter upon said Lot, cut, or cause to be cut, such weeds and grass, and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions, so as to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or the occupation of the Lot to pay such statement immediately upon receipt thereof. Such charge shall become an additional assessment in accordance with Article V, Section 1(b) of these restrictions.

ARTICLE X SECURITY

The Association, its directors, officers, manager, employees, agents and attorneys and Declarant, ("Association and Related Parties") shall not in any way be considered an insurer or guarantor of security within the Property. The Association and Related Parties shall not be liable for any loss or damage by reason of failure to provide adequate security or the ineffectiveness of security measures undertaken. Owners, lessee and occupants of all Lots, on behalf of themselves, and their guests and invitees, acknowledge that the Association and Related Parties do not represent or warrant that any fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices, or other security systems (if any are present) will prevent loss by fire, smoke, burglary, theft, hold-up or otherwise, nor that fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices or other security systems will in all cases provide the detection or protection for which the system is designed or intended. Owners, lessees, and occupants of Lots on behalf of themselves, and their guests and invitees, acknowledge and understand that the Association and Related Parties are not an insurer and that each Owner, lessee and occupant of any Lot and on behalf of themselves and their guests and invitees assumes all risks for loss or damage to persons, to residential dwellings and to the contents of their residential dwelling and further acknowledges that the Association and Related Parties have made no representations or warranties nor has any Owner or lessee on behalf of themselves and their guests or invitees relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire protection, burglar alarm systems, access control systems, patrol services,

surveillance equipment, monitoring devices or other security systems recommended or installed or any security measures undertaken within the Property.

ARTICLE XI GENERAL PROVISIONS

Section 1. Enforcement. These Restrictions shall run with the Property and shall be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each Owner and occupant of a Lot, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. If notice and an opportunity to be heard are given, the Association shall be entitled to impose reasonable fines for violations of the restrictions or any rules and regulations adopted by the Association or the Architectural Review Committee pursuant to any authority conferred by either of them by these restrictions and to collect reimbursement of actual attorney's fees and other reasonable costs incurred by it relating to violations of the restrictions. Such fines, fees and costs may be added to the Owner's assessment account and collected in the manner provided in Article V of this Declaration.

In the event any one or more persons, firms, corporations or other entities shall violate or attempt to violate any of the provisions of the restrictions, the Declarant, the Association, each Owner or occupant of a Lot, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation. Upon the violation of any of the provisions of these restrictions by any Owner, in addition to all other rights and remedies available to it at law, in equity or otherwise, the Association, acting through the Board, shall have the right to suspend the right of such Owner to vote in any regular or special meeting of the members during the period of the violation.

Section 2. Severability. Invalidation of any one of these covenants, conditions or restrictions shall not affect any other provision, which shall remain in full force and effect.

Section 3. Duration; Amendment. The provisions of this Declaration shall run with and bind the Property for a term of twenty-five (25) years from this date, after which time they shall be automatically extended for successive periods of ten (10) years.

This Declaration may be amended during the first twenty-five year period by an instrument signed by a sufficient number of Owners representing not less than two-thirds (2/3) of the total votes in the Association, and thereafter by an instrument signed by a sufficient number of Owners representing not less than fifty (50%) percent of the total votes. In addition, any amendment hereto (i) to change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner, or (ii) to change, waive, or abandon any scheme of regulations, or enforcement thereof, pertaining to the maintenance of Common Open Areas, or (iii) to use hazard insurance proceeds for losses to the improvements in Common Open Areas, if any, for other than the repair, replacement or reconstruction of such improvements shall require the additional approval of two-thirds (2/3) majority of the First Mortgagees (based upon one vote for each mortgage owned).

Any amendment hereto affecting any of the following shall require the additional approval of fifty-one percent (51%) of the First Mortgagees (based upon one vote for each mortgage owned):

- (1) voting;
- (2) reserves for maintenance of the Property;
- (3) insurance or fidelity bonds;
- (4) rights to use of the Common Open Areas;
- (5) responsibility for maintenance of the Common Open Areas;

- (6) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey a Lot; and
- (7) any provisions which are for the express benefit of First Mortgagees, or eligible insurers or guarantors of first mortgages on Lots.

All amendments shall be recorded in the Galveston County Real Property Records.

Deeds of conveyance of Lots or any part thereof, may contain the above restrictive covenants by reference to this document, but whether or not such reference is made, each and all of such restrictive covenants shall be valid and binding upon the respective grantees.

The Declarant reserves the right during the Development Period, without joinder or consent of any Owner or mortgagee, to amend this Declaration or the By-Laws by an instrument in writing duly signed, acknowledged and filed for record, for the purpose of resolving or clarifying any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors or omissions herein, or to comply with the requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veteran's Administration, or Federal Housing Administration, or for any other reason deemed in the best interests of the Property by the Declarant, provided that no such amendment shall change the vested property rights of any Owner, except as otherwise provided herein.

Section 4. Books and Records. The books and records of the Association shall, during reasonable business hours, be subject to reasonable inspection by any Member for any proper purpose. The Board of Directors has, by resolution, established rules and regulations governing the frequency of inspection and other matters to the end that inspection of the books and records by any Member will not become burdensome to nor constitute harassment of the Association. The Declaration, the Certificate of Formation and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 5. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing. In the event an Owner sells or leases his or her Lot, the Owner shall give to the Association, in writing, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require. Every Owner shall be obligated to deliver to the Association or its managing agent current phone numbers for contact purposes and current email addresses, and to update same within ten (10) days of any change to any of them.

Section 6. Good Faith Lender's Clause. Any violation of these covenants, conditions or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot, which liens may be enforced in due course, subject to the terms of this Declaration.

Section 7. Mergers. Upon a merger or consolidation of the Association with another association as provided by its Certificate of Formation, its properties, assets, rights and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights and obligations of another association may be transferred to the Association as a surviving corporation. The surviving or consolidated association shall administer the covenants, conditions and restrictions contained in this Declaration, under one administration. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 8. Annexation.

(a) Additional land or lands may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members, and the approval of the owner(s) of the land to be annexed.

(b) Notwithstanding anything contained in Subparagraph (a) above, or any other provision herein, Declarant shall have the unilateral right, without the consent of any other Owners or any First Mortgagee, to bring within the scheme of the Declaration, in one (1) or more future stages, sections or additions, any additional land, within twenty (20) years of the date of recording of this instrument. Further, any land annexed to the Property and subject to this Declaration may be acquired (by gift, purchase, or otherwise) and/or designated as Common Open Areas by the Association without the consent of any Owners or any First Mortgagee. Nothing in this Declaration shall be construed to represent that Declarant, or its successors or assigns, are under any obligation to add or annex additional lands to those subject to this Declaration.

(c) Any such additions shall be developed in a manner similar to the development of the Property in accordance with a general plan of development under which the architectural standards prevailing within the Property will be continued in such annexed lands, the dwellings to be constructed on Lots within such annexed lands will be similar to the residential dwelling constructed on the Property, and the Lots within the annexed lands will become subject to assessment in the same manner as then prevailing for the Property. All the provisions of this Declaration shall apply to the lands being annexed with the same force and effect as if said lands were originally included in the Property subject to this Declaration.

(d) The additions authorized under this Section shall be made by filing of record in the Montgomery County Real Property Records: (a) Supplementary Declaration(s) of Covenants, Conditions and Restrictions with respect to the additional lands which shall (i) extend the scheme of the covenants and restrictions of this Declaration to such lands and (ii) provide, if applicable, that the proportionate ownership interests in the Common Open Areas of the Owners by virtue of Association membership immediately prior to the filing of such Supplementary Declaration shall be equal to the number of Lots and owned by such Owner divided by the total number of Lots and within the lands then subject to this Declaration after such annexation; and (b) a deed from Declarant to the Association which shall convey to the Association all of the area within such additions (except for the Lots therein) as Common Open Areas for the benefit and use of the Owners, with reservation of Declarant's rights set forth herein.

(e) Declarant also reserves the unilateral right to amend this Declaration with respect to the legal description of the Property, so long as it has the right to annex additional property in this Article XI, Section 8, for the purpose of removing unimproved portions of the Property from the coverage of this Declaration. Such amendment shall not require the consent of any person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the portion of the Property to be withdrawn is owned by the Association, then the Association shall consent to such withdrawal by majority vote of the Board. For purposes of this Section 8, the term "unimproved" shall mean no above ground, vertical improvements located on such property.

Section 9. Conveyance of Common Property. The Association shall accept such conveyances of Common Property as are made from time to time to the Association by Declarant. The Declarant shall determine, in its sole discretion, the appropriate time to convey all or any part of the Common Property to the Association. Any part of the Common Property can be conveyed to the Association at any time, with the Declarant retaining any other part of the Common Property for conveyance to the Association at a later time. At such time as the Declarant conveys all or any portion of the Common Property to the Association, such conveyance shall be subject to any and all easements, restrictions, reservations, conditions, limitations and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. The Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership, operation, maintenance and administration of the conveyed portions of Common Property and other obligations relating to the Common Property imposed herein. The Association shall, and does hereby, indemnify and hold Declarant harmless on account thereof. The Association shall be obliged to accept such conveyance(s) without setoff, condition or qualification of any nature. The Association shall immediately

acknowledge any such conveyance if requested by Declarant. The Common Property, personal property and equipment and appurtenances thereto, shall be dedicated or conveyed in "AS IS", "WHERE IS" CONDITION WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF THE COMMON PROPERTY, PERSONALTY AND EQUIPMENT BEING CONVEYED. The Association shall pay all costs associated with the conveyance(s).

Section 10. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including attorney's fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then-Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

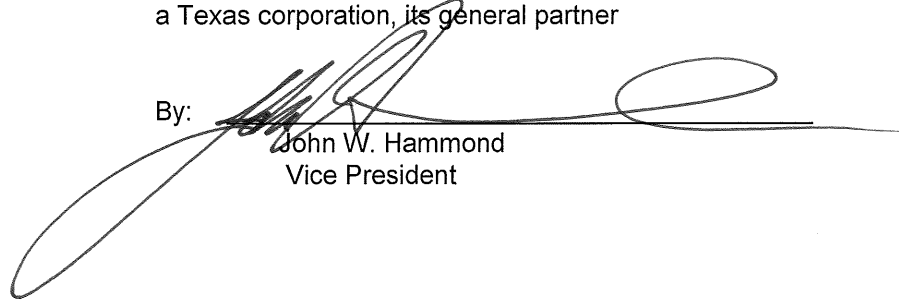
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 12th day of November, 2013.

Declarant

LENNAR TEXAS LAND AND CONSTRUCTION, LTD., a
Texas limited partnership

LENNAR TEXAS HOLDING COMPANY,
a Texas corporation, its general partner

By:

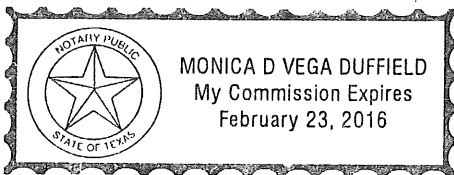


John W. Hammond
Vice President

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument is acknowledged before me on November 12, 2013 by John W. Hammond, Vice President of Lennar Texas Holding Company, which is the general partner of Lennar Homes of Texas Land and Construction, LTD., on behalf of said limited partnership

Monica D. Vega Duffield
Notary Public, State of Texas



After Recording please return to:
Friendswood Development Company
550 Greens Parkway, Suite 100
Houston, TX 77067-4526
Attn: Monica Vega-Duffield

EXHIBIT "A"
Legal Description

All of the Final Plat of Cedar Woods, a residential subdivision of 46.215 acres of land in Joshua G. Smith Survey, A-539, Montgomery County, Texas, recorded under Clerk's File No. 2008-070727 and in Cabinet Z, Sheets 1312 and 1313 of the Map Records of Montgomery County, Texas (the "Property")