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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SUNSET ESTATES

Stephanie A. Robinson
COUNTY CLERK
HARRIS COUNTY, TEXAS

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FILED

Att: Butler & Hailey ✓
1111 South Voss, Suite 500
Houston, Tx 77057

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SUNSET ESTATES**

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STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS THAT:
COUNTY OF HARRIS §

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

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

Article I
Property Subject to This Declaration

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

SUNSET ESTATES, a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 612075 of Map Records of Harris County, Texas.

SECTION 1.02 Annexation of Other Property. Declarant may annex additional real property in to and make same a part of the Subdivision by amendment of this Declaration as provided in Article XI without the joinder or consent of any Owner or other Person. Any other real property may be annexed only upon approval by Owners of an amendment of this Declaration evidencing the annexation in accordance with applicable provisions of Section 12.02.

SECTION 1.03 Notice: Effective Date and Effect of Annexation. Whenever any real property is annexed as provided in Section 1.02, the annexation must be evidenced by filing of, and is effective from the date of filing of, the amendment evidencing the annexation in the Official Public Records of Real Property of Harris County, Texas. From and after the date of filing of the amendment evidencing the annexation, the real property covered thereby will be included within the Subdivision, and thereafter is fully covered by and subject to all terms and provisions of this Declaration (as amended).

Article II
Definitions

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

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

SECTION 2.02 "Architectural Guidelines" means the procedural, aesthetic, environmental and architectural policies and procedures from time to time adopted by the Architectural Control Committee in accordance with Article IV hereof, regardless of nomenclature or manner of designation, and may include Rules and Regulations.

SECTION 2.03 "Association" means SUNSET ESTATES HOMEOWNERS ASSOCIATION, a Texas non-profit corporation, to be incorporated for the purposes contemplated by this Declaration, and its predecessors, successors (by merger, consolidation or otherwise) and assigns.

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

SECTION 2.05 "Bylaws" means the Bylaws of the Association, as from time to time amended in accordance with applicable provisions of the Bylaws.

SECTION 2.06 "Certificate of Formation" means the Certificate of Formation of the Association.

SECTION 2.07 "City" means the City of Houston, Texas.

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SECTION 2.08 "Community Properties" means:

2.08.1 all common areas so designated herein or by a Plat intended for the common use of Owners, including the common drive designated as the "16' Shared Common Drive" on the initial Plat of the Subdivision as set forth in Section 1.01, but excluding any commercial or other reserve or areas not specifically designated as Community Properties;

2.08.2 all Subdivision Facilities; and

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

SECTION 2.09 "Declarant" means SUNSET ESTATES, L.P., a Texas limited partnership and its successors and assigns if such successors or assigns:

2.09.1 acquire all of the then remaining undeveloped or developed but, previously unoccupied or unsold Lots within the Subdivision from Declarant for purposes of development and resale; or

2.09.2 are expressly designated in writings by Declarant as a successor or assign of Declarant hereunder, in whole or in part.

SECTION 2.10 "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Sunset Estates and any lawful amendments thereto.

SECTION 2.11 "Development Period" means the period of time beginning on the date of recordation of this Declaration in the Official Public Records of Real Property of Harris County, Texas and ending on the earlier occurrence of either of the following events:

2.11.1 five years after the date of recordation of this Declaration in the Official Public Records of Real Property of Harris County, Texas;

2.11.2 upon recordation of Declarant's statement in the Official Public Records of Real Property of Harris County, Texas, that the Development Period has ended or has been terminated by Declarant; provided, Declarant's statement may limit termination of the Development Period to specific functions, rights or responsibilities or expressly reserve unto Declarant specific functions, rights or responsibilities, either of which shall then survive filing of the statement of termination until terminated by expiration of the periods stated in Sections 2.11.1 and 2.11.3 or as may be provided in a subsequently filed statement or statements; and provided further, for purposes of Section 3.04 regarding conversion of Class B membership to Class A membership, the Development Period shall not be deemed

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to have terminated until expiration of the periods stated in Sections 2.11.1 and 2.11.3 unless Declarant expressly states otherwise in Declarant's filed statement as to termination; or

2.11.3 upon the sale of all Lots to an Owner other than Declarant or a Builder.

SECTION 2.12 "Emergency" means: (i) any condition which may or does cause an imminent risk of infestation by termites, rats or other vermin and any other health, fire or safety hazard; (ii) any condition which may or does cause waste of water or water infiltration to another Lot, Community Properties and any improvements located thereon; and (iii) any other thing, condition or exigent circumstances which may or does present an imminent risk of harm or damage to a Lot, Community Properties or any improvements thereon or to any Owners or occupants thereof. The determination of the Board, the ACC or their Related Parties that an emergency exists is final.

SECTION 2.13 "Governing Documents" means all documents and applicable provisions thereof as set forth in this Declaration, the Bylaws and Certificate of Formation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the ACC and Board, and any lawful amendments to any of the foregoing.

SECTION 2.14 "Lot" means any of the numbered lots shown on a Plat.

SECTION 2.15 "Member" means every Person who is an Owner and holds a membership in the Association. Every Member which is not a natural person must designate a representative of such entity who is a natural person as provided in Section 3.03.

SECTION 2.16 "Owner" means:

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

2.16.2 as to an executory contract for conveyance until fee simple legal title is conveyed of record to the purchaser and notwithstanding any provisions in the contract to the contrary (i) the seller if the contract or notice thereof is not filed of record in which case the purchaser will be deemed a lessee and not an Owner or Member for purposes of the Governing Documents, and (ii) the seller and the purchaser if the contract is filed of record in which case the seller and purchaser are deemed to be joint Owners ("filed of record" herein meaning filed in the Official Public Records of Real Property of Harris County, Texas).

SECTION 2.17 "Person" means any natural person, as well as a corporation, joint venture, partnership (general or limited), association, trust, or other entity.

SECTION 2.18 "Plat" means the initial map or plat of the Subdivision as described in Section 1.01, all maps or plats of properties made a part of the Subdivision as provided in Article I, if any, hereafter filed in the Map Records of Harris County, Texas, and all lawful modifications, amendments and/or replats of any of the foregoing.

SECTION 2.19 "Prevailing Community Standards" means those standards of aesthetics, environment, appearance, architectural design and style, maintenance, conduct and usage generally prevailing in the Subdivision as reasonably determined by the Board or ACC at any given pertinent time and from time to time, including as to each particular Regulated Modification and each other matter or circumstance considered as of the date of the evaluation (i) prevailing standards as to harmony and compatibility with surrounding aesthetics, appearance and patterns of maintenance, harmony and compatibility with surrounding buildings, structures and other improvements, and harmony and compatibility with surrounding grades, topography, finished ground elevations, locations, colors, finishes, styles, workmanship, type and quality of materials and designs, and (ii) compliance with this Declaration and other applicable Governing Documents, and with applicable governmental laws, ordinances and regulations.

SECTION 2.20 "Regulated Modification" means (without implication that any particular matter is permitted or prohibited by this Declaration and without limitation as to Article IV hereof) the commencement, placement, construction, reconstruction or erection of, or modification, alteration, or addition to, any building, structure, improvement, thing, landscape or device, and any usage thereof, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography generally prevailing in the Subdivision as of the date of establishment of the Regulated Modification, excluding any such matters or activities conducted by the Association as to Community Properties, but including by way of illustration and not of limitation:

2.20.1 any building, garage, porch, shed, greenhouse, bathhouse, coup or cage, covered or uncovered patio, swimming pool, clothes lines, radio or television antenna, satellite dish, microwave and similar systems, fence, wall or other screening devices, curbing, paving, wall, trees, shrubbery and any other landscaping, fountains, statuary, lighting fixtures, signs or signboard, or any temporary or permanent living quarters (including any mobile home) or any other temporary or permanent modification or alteration;

2.20.2 any change to the interior of a residence, garage and any other permitted outbuilding which in the sole opinion of the ACC materially affects the exterior appearance thereof;

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2.20.3 an excavation, fill, ditch, diversion, dam, drainage system or other thing or device which affects or alters the flow of surface or subsurface waters to, from, upon or across any Lot or any other portion of the Subdivision, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel to, from, upon, under or across any Lot or any other portion of the Subdivision;

2.20.4 any change in the grade of any Lot or any other portion of the Subdivision, and any similar disturbance to the surface of the land within the Subdivision;

2.20.5 any erosion control system or devices permitted or required as to any Lot or any other portion of the Subdivision; and

2.20.6 any other building, structure, improvement, thing, landscape or device, and any activities related thereto and any usage thereof, as specified from time to time by applicable Architectural Guidelines, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography generally prevailing in the Subdivision.

SECTION 2.21 "Related Parties" means and applies as follows:

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

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

SECTION 2.22 "Rules and Regulations" means the policies and procedures from time to time adopted by the Board of Directors regulating the maintenance, operation, use or occupancy of the Subdivision, including the Lots and Community Properties, in accordance with Article VII hereof, regardless of nomenclature or manner of designation, and may include Architectural Guidelines.

SECTION 2.23 "Shared Common Drive" means the "16' Shared Common Drive" reflected on the Plat of the Subdivision, which is owned by respective Owners of the Lots as reflected on the Plat, but will be maintained by the Association as set forth.

SECTION 2.24 "Subdivision" means SUNSET ESTATES, a residential community located in Harris County, Texas as more particularly described in Section 1.01 hereof, and any other real property subjected to this Declaration as herein provided from time to time.

SECTION 2.25 "Subdivision Facilities" means all facilities and services built, installed, maintained, operated or provided by the Association for the general benefit of the Subdivision, INCLUDING WITHOUT LIMITATION, BUT WITHOUT ANY REPRESENTATION, WARRANTY OR IMPLICATION WHATSOEVER THAT ANY PARTICULAR FACILITIES OR SERVICES WILL BE BUILT, INSTALLED, MAINTAINED, OPERATED OR PROVIDED, AND SUBJECT TO THE RIGHT OF DECLARANT DURING THE DEVELOPMENT PERIOD, AND OF THE BOARD THEREAFTER, FROM TIME TO TIME AND AT ANY TIME TO ADD TO, MODIFY OR DISCONTINUE ANY PARTICULAR FACILITY OR SERVICE:

2.25.1 all water purchased by the Association as a common expense, if any;

2.25.2 any sanitary sewer facilities, any drainage or storm water facilities, any water pipelines, water sprinkler systems, water meters and related water lines and facilities and any other common or shared facilities, utilities or services constructed, owned, maintained or provided by the Association and specifically designated by Declarant or the Board to constitute a common facility, utility or service, excluding any such facility, utility or service which exclusively service each Lot which must be maintained by the Owner of each Lot as provided in Section 6.02 or which are maintained by any governmental entity or utility company;

2.25.3 all Subdivision entry and other identification monuments and all perimeter fencing enclosing the Subdivision as originally constructed, if any;

2.25.4 any garbage or recycling collection, cable television, utilities or other services provided by or through the Association, and any structures or devices related thereto;

2.25.5 the limited access control gate and adjacent fence located on Lot One (1) and Lot Eight (8) of the Subdivision;

2.25.6 any other facilities or services as from time to time so designated by Declarant or the Board; and

2.25.7 landscaping installed by the Association along the Shared Common Drive.

SECTION 2.26 "Townhouse" means the attached single-family residence on a Lot.

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Article III
SUNSET ESTATES HOMEOWNERS ASSOCIATION

SECTION 3.01 Organization. SUNSET ESTATES HOMEOWNERS ASSOCIATION (the "Association") was organized and formed pursuant to this Declaration as a non-profit corporation under the laws of the State of Texas. The Association has full power, authority and standing to enforce all provisions of the Governing Documents. The principal purposes of the Association are the collection, expenditure and management of the funds and financial affairs of the Association, enforcement of all provisions of the Governing Documents, providing for maintenance, preservation and architectural control within the Subdivision, the providing of such Subdivision Facilities as herein permitted or required, and all other acts and undertakings reasonably incident to any of the foregoing or in furtherance thereof as determined in the sole good faith opinions of the Board of Directors or Members.

SECTION 3.02 Board of Directors. The Association acts through a Board of Directors, which manages the affairs of the Association as specified in this Declaration, the Bylaws and other applicable Governing Documents. Unless otherwise expressly required by law or other applicable provisions of the Governing Documents, the Board of Directors shall exercise and have all rights, powers, authority and responsibilities of the Association. The Board is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the decisions of the Board as to any of the foregoing are final and conclusive.

SECTION 3.03 Membership.

3.03.1 Owners as Members. Every Person who is the owner of a fee simple title or undivided fee simple title interest applicable to any Lot that is subject to this Declaration is a member of the Association. The Association is entitled to rely on the Official Public Records of Real Property of Harris County, Texas in determining such ownership, and may require submission to the Board of appropriate certified copies of such records as a condition precedent to recognition of ownership. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot. Memberships shall be appurtenant to and may not be separated from ownership of any Lot, and shall automatically pass with the title to the Lot.

3.03.2 When Member Required to Designate Representative; Effect. Each Member which is not a natural person is required to designate one natural person to act on such Member's behalf in accordance with applicable provisions of the Bylaws and as otherwise determined in the sole opinion of the Board. A designation as aforesaid fully authorizes the designated representative to bind the designating

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party as to all matters. Any such representative may serve as a Director in accordance with the Bylaws.

SECTION 3.04 Voting Rights of Members.

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

- (a) **Class A:** Class A members shall be all members of the corporation, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Holders of future interests not entitled to present possession shall not be considered Owners for the purposes of voting hereunder.
- (b) **Class B:** The Class B member(s) shall be the Declarant, or its successors or assigns so designated in writing by the Declarant, and shall be entitled to eight (8) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership at the end of the Development Period, as defined in the Declaration.

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

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

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

3.04.5 Suspension of Voting Rights. Voting rights of any Member may or will be suspended for breach of the Governing Documents as provided herein or in the

Bylaws or Certificate of Formation, including without limitation, suspension as provided in Section 5.08.2.

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

SECTION 3.06 Limitation of Liability: Indemnification.

3.06.1 General. Except for intentional and willful misconduct, knowing violation of the law, or as otherwise required by the Texas Business Organizations Code, no officer or Director of the Association is liable to the Association or its Members, and the Association and its Related Parties are not liable to any Member, for monetary damages or otherwise for: (i) any act or omission of an officer or Director within their official capacity; or (ii) any act or omission by or on behalf of the Association within the scope of its purposes. The Association shall indemnify and keep indemnified, and hold harmless, any current or former officer or Director to the fullest extent necessary to accomplish the foregoing and to the fullest extent otherwise allowed by law, and hold any such officer or Director harmless from and against all claims, demands, suits, judgments, court costs, attorney's fees attachments and all other legal action as contemplated thereby. All provisions of this Section 3.06 also apply to all Association Committees and members thereof (current or former), including the Architectural Control Committee.

3.06.2 Security Services. The Association may from time to time (but shall be under no obligation to do so) engage in activities or provide Subdivision Facilities, including activities, devices or services intended to or which may have the effect of enhancing safety or security, including activities, devices or services limiting or controlling Subdivision access, or providing of patrol services or otherwise monitor activities within the Subdivision (including Community Properties), and may from time to time provide information through newsletters or otherwise regarding same (all such matters and all activities, services or devices of a similar nature or incident thereto herein referred to as, "Security Services"). Without limitation of Section 3.06.1, each Owner and their tenants covenant and agree with respect to any and all Security Services provided directly or indirectly by the Association as follows:

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

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Board from thereafter discontinuing, or from temporarily or permanently modifying, terminating or removing, any Security Services, in whole or in part.

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

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

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

(e) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES, HAVE NO DUTY, OBLIGATION OR RESPONSIBILITY OF ANY KIND WHATSOEVER TO WARN, ADVISE OR IN ANY OTHER MANNER INFORM ANY OWNERS, TENANTS, OR THEIR RELATED PARTIES, OR ANY OTHER RESIDENTS OR OCCUPANTS OF ANY LOT OR COMMUNITY PROPERTIES, OR ANY LAW ENFORCEMENT AGENCY, OR ANY OTHER PERSON AS TO ANY ALLEGED, SUSPECTED OR KNOWN CRIMINAL ACTIVITIES OF ANY KIND, CRIMINAL HISTORY, OR BACKGROUND OF ANY PERSON, OR CRIMINAL INVESTIGATIONS BY

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

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

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

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

Article IV
Architectural Control Committee

SECTION 4.01 Organization: Compensation. There is hereby established an Architectural Control Committee (herein sometimes referred to as the "ACC"). The ACC shall be composed of all members of the Board of Directors. The ACC may from time to time designate any one of its members to act in its stead. No person serving on the ACC is entitled to compensation for services performed; provided, the ACC may employ one or more architects, engineers, attorneys or other consultants to assist the ACC in carrying out its duties, and the Association shall pay such consultants for services rendered to the ACC. Members of the ACC may also be reimbursed for reasonable expenses in such manner and amounts as may be approved by the Board of Directors.

SECTION 4.02 Function and Powers.

4.02.1 Submission of Plans Required. No Regulated Modification may be commenced, constructed, erected, placed, "maintained or made upon any Lot or within any part of the Subdivision unless and until complete plans and specifications have been submitted to and approved in writing by the ACC as to compliance with applicable Architectural Review Criteria as set forth in Section 4.03. Two complete sets of plans and specifications must be submitted with each request for approval. Any plans and specifications to be submitted must specify, in such detail and form as the ACC may reasonably require:

- (a) the location upon the Lot or within the Subdivision where the Regulated Modification will occur or be placed;
- (b) the dimensions, nature, kind, shape, height, and color scheme of and all materials to be used in connection with the Regulated Modification;
- (c) appropriate information concerning structural, mechanical, electrical, plumbing, grading, paving, decking and landscaping details;
- (d) intended uses; and
- (e) such other information, plans or specifications as may from time to time be required by applicable Architectural Guidelines, or in specific instances as may be requested or required by the ACC, which in the sole opinion of the ACC is reasonably necessary to fairly and fully evaluate all aspects of the proposed Regulated Modification.

4.02.2 Architectural Guidelines. The ACC may, from time to time, adopt, modify and delete such reasonable Architectural Guidelines applicable to the Subdivision, including Lots and Community Properties, as it deems appropriate to maintain or reasonably enhance Prevailing Community Standards of the Subdivision at the time of adoption. No prior notice of any kind to any Owner or any other Person

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need be given as to adoption or amendment of Architectural Guidelines. The ACC shall provide applicable Architectural Guidelines to Owners upon request. Architectural Guidelines shall be of equal dignity with, and shall be enforceable in the same manner as, the provisions of this Declaration, provided: (a) such Architectural Guidelines shall not be deemed a waiver, modification, or repeal of any of the provisions of this Declaration; and (b) such Architectural Guidelines shall not be enacted retroactively except that all repairs, modifications or maintenance performed subsequent to adoption shall be performed in such manner as to bring the Regulated Modification, so far as practicable, in compliance with all then applicable Architectural Guidelines.

4.02.3 Variances. The Board, by vote of all members of the Board, may grant specific variances to Architectural Guidelines and to the architectural and use restrictions set forth in Articles VII and VIII of this Declaration as herein provided. A variance may be granted only with respect to specific instances upon written request therefore, is not binding with respect to any other request for a variance whether or not similar in nature, and does not constitute a waiver, modification or repeal of any of the provisions of this Declaration or other Governing Documents except for the limited purpose of and to the extent of the specific variance expressly granted. A variance may be granted only upon specific findings that the variance is necessary due to unusual circumstances which are reasonably beyond the control of the applicant to mitigate or rectify, and that the granting of a specific variance will not materially and adversely affect the architectural, aesthetic or environmental integrity of the Subdivision or the scheme of development therein. The good faith determination of the ACC that the conditions for granting of a variance have or have not been met are final.

SECTION 4.03 Architectural Review Criteria. The ACC will evaluate all submitted applications for ACC approval on the individual merits of the particular application, and based on evaluation of the compatibility of the proposed Regulated Modification with Prevailing Community Standards as of the date of submission of an application. The ACC must also use reasonable efforts to achieve consistency in the approval or disapproval of specific types of Regulated Modifications. To this end, consideration will be given to (but the ACC is not bound by) similar applications for architectural approval and the decisions and actions of the ACC with regard thereto.

SECTION 4.04 Submission and Response; Failure of ACC to Act; ACC Decisions.

4.04.1 Submission and Response. Applications for ACC approval and requests for variances are deemed submitted to the ACC only upon actual receipt. Lessees shall file applications or requests for variance in the name of their lessors, and shall also join therein. Where more than one Owner applies for approval or a variance, the delivery or mailing of a response to anyone of the Owners as aforesaid constitutes notice to all such Owners. All responses of the ACC are deemed given when delivered to the applicant or when deposited in the United States mail, with postage prepaid and properly addressed to the applicant. If the ACC fails to

respond within thirty days after receipt of a proper application, then no further compliance with this Article is required regarding the applicable application. If the ACC fails to respond to a request for variance within thirty days after receipt, then the request is automatically denied.

4.04.2 ACC Decisions. The ACC may fully approve any request for approval made pursuant to this Article IV, or the ACC may approve any such request subject to compliance with conditions stated in a conditional approval. A conditional approval is effective only upon full compliance with the stated condition(s). The ACC may disapprove any request for approval for any of the following reasons: (i) failure to comply with any applicable Architectural Review Criteria as set forth in Section 4.03; (ii) lack of sufficient information, plans or specifications as reasonably determined by the ACC to enable the ACC to fairly and fully evaluate the proposed Regulated Modification or the uses thereof; or (iii) failure to include any information, plans or specifications required by applicable Governing Documents, or as may be reasonably requested by the ACC. The ACC shall notify the applicant of its decisions in writing. Except for compliance with this Article, no action or omission of the ACC shall otherwise constitute a waiver as to any other provisions of this Declaration or preclude by estoppel or otherwise full enforcement thereof.

SECTION 4.05 Compliance With Laws and Governing Documents. Each applicant is solely responsible for ensuring that, and nothing in the Governing Documents or any written decision of the ACC shall be construed as a covenant, representation, guaranty or warranty that, any proposed Regulated Modification will be in compliance with applicable governmental laws, ordinances or regulations (including building codes or permits or licensing requirements), or with applicable requirements of the Governing Documents.

SECTION 4.06 Inspection Rights. Upon reasonable notice (oral or written), any member of the ACC or the Board of Directors or their designated representatives may enter upon a Lot without liability for trespass or otherwise for purposes of confirming compliance with any applicable provisions of the Governing Documents regarding a proposed Regulated Modification, the work in progress, and the completed Regulated Modification. Except for gross negligence, willful misconduct or knowing violation of the law, the Owner of any Lot so inspected by the ACC is not liable for any personal injuries, death or property damage of or to any person or entity performing such inspection.

SECTION 4.07 Records of Architectural Control Committee. The ACC is not required to maintain records of any of its meetings. The ACC must keep and maintain records evidencing the final decision(s) of the ACC regarding all requests for approval and requests for variance for not less than four years. The ACC must also maintain a record of all current Architectural Guidelines, and must provide copies to Owners upon written request and at the Owner's expense.

SECTION 4.08 Liability of Architectural Control Committee. Except as provided in Section 3.06, neither the Association nor the ACC, nor their respective Related Parties are liable to any Owner, the Owner's tenants, the Related Parties of either, or to any other

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

Article V
Maintenance Fund.

SECTION 5.01 Obligation for Payments to Maintenance Fund.

5.01.1 Establishment of Maintenance Fund. There is hereby established a Maintenance Fund in to which will be paid all assessments as provided for herein. The Board is responsible for the collection, management, control and expenditure of the Maintenance Fund which must be deposited in accounts specifically designated for the Association as from time to time designated by the Board.

5.01.2 Types and Obligation for Payment of Assessments. Each Owner of a Lot, by acquisition of any rights, title or interest therein or acceptance of an executory contract of conveyance, or a deed or other instrument of conveyance therefore, whether or not so expressed therein, covenants and agrees to pay to the Association regular or annual assessments, special assessments and specific assessments, all as herein set forth.

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

5.01.4 Personal Obligation: Transferees. In addition to the assessment lien herein established, each assessment is the personal obligation of each Owner of the Lot

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charged therewith at the time liability for the assessment accrued notwithstanding any subsequent transfer of ownership. Except as provided in Sections 5.01.5 and 5.07.3, each Owner's transferee, whether by purchase, gift, devise or otherwise, and whether voluntary or by operation of law, is also jointly and severally liable for payment of all unpaid assessments owed to the Association at the time of transfer without prejudice to the rights of the transferee to recover from the transferor the amounts paid by said transferee.

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

SECTION 5.02 Administration of Maintenance Fund.

5.02.1 Assessment and Payment of Regular Assessments. Regular assessments are assessed on a monthly basis. EXCEPT AS OTHERWISE DETERMINED BY THE BOARD, REGULAR ASSESSMENTS ARE DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON OR BEFORE THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR. The Board may elect to collect regular assessments on a semi-annual, quarterly or monthly basis in which case such assessments shall be due and payable, in advance, on or before the first day of the applicable period.

5.02.2 Uniform Rates for Regular and Special Assessments. Except as provided in Section 5.02.3, regular and special assessments on all Lots must be fixed at a uniform rate, and must be determined on a per Lot basis.

5.02.3 Declarant Rates. Until the first day of the month following expiration or termination of the Development Period, Declarant is obligated to pay assessments only as provided in Section 11.08. Thereafter Declarant will pay regular and special assessments at the rate of one-half of the full rate of assessment otherwise applicable as to any Lot then owned or thereafter owned by Declarant.

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5.02.4 Application of Payments. All payments made by or on behalf of an Owner for assessments (regular, special or specific) are deemed made upon the date of receipt of the payment by the Association or its designated representative. All payments received, including payments received in consequence of judicial or non judicial foreclosure, will, unless otherwise provided by law, be applied: (i) first to payment of all specific assessments owed to the Association with application to be made in inverse order of the specific assessments listed in Section 5.06.1; (ii) then to payment of all special assessments; and (iii) finally to payment of all regular assessments. Application within each category shall be on a first in, first out basis.

SECTION 5.03 Base Rate and Subsequent Computation of Regular Assessments

5.03.1 Initial Base Rate of Regular Assessments. The full initial base rate of the regular assessment for 2008 per Lot (and continuing during 2008 and thereafter unless modified as herein provided) is TWO THOUSAND ONE HUNDRED AND 00/100 DOLLARS (\$2,100.00) per Lot per year, or if the Board decides to assess monthly, ONE HUNDRED SEVENTY FIVE AND 00/100 DOLLARS (\$175.00) per Lot per month. Unless and until otherwise determined as herein provided, regular assessments are due and payable annually, in advance, on the first day of January of each calendar year.

5.03.2 Subsequent Computation of Regular Assessments. The annual rate of regular assessment per Lot as specified by Section 5.03.1 may be adjusted from time to time as follows. The Board shall adopt a budget at least annually to determine sums necessary and adequate to provide for the expenses of the Association for the succeeding twelve-month period (including funding of capital, contingency and other reserves). The Board shall set the annual rate of regular assessments based on the budget, and determine whether same will be payable annually, semiannually, quarterly or monthly. At least thirty days written notice of such determinations must be given to Owners of all Lots if any change is made as to the due dates or amount of the annual rate of regular assessment.

SECTION 5.04 No Waiver or Release. Notwithstanding anything to the contrary herein, the omission or failure for any reason of the Board to determine an annual rate of regular assessment or to mail or deliver a notice of an annual rate of regular assessment or due date for payment thereof does not constitute a waiver, modification or release of an Owners obligation to pay assessments as otherwise herein provided. Once established, an annual rate of regular assessment and the due date or dates for payment thereof continues in effect from year to year, and the Owners are obligated to pay such regular assessments accordingly unless and until a new annual rate of regular assessment is established as herein provided.

SECTION 5.05 Special Assessments. In addition to the other assessments authorized herein and in addition to the special assessment authorized by Article VI, the Board may levy special assessments at any time during each fiscal year for purposes of

defraying, in whole or in part, any expenses not anticipated by the budget then in effect, or to replace part or all of any contingency, capital or other reserve fund.

SECTION 5.06 Specific Assessments.

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

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

(b) Late Charges. A late charge in an amount determined by the Board as to any regular, special or specific assessment which is not paid in full within thirty days after payment of same is due.

(c) Compliance Costs. All expenses reasonably attributable to or incurred by reason of a breach or violation of or to obtain compliance with any provisions of this Declaration or other Governing Documents must be assessed against the Owner and Lot who occasioned the incurrence of such expenses, including reasonable attorney's fees whether incurred prior to, during the pendency of or after successful completion of any actions in a court of competent jurisdiction.

(d) Other Obligations. All other monetary obligations established by or pursuant to this Declaration or other Governing Documents which are intended to apply to one or several, but not all Lots must be assessed against the applicable Owner(s) and Lot(s). Such charges may include without limitation reasonable charges for providing a statement of assessments or indebtedness, charges for processing of applications for architectural approval, and any other charges otherwise permitted or authorized by law, including without limitation as permitted or authorized by Chapter 204 of the Texas Property Code.

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

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SECTION 5.07 Lien for Assessments.

5.07.1 Establishment of Lien. All sums assessed against any Lot pursuant to this Declaration, whether by regular, special or specific assessment as provided herein, are secured by a continuing lien on such Lot in favor of the Association.

5.07.2 Perfection of Lien. The recordation of this Declaration constitutes record notice and perfection of the Association's continuing lien, effective from the date of recordation of this Declaration. No further recordation of a claim of lien or other notice of any type or kind whatsoever is required to establish or perfect such lien. To further evidence such lien, the Association may, but is not required to, prepare and file in the Official Public Records of Real Property of Harris County, Texas, written notice of default in payment of assessments in such form as the Board may direct.

5.07.3 Priority of Lien. The Association's continuing lien is superior to all other liens or encumbrances on each Lot except:

(a) a lien for real property taxes and other governmental assessments or charges on a Lot (a "Tax Lien") to the extent so required by law, but not otherwise (it being the intent hereof that the Association's continuing lien is superior to any Tax Lien if permitted by law, including Section 32.05 of the Texas Tax Code);

(b) a lien securing payment of purchase money for a Lot or work and materials used in constructing improvements on a Lot (a "First Lien");

(c) an extension of credit (commonly known as a home equity loan) made in accordance with and pursuant to Section 50(a)(6), Article XVI, of the Texas Constitution, as amended;

(d) a reverse mortgage made in accordance with and pursuant to Section 50(a)(7), Article XVI, of the Texas Constitution, as amended; and

(e) such other mortgages, deeds of trust, liens or other encumbrances to which the Board may from time to time by written agreement specifically and expressly agree, subject to such terms and conditions as set forth in the applicable written agreement.

5.07.4 Other Liens. Except as provided in Section 5.07.3 or as otherwise expressly provided herein, all other Persons acquiring liens or encumbrances on any Lot are deemed to consent that such liens or encumbrances are inferior to the Association's lien for assessments, as provided herein, whether or not consent is

specifically set forth in, and notwithstanding any contrary provisions in, any instruments creating such liens or encumbrances.

SECTION 5.08 Effect of Nonpayment of Assessments.

5.08.1 Delinquency Date. Any assessments which are not paid by the due date are delinquent as of midnight of the due date.

5.08.2 Automatic Remedies. Except to the extent otherwise provided in this Declaration or expressly agreed in writing by the Board, if any assessments are not paid by the due date, then:

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

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

5.08.3 Elective Remedies After Notice. If any assessments are not paid within thirty days after the due date, then the Association may elect to exercise any or all of the following remedies without prejudice to any other rights or remedies, provided that notice and opportunity to be heard is first given as required by law and the Governing Documents, as applicable:

(a) Acceleration of Assessments. The Association may accelerate, through the end of the year in which notice of default is given and for an additional twelve month period thereafter, all regular assessments, and any installments for special or specific assessments due or to become due during said period.

(b) Suspension of Services. In addition to automatic suspension of rights to use of recreational facilities as above provided, the Association may suspend until all assessments (including utility specific assessments and accelerated assessments, if any) are paid in full all other rights of the delinquent Owner, the Owner's tenants, and the Related Parties of either, to the usage of any and all other Community Properties and/or Subdivision Facilities.

(c) Impoundment of Rents. The Association may impound all rental income of the defaulting Owner as to the Lot as to which assessments are delinquent. In the event of impoundment of rents, the affected Owner's tenant must pay all rentals coming due after notice is given of the impoundment to the tenant until otherwise notified in writing by the

Association. In the event of impoundment of rents the Association will continue to collect the rents and apply same to payment of assessments until all delinquent assessments (regular, utility, special or specific, and including accelerated assessments, if any) are paid in full. After the Association is paid in full it will notify the affected Owner and their tenant of such payment in full and at such time remit any surplus in collected rents to the affected Owner, without interest.

5.08.4 Action for Debt: Foreclosure.

(a) Each Owner, by acquisition of any Lot within the Subdivision or any right, title or interest therein, expressly grants to and vests in the Association: (i) the right and power to bring all actions against each Owner, personally for the collection of all delinquent assessments as a debt; (ii) the right and power to foreclose the Association's continuing lien for assessments by all methods available for the enforcement of a mortgage, deed of trust or any other contractual lien, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale; and (iii) a continuing power of sale in connection with the non-judicial foreclosure of the Association's continuing lien for assessments as herein provided.

(b) By written resolution, the Board may appoint, from time to time, an officer, agent, trustee, or attorney of the Association (the "Trustee") to exercise the power of sale on behalf of the Association, including without limitation to deliver and file the notices required by Section 51.002 of the Texas Property Code (as amended), to conduct the sale and to otherwise comply with said statute. By written resolution the Board may from time to time, remove any such Trustee and appoint a successor or substitute Trustee without further formality than an appointment and designation in writing. Except as otherwise provided by this Declaration or by law, the Association will exercise its power of sale pursuant to Section 51.002 of the Texas Property Code (as amended). The Association has the right and power to bid on any Lot at any foreclosure sale, and to acquire, hold, lease, mortgage, or convey the same.

(c) The filing of suit to collect any sums due hereunder or to foreclose the Association's continuing lien for assessments may never be considered an election so as to preclude exercise of any other rights or remedies, including without limitation foreclosure under power of sale before or after a final judgment. After foreclosure, the former Owner(s) will be mere tenants at sufferance of the purchaser(s), and the purchaser(s) may obtain immediate possession either pursuant to a judgment for foreclosure or by forcible detainer or eviction to be maintainable by the purchaser(s).

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(d) Each owner, by acquisition of any Lot within the Subdivision or right, title or interest therein, specifically covenants and stipulates as to each and every Trustee's foreclosure sale that the recitals in any appointment or designation of Trustee, any conveyance by the Trustee and any affidavit of the Trustee or the Association related thereto shall be full proof and evidence of the matters therein stated, all prerequisites of the foreclosure sale shall be presumed to have been performed, and the foreclosure sale made under the powers herein granted shall be a perpetual bar against the Owner(s) of the Lot(s) sold and their heirs, executors and administrators, successors and assigns, and any Persons whatsoever claiming or to claim thereunder.

5.08.5 Extinguishment of Inferior Liens: Revival of Assessment Lien. Foreclosure of the Association's continuing lien for assessments terminates, extinguishes and forever discharges all inferior or subordinate liens and encumbrances (being all liens and encumbrances except as provided by Section 5.07.3) as to the affected Lot. The foregoing applies to judicial and non-judicial foreclosure of the Association's continuing lien for assessments regardless of whether or not the holder of the inferior or subordinate lien or encumbrance is made a party to or given notice of any proceedings in connection therewith, including without limitation whether or not made a party to or given notice of any judicial foreclosure suit and any other proceedings in connection therewith. Notwithstanding the foregoing, if a defaulting Owner reacquires a Lot within two years after foreclosure upon the Lot by the Association or by any Person holding a lien superior to the Association's continuing lien, then the Association's lien shall be automatically revived at the time of reacquisition of ownership, effective as of the day before the applicable foreclosure and as to any assessments and any other indebtedness remaining due and unpaid to the Association.

SECTION 5.09 Effect of Foreclosure or Bankruptcy. The effect of judicial or non-judicial foreclosure of a lien which is superior to the Association's continuing assessment lien under this Declaration, and the effect of the discharge of an Owner in bankruptcy is determined as of the first day of the month following the date of foreclosure or the date of filing of the bankruptcy in which the Owner is discharged, as the case may be (the "Discharge Date"). Foreclosure or acceptance of a deed in lieu does not relieve the former Owner from the personal obligation for payment of assessments due as of the Discharge Date, but does release the Association's continuing assessment lien as to and only as to said assessments except as otherwise provided in Section 5.07.3. The purchaser at foreclosure and an Owner discharged in bankruptcy is obligated to pay all assessments assessed or assessable from and after the Discharge Date, and the Association's continuing assessment lien fully secures payment of said assessments. For purposes of the foregoing "assessments assessed or assessable" means: (i) prorated regular annual assessments based on the number of months remaining in the calendar year in which the Discharge Date occurs regardless of whether the applicable regular annual assessment is payable in advance annually, semi-annually or quarterly; and (ii) any installments for special or specific assessments so payable which become due after the Discharge Date.

SECTION 5.10 Assessments as Independent Covenant. The obligation to pay assessments is a separate and independent covenant and contractual obligation on the part of each Owner. No off set, credit, waiver, diminution or abatement may be claimed by any Owner to avoid or diminish the obligation for payment of assessments for any reason, including, by way of illustration but not limitation: (i) by nonuse of any Community Properties or abandonment of a Lot; (ii) by reason of any alleged actions or failure to act by the Association, or its officers, Directors, agents or employees, whether or not required under this Declaration or other Governing Documents; (iii) for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association; or (iv) by reason of any action taken by the Association, or its officers, Directors, agents or employees to comply with any law, ordinance, or any order or directive of any governmental authority, or pursuant to any judgment or order of a court of competent jurisdiction.

Article VI

Maintenance, Insurance, Casualty Losses and Condemnation

SECTION 6.01 Association Responsibilities.

6.01.1 Community Properties. The Association will maintain, repair and replace the Community Properties and Subdivision Facilities as defined in Section 2.24 and keep the same in good repair. This maintenance includes, without limitation, maintenance, repair, and replacement of all landscaping and improvements situated on the Subdivision Facilities.

6.01.2 Exterior Maintenance. The Association shall maintain, repair and replace the exterior of each Townhouse, including maintenance, paint, repair and replacement of exterior surfaces, foundations, roofs and gutters, (excluding windows and doors as set forth in Section 6.02) all costs and expenses of which will be paid out of the Maintenance Fund. The Association is not responsible for any maintenance, which is the responsibility of any Owner as provided in Section 6.02.

6.01.3 Utilities. The Association shall maintain, repair and replace all utilities which service more than one Townhouse, including sanitary sewer systems, drainage and storm water lines and facilities, water lines and facilities, electrical and gas lines, meters and facilities, telephone and any other telecommunication lines, devices or facilities, and all other facilities, utilities and services which service more than one Lot, save and except to the extent maintenance of any such utilities is provided and actually performed by any governmental entity or utility company, and excluding any "Owner Utilities" as that term is defined in Section 6.02.

6.01.4 Landscaping. The Association will mow, trim, edge, weed and otherwise generally maintain all lawn and landscape areas upon each Lot which is located outside the footprint of the Townhouse thereon and which is not located within an

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enclosed area or other area which has been enclosed by Lot Line Fencing as may be approved in accordance with Section 8.08. The Association may also maintain such other lawn and landscape areas in such manner as from time to time approved by the Board.

6.01.5 Shared Common Drives. The Association will maintain, repair and replace the Shared Common Drive.

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

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

SECTION 6.02 Owner Responsibilities.

6.02.1 General Interior Maintenance. Each Owner shall maintain, at each Owner's sole cost and expense, the interior of the Owner's Townhouse, including all fixtures, equipment, appliances, things and devices located therein. Each Owner shall also maintain, repair and replace all windows, including window frames, sills and glass, all glass surfaces, all doors (including garages), including door frames, thresholds, fixtures and hardware, all lighting fixtures and devices attached to the Owner's Townhouse, and all weather stripping, caulking and similar sealants as to all of the foregoing. Any such maintenance that affects the exterior appearance of a Townhouse is subject to applicable provisions of Article IV regarding Architectural Control Committee approval.

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6.02.2 Utilities. The Owner of each Lot must maintain all utilities, including sanitary sewer lines and facilities, drainage or storm water lines and facilities, water pipelines, water sprinkler system, and related water lines and facilities, water heaters, electrical and gas lines, meters and facilities, telephone and any other telecommunication lines, devices or facilities, all heating and air conditioning equipment, lines and devices and all other facilities, utilities and services which exclusively service each Lot (the "Owner Utilities"), regardless of the location of the Owner Utilities, save and except to the extent maintenance of any Owner Utilities is provided and actually performed by any governmental entity or utility company.

6.02.3 Patios and Balconies; Landscaping. All grass, shrubbery, trees, flower beds, vegetation, fountain, statuary, hanging plants, ornament, furniture, furnishings and any other thing and all other landscaping, either natural or artificial, which is located within an enclosed patio area or other area which has been enclosed by Lot Line Fencing as may be approved in accordance with Section 8.08, or which is located within any balcony, must be maintained as to each Lot by the Owner thereof at all times in accordance with the seasons as reasonably necessary to obtain and maintain Prevailing Community Standards, including as reasonably necessary to maintain on a consistent and continuing basis a sanitary, healthful and attractive condition and appearance. The Board may require removal or modification as to any condition or thing in any of the foregoing areas if visible from any street or another Townhouse, or if otherwise constituting a nuisance or annoyance or if inconsistent or incompatible with the foregoing standards, all as determined in the sole good faith opinion of the Board.

6.02.4 Adjacent or Adjoining Owners: Common Fences. No Owner or their Related Parties will allow any condition to exist or fail or neglect to provide any maintenance, which adversely affects any adjoining or adjacent Lot or townhouse, any Community Properties, or any improvements on any such Lot or townhouse, or the Community Properties.

6.02.5 Dispute Resolution Among Owners.

(a) Any disputes among Owners regarding any rights or responsibilities pursuant to this Article may be submitted in writing to the Board. The Board also has full authority to direct submission of any dispute to the Board in writing. After notice and opportunity to be heard, the Board has full authority to resolve all such disputes, and its decisions as to same are final. The Board's authority includes, without limitation: (i) the right to direct the completion of any maintenance, repair or replacement and to allocate costs thereof among the disputing Owners; (ii) to authorize one of the disputing Owners or a third party to control the completion of the maintenance, repair or replacement; (iii) to order the disputing Owners to mediation or arbitration through a county dispute resolution center or similar organization or under the Rules of the American Arbitration Association; and (iv) to allocate among the disputing Owners all costs of the maintenance, repair or replacement

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and all costs (including attorneys fees) incurred in the dispute resolution process.

(b) Each disputing Owner must pay their allocated share of compliance costs (including attorney's fees) within thirty days after receipt of a statement for payment thereof. A final costs statement may be submitted by the Board or may be submitted by disputing Owners to the Board for resolution as above provided. If any Owner fails to pay their allocated costs as aforesaid, all such costs shall automatically be assessed as a specific assessment against the defaulting Owner as provided in Section 6.03. If one Owner has prepaid allocated costs of another and the prepaid sum is later collected by the Association, that sum (without interest if any) will be reimbursed to the Owner who prepaid same. All rights and remedies under this Section are cumulative.

SECTION 6.03 Right of Entry and Inspection: Owner's Default. In the event the Board or ACC determines that: (i) an Owner may have or has failed or refused to discharge properly the Owner's maintenance obligations as provided in this Article; or (ii) the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder may have or has been caused through the willful or negligent act or omission of an Owner, the Owner's tenants, or their respective Related Parties, then the Association may conduct inspections of any affected Building, the exterior of the residence and all other buildings thereon, and all other structures and improvements thereon (a "Compliance Inspection") and/or perform the repair, replacement or maintenance (the "Required Work") in accordance with the following:

6.03.1 If the Board or ACC determines that a violation of this Article may exist, the Board, ACC and their Related Parties may enter a Lot, and all other buildings, structures and other improvements thereon, to inspect same and any and all exterior portions of the Townhouse located on the Lot and to conduct a Compliance Inspection, including such investigative work as may be reasonably required to confirm that a violation does or does not exist. Except in the event of an Emergency, the Association must give written notice of the Association's intent to conduct a Compliance Inspection. The notice must state generally the nature of the suspected violations. The notice must also state the name, address and telephone number of a contact with whom to schedule a date and time for the inspection within ten days of the date of the notice (or such longer time as may be stated in the notice), and must state if a date and time is not so scheduled the Compliance Inspection may be conducted at any time within a specified period of time thereafter (which period of time may not exceed a ten-day period within thirty days after expiration of the scheduling period).

6.03.2 Except in the event of an Emergency, the Association must give written notice of the Association's intent to provide Required Work. The notice must set forth the Required Work with reasonable particularity. The Owner of the Lot to which the notice of Required Work pertains will have ten days within which to

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complete the Required Work as set forth in this notice, or, in the event the Required Work is not capable of completion within a ten day period, to commence the Required Work within ten days and to complete same within a reasonable time not to exceed thirty days unless otherwise specifically approved by the Board or ACC. The affected Owner must give written notice of the intent to commence the work and of the completion of Required Work stating in detail the Required Work intended to be commenced and the Required Work, which has been completed. The Board or ACC, through their Related Parties, may also conduct a Compliance Inspector to confirm completion of all Required Work.

6.03.3 If any Owner fails to schedule an inspection pursuant to a Compliance Inspection notice, the Association has the right (but not the obligation), through its Related Parties, to enter a Lot and thereupon to conduct the inspection as provided in Section 6.03.1. If any Owner fails fully to comply with a notice as to Required Work, the Association has the right (but not the obligation), through its Related Parties, to enter upon the Lot and to do all things upon the Lot, to the exterior of the residence and all buildings, and as to any structures and other improvements located thereon to commence and complete the Required Work.

6.03.4 In case of Emergency the Association has the right (but not the obligation), through its Related Parties, to immediate entry upon a Lot, and the Townhouse and all other buildings, structures and other improvements thereon, and to otherwise immediately exercise all rights and remedies authorized by this Section as is reasonably necessary in the sole opinion of the Board or ACC to abate the Emergency, without prior notice. Upon abatement of the Emergency applicable provisions of this Section will then again apply.

6.03.5 The good faith determination by the Board or ACC as to the need for a Compliance Inspection and as to all aspects of Required Work is final and conclusive, and extends to any thing or condition as to such Lot or which adversely affects any other Lot or Community Properties. Neither the Association nor any of its Related Parties may be held liable for trespass or any other tort or claim for damages in connection with any actions or failure to act pursuant to this Section. The provisions hereof are cumulative of the provisions of Section 3.06.

6.03.6 All reasonable costs and expenses as to conducting of a Compliance Inspection if a violation is confirmed and in all events as to all aspects of Required Work which is performed by the Association pursuant to this Section, as determined in the sole opinion of the Board or ACC, will be added to and become a part of the specific assessment to which such Owner and the Owner's Lot is subject, and is secured by the continuing lien hereby established against such Owner's Lot.

6.03.7 The provisions of this Section also apply to any other violations of the Governing Documents as provided in Section 10.02.

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SECTION 6.04 Casualty Losses.

6.04.1 Restoration by Association. Except as provided in Section 6.04.4, in the event of damage by fire or other casualty to the Community Properties or to all or any part of a Townhouse or regarding any other matters as to which the Association has an obligation to maintain pursuant to this Declaration or other Governing Documents, or if any governmental authority requires any repair, reconstruction or replacement as to same, the Association must perform all repairs, reconstruction or replacement necessitated thereby (the "Casualty Work"). The Casualty Work must be such as will substantially restore the Community Properties to its condition prior to the casualty or as required by the governmental authority. Any insurance proceeds payable as to the Casualty Work must be paid to the Association.

6.04.2 Board Administration as to Restoration. The Board is hereby irrevocably appointed the agent for each Owner, each Owner's mortgagee, other named insureds and their beneficiaries and for any other holder of a lien or other interest in any Lot, Townhouse or the Community Properties to adjust and settle all claims arising under any insurance policy purchased by the Association, to execute and deliver releases upon payment of claims, and to do all other acts and execute and deliver such other instruments as the Board deems reasonably necessary to submit, adjust, administer and settle any claims, including without limitation all matters regarding appointment of an insurance trustee. If the entire project is not repaired, replaced or reconstructed, any insurance proceeds attributable to Community Properties or other improvements owned by the Association must be used to restore same to a condition compatible with the remainder of the project. If the entire project is not repaired, replaced or reconstructed, any insurance proceeds attributable to each Townhouse or part thereof, which is not restored, shall be distributed to the Owner thereof or the Owner's mortgagees, as their interests may appear. Any surplus in insurance proceeds shall be retained by the Association to replenish any reserve or for use in connection with any other purposes of this Section. **NO OWNER IS EXEMPTED FROM PAYMENT OF ANY ASSESSMENTS, REGULAR, SPECIAL OR SPECIFIC, DURING ANY PERIOD OF REPAIR, REPLACEMENT OR RECONSTRUCTION.**

6.04.3 Specific Assessment of Excess Costs. Subject to Section 6.04.4, all costs of repair, replacement, reconstruction in excess of insurance proceeds and available reserves shall be levied as a special assessment under this Section to all Owners, pro rata, based on the square footage of each Owners Townhouse. **THE BOARD SHALL DETERMINE THE AMOUNT OF ANY SUCH SPECIAL ASSESSMENT AND THE TERMS FOR PAYMENT OF SAME, AND THE LIMITATIONS SET FORTH IN SECTION 5.05 SHALL NOT APPLY TO ANY SUCH SPECIAL ASSESSMENT.**

6.04.4 Owners' Decision Not to Repair. Except for Casualty Work, which is required by any governmental authority, the Owners may agree not to perform any Casualty

Work. Any decision not to perform Casualty Work must be approved by the Owners of all of the Townhouses.

6.04.5 Restoration by Owner. Whether or not insured, all damage or destruction by fire or other casualty to all or any portion of a Townhouse for which an Owner is responsible for maintenance, repair or replacement must be repaired, rebuilt or replaced by the Owner thereof within forty-five days after such damage or destruction; or, where repairs or replacements cannot be completed within forty-five days, they must be commenced within such period and completed within a reasonable time thereafter as determined by the ACC. For good cause shown, the ACC may extend the foregoing periods. Any such repair or replacement, which affects the exterior appearance of a Townhouse, is subject to applicable provisions of Article IV regarding Architectural Control Committee Approval. In the event of noncompliance with this Section, the Association has all enforcement powers permitted by law and this Declaration, including without limitation, the right to seek specific performance and/or to invoke the powers specified in Section 6.03 of this Declaration.

SECTION 6.05 Association Insurance.

6.05.1 Coverage. The Association, through the Board of Directors, shall have the authority, but not the obligation, to obtain the following types of insurance policies covering the Community Properties, and covering all damage or injury caused by the negligence of the Association or any of its agents;

- (a) property insurance in an amount equal to the full replacement value of real or personal property, if any, owned by the Association;
- (b) a comprehensive policy of public liability insurance;
- (c) a policy of fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle, or are responsible for handling funds of the Association;
- (d) directors and officers liability insurance; and
- (e) any such other insurance the Board deems necessary to protect the Subdivision or the Association, including the insurance provided for in Section 6.06.

6.05.2 Policy Provisions. Insurance policies required by Section 6.05.1 must comply to the extent reasonably obtainable with the following:

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(a) The insurer waives the right to subrogation under the policy against the Association, ACC, Declarant and any Owner, and all of their respective Related Parties, including any member of the household of an Owner.

(b) An act or omission by an Owner, unless within the scope of the Owner's authority on behalf of the Association, will not void the policy or otherwise invalidate or suspend coverage, or be a condition of recovery under the policy.

(c) If, at the time of a loss under the policy, there is other insurance in the name of an Owner which covers the same property covered by the policy, the Association's policy provides primary insurance and any other insurance is deemed excess coverage. In no event shall the insurance coverage obtained by the Association be brought into contribution with insurance of any Owner or their mortgagee unless otherwise required by law.

(d) Each Owner is an insured person under the policy with respect to liability arising out of the person's ownership of an undivided interest in any Community Properties or the person's membership in the Association, and the policy shall contain a cross liability endorsement under which the rights of a named insured will not be prejudiced with respect to any action against another named insured.

(e) Insurer waives any right of the insurer to repair, reconstruct or replace any damage or destruction if the Owners decide not to do so in accordance with Section 6.04 regarding restoration by the Association, and in such event the insurer shall pay on the basis of an agreed amount endorsement as though a total loss had occurred.

(f) So long as Declarant owns any Lot, Declarant shall be protected by all Association policies as an Owner.

(g) The insurer may not cancel, invalidate, substantially modify or refuse to renew the policy until at least sixty days after written notice of the proposed cancellation, invalidation, modification or non-renewal has been mailed to the Association.

6.05.3 Maintenance Fund. In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. Each Owner irrevocably designates the Association, as Attorney-in-Fact, to administer and distribute the proceeds from insurance coverage or insurance proceeds as is provided for in this Declaration, except for Owners individual liability and personal property insurance. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or

institution are insured by a Federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least two (2) members of the Board of Directors, or by an agent duly authorized by the Board of Directors.

6.05.4 Specific Assessments for Premiums and Other Costs. Premiums and all other costs of obtaining and maintaining all insurance required or permitted by this Section shall be deemed a specific assessment as to each Townhouse and the Owner thereof. This specific assessment for insurance shall be assessed as to each Townhouse, pro rata, based on the square footage of the Owner's Townhouse, or in such other equitable manner as determined by the Board or as may be necessary for obtaining and maintaining insurance. This specific assessment for insurance shall be due and payable at such times and in such manner as determined by the Board. Without limitation of the foregoing, costs include all administrative costs attributable to all activities of the Association pursuant to this Section, and establishment and maintenance of reasonable reserves as determined by the Board to be necessary or appropriate to accomplishment of the purposes and intent of this Section.

6.05.5 Deductibles; Claims. The Board shall determine appropriate deductibles for all insurance policies. The Board may in its sole discretion determine whether or not any particular claim is to be made if the claim is less than the then applicable deductible taking into account (without limitation) such factors as adverse effects of claims made as to future coverage or costs thereof. Each Owner shall as a condition to the validity of any claim provide all information and documentation, which is reasonably necessary to fully evaluate each claim. Each Owner shall be fully responsible for payment in full of each claim, which does not exceed the then applicable deductible. Determinations by the Board as to the validity of any claim as to amount or otherwise, and as to any other matters pertaining to this Section are final and conclusive.

6.05.6 Unavailable Coverage; Additional Rules and Regulations. Neither the Association nor its Related Parties are liable for failure to obtain any insurance coverage or to otherwise comply with any other provisions of the Article VI regarding same if such failure is due to unavailability or excessive costs as determined in the sole good faith opinion of the Board, or for any other reason beyond the reasonable control of the Board. The Board is specifically authorized from time to time to adopt and amend policies, procedures, rules and regulations to more fully effectuate the purposes and intent of the provisions of this Section 6.05, including the responsibility for the payment or apportion of deductibles between the Association and Owners.

SECTION 6.06 Owners' Insurance. Each Owner must purchase insurance affording protection against loss or damage from fire or other hazards covered by the standard extended coverage endorsement, from a reputable insurance company licensed to do business in the State of Texas in an amount equal to the replacement cost of the Townhome

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on the Lot. Should an Owner fail to provide adequate proof of insurance coverage as required, the Association shall have the authority, but not the obligation, to purchase such coverage, and such assessment shall become the personal obligation of said Owner and secured by the lien established in Section 5.07. At its option, the Board may purchase the multi-peril insurance discussed above on behalf of all Owners of Lots and pay the premiums out of the Maintenance Fund or as provided in Section 6.05.4. Any insurance obtained by the Association or an Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Owners, Association or their respective servants, agents or guests. Each Owner may also purchase other additional or supplemental coverage, but no Owner may be exempted from paying specific assessments for Casualty Work as provided in Section 6.04 or specific assessments for insurance premiums and other costs as provided in Section 6.05 regardless of any insurance otherwise carried by any Owner or for any other reason. The Board is specifically authorized from time to time to adopt and amend policies, procedures, rules and regulations to more fully effectuate the purposes and intent of the provisions of this Section, including without limitation authority to specify specific types and forms of coverage, in such amounts and with such deductibles, limits and other terms as the Board may from time to time determine in order to coordinate Owner and Association coverage or to prevent gaps in coverage, or as otherwise deemed necessary or desirable by the Board.

SECTION 6.07 Agreement Relating to Common Walls and Other Shared Structural Components.

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

6.07.2 Common Usage. Each Owner acknowledges and agrees that the adjoining Townhouse Owner has full right to use the Common Wall for the insertion of beams or otherwise for support and enclosure; provided, however, that such use may not injure the adjoining Townhouse or impair the Common Wall benefits of support and enclosure to which the adjoining Townhouse is entitled; and further provided that prior written notice of such use is given to the Owner by the adjoining Owner as provided in Section 9.04.2. To facilitate such use and for the purpose of erecting, extending, repairing or replacing the Common Wall as may be herein provided, each Owner is licensed by the adjoining Owner to enter upon the adjoining Owner's premises to make necessary excavations or to do all other work necessary to exercise the rights provided in the other provisions of this Article.

6.07.3 Extensions. Both the Owner and the adjoining Owner have the right to extend the Common Wall either horizontally or vertically, or both, and to make such extension of greater thickness or the Common Wall or any extension thereof

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

6.07.4 Costs of Extension. In the event the Common Wall is extended as herein provided, the cost and expense of the extension must be borne by the Owner causing it to be made; provided, however, that should the adjoining Owner then use the extension or any portion thereof as a Common Wall, then that adjoining Owner must pay to the other Owner, fifty percent of the cost of the extension or portion thereof used as a Common Wall.

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

6.07.6 Damage or Destruction. In the event the Common Wall is totally or partially destroyed by fire or other casualty cause and repair or replacement thereof is not covered by Association insurance; either of the Owners thereof has the obligation to reconstruct the same that Owner's own expense if that Owner also intends to continue the use of the Common Wall, or at the expense of both parties, in equal shares, in the event both intend to continue the use of the Common Wall.

6.07.7 Weatherproofing. Notwithstanding any other provisions of this Section, an Owner who by their negligent or willful act causes the Common Wall to be exposed to the elements, must bear the whole cost of furnishing the necessary protection against such elements and all damages resulting from same.

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

6.07.9 Extension of Owners' Access Easement. Notwithstanding any other provisions hereof to the contrary, the access easement as set forth in Section 9.04

is hereby extended to entry to a Townhouse as is necessary to perform needed work as to the Common Wall and other shared structural components, subject however to: (i) reasonable requirements by the Owner and/or occupant of the Townhouse being accessed to protect the privacy of the occupants and the contents of the Townhouse; and (ii) such other Rules and Regulations as from time to time adopted by the Board.

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

SECTION 6.08 Condemnation. If at any time all or any part of the Community Properties is taken (or conveyed in lieu of and under threat of condemnation by the Association acting on the approval of the Owners of a majority of Lots then contained within the Subdivision) by any authority having the power of condemnation or eminent domain, any award compensation or damages must be paid to the Association as trustee for all Owners. The Board has the exclusive right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation issues affecting such Community Properties. The Association shall give timely notice of the existence of such proceedings to all Owners and their mortgagees, if any. The expense of participation in such proceedings shall be common expenses payable from the Maintenance Fund. The Owners may, by vote of the Owners of seventy-five percent or more of all Lots, agree to distribute the proceeds of any condemnation or taking by eminent domain, to each owner and their mortgagee, if any, as their interest may appear. In the event the Owners do not so agree, such proceeds must be added to the funds of the Association, and the Association shall decide on whether or not to replace or restore, as far as possible, the Community Properties so taken or damaged. If condemnation proceeds are insufficient to replace or restore any loss or damage, the Association may levy a special assessment as provided for in Section 5.05 of this Declaration.

Article VII
Use Restrictions

SECTION 7.01 Residential Use; Group Homes; Treatment Facilities.

7.01.1 General. Each and every Lot, including each Townhouse on each Lot, is hereby restricted to single family residential use only. No Townhouse may be occupied by more than one single family. No part of any garage and no part of any building other than each Townhouse may be used as living quarters.

7.01.2 No Business, Professional, Commercial or Manufacturing Use. No business, professional, commercial or manufacturing use may be made of any Lot or any improvement located thereon, even though such business, professional, commercial or manufacturing use be subordinate or incident to use of the premises as a residence, and regardless of whether or not done for profit or remuneration.

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Notwithstanding the foregoing, a single family residence may be used for maintenance of a personal professional library, keeping of personal or professional records or accounts, or handling personal business or professional telephone calls, or for maintenance of one business office, but if, and only if such business activity: (i) does not involve use of any part of the applicable Lot, or residence or other building or improvement thereon, by any Person other than the Owner or the Owner's tenant (but not both); (ii) is not detectable by sight, sound or smell from outside the residence and there is no other external evidence thereof (including signs, advertising, or contacts in person at the residence with clients or customers); (iii) does not involve the storage of any equipment, materials or devices other than as consistent with operation of a small business office, and in all events which are not hazardous and do not constitute any type of threat to health or safety or other nuisance; (iv) complies with all applicable City ordinances (including zoning ordinances) and any other governmental laws, rules, regulations and permitting or licensing requirements applicable to same; (v) is consistent with the residential character of the Subdivision; and (vi) does not cause any annoyance or unreasonable inconvenience to Owners or occupants of area Lots or any Community Properties.

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

7.01.4 Single Family Defined. As used in this Declaration the term "single family" means either: (i) husband and wife, their dependent children and their dependent parents, grandparents, grandchildren, brothers and sisters who are maintaining a common household and who are members of a single family related by blood, marriage or adoption; or (ii) one or more natural persons not so related, but who are maintaining a common household in a single family residence on a nonprofit, noncommercial basis with a common kitchen and dining area; and (iii) the bona fide domestic servants of either. "Dependent children" as used above means the sons and daughters, by blood or adoption, of the husband and/or wife who do not maintain a separate residence, but does not include the children or any other relatives of the sons or daughters living at home. "Dependent parents, grandparents, grandchildren, brothers and sisters" as used above means such relatives who do not maintain a separate residence and are not able to maintain a separate residence due to a physical or mental impairment that substantially limits their ability to maintain a separate residence; and, in addition in the case of grandchildren, where their parents are similarly impaired or are deceased.

7.01.5 Maximum Occupancy. In addition to the limitations above set forth, in no event may a single family residence, including each Townhouse, be occupied by more persons than the product of the total number of bona fide bedrooms

contained in the single family residence multiplied by two. The number of bona fide bedrooms is based on the single family residence as originally constructed, plus any additional bedroom(s) which may thereafter be added which have been specifically approved by the ACC for such use, if any.

7.01.6 Group Homes: Treatment Facilities. To the fullest extent allowed by law, no Lot or any part of the single family residence thereon may be used for the operation of a "group home", "family home", "community home", "half-way house", day-care center, rehabilitation center, treatment facility, or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicaps or illness, or other similar matters.

SECTION 7.02 Pets, Animals and Livestock.

7.02.1 Permitted Pets: Leashing Required. No animals, hogs, horses, livestock or poultry of any kind may be raised, bred, kept or maintained on any Lot at any time except "Permitted Pets" which are dogs, cats or other usual household pets. Not more than two Permitted Pets are allowed per Lot unless authorized in writing by the Board or applicable Rules and Regulations, and no Permitted Pets may be raised, bred, kept or maintained for commercial purposes. Subject to Section 7.04, the foregoing limitation on the number of Permitted Pets does not apply to hamsters, small birds, fish or other constantly caged animals which are continuously kept completely within a residence, nor shall it apply to require the removal of any litter born to a Permitted Pet prior to the time that the animals in such litter are three months old. All Permitted Pets must be kept on a leash or otherwise maintained under the control of their owner when not maintained in an enclosed yard from which the Permitted Pet cannot escape. The Board may adopt Rules and Regulations to further regulate Permitted Pets, including without limitation to further specify types of usual household pets to be included or excluded as Permitted Pets, regulations as to number or otherwise applicable to caged animals and areas outside a residence and/or an enclosed yard in the Subdivision where Permitted Pets are permitted or from which they are excluded. **NO PETS OF ANY KIND ARE PERMITTED UPON ANY COMMUNITY PROPERTIES EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PERMITTED BY APPLICABLE RULES AND REGULATIONS AND THEN ONLY IN STRICT COMPLIANCE THEREWITH.**

7.02.2 Removal. As to any animals or livestock not permitted by this Section, and as to any Permitted Pet which is allowed to roam free, or which in the sole opinion of the Board endanger health or safety, make objectionable noise, or constitute a nuisance, annoyance or inconvenience to the Owners or occupants of other Lots, the Community Properties or any property located adjacent to or in the vicinity of the Subdivision or which is otherwise raised, bred, kept or maintained in violation of this Declaration or applicable Rules and Regulations, the Board may cause any

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such animal, livestock or Permitted Pet to be removed from the Subdivision and may prohibit the return of any such Permitted Pet to the Subdivision. Removal as aforesaid will be at the sole expense of the responsible Owner or Owner's tenant and without liability of any kind whatsoever to the Association, including the ACC, their Related Parties, or any Person, which the Board may direct to remove any such animal, livestock or Permitted Pet.

SECTION 7.03 Vehicles.

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

7.03.2 Parking. No vehicle of any kind may be parked, stored or otherwise permitted to remain at any time: (i) on the Shared Common Drive; (ii) on grass or any other similar portion of any Lot or any other place within the Subdivision not intended customarily for use for parking of vehicles; or (iii) in such manner as to obstruct or impede sidewalk, driveway or street access. No vehicle of any kind may be parked, stored or otherwise permitted to remain overnight upon any driveway. **PERMITTED VEHICLES WHICH ARE OWNED OR OPERATED BY THE RESIDENTS OF A LOT ("OCCUPANT VEHICLES") MUST BE PARKED FULLY AND ONLY IN THE GARAGE OF THE LOT OCCUPIED BY THE OWNER OR OPERATOR OF THE OCCUPANT VEHICLE. NOT MORE THAN TWO OCCUPANT VEHICLES ARE PERMITTED PER LOT EXCEPT AS MAY BE SPECIFICALLY AUTHORIZED IN WRITING BY DECLARANT OR THE BOARD.**

7.03.3 NOTICE OF LIMITED AVAILABILITY OF PARKING. AVAILABLE PARKING WITHIN THE SUBDIVISION WILL BE EXTREMELY LIMITED, AND PARKING WITHIN THE SUBDIVISION AND ON AREA STREETS MAY BE PROHIBITED (AND IS PROHIBITED WITHIN THE SUBDIVISION AS ABOVE PROVIDED) AND/OR LIMITED BY THE CITY AND/OR BY THE BOARD.

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

7.03.5 Vehicle Defined. As used in this Section, "vehicle" includes motor homes, boats, trailers, motorcycles, scooters, trucks, campers, buses, automobiles, all other "vehicles" as defined in Section 541.201(21) of the Texas Transportation

Code (as amended), and such other devices as from time to time specified by applicable Rules and Regulations.

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

7.03.7 Towing. The Board or its designated representative may cause any vehicle which is parked, stored or maintained (whether or not pending repairs or other work) in violation of this Declaration or other Governing Documents to be removed from the Subdivision to any vehicle storage facility within Harris County, Texas at the sole cost and expense of the Person owning such vehicle (whether or not such Person is an Owner) and/or the Owner as to whom such Person is a tenant, visitor, guest or invitee. Any such removal may be in accordance with any applicable statute or ordinance.

7.03.8 Responsibilities of Owners and Tenants. Owners and their tenants must obtain full compliance with the provisions of this Section by their respective Related Parties and each is jointly and severally liable for all violations by their respective Related Parties as provided therein.

SECTION 7.04 Nuisance, Unsightly or Unkempt Conditions.

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

7.04.2 Nuisance or Annoyance. No substance, thing, or material may be kept upon any Lot that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive trade or activity may be carried on upon any Lot, nor may anything be done thereon tending to

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cause embarrassment, discomfort, annoyance, or a nuisance to any residents of the Subdivision or to any Person using any property adjacent to the Lot. No spirituous, vinous, malt, medicated bitters, alcohol drugs or other intoxicants may be sold or offered for sale on any part of any Lot or any other place within the Subdivision. Lot or any part thereof may be used for any immoral or illegal purposes.

7.04.3 Pollutants; Hazardous Materials. Without limitation of any other provisions of this Section, no Owner or tenant, and Related Parties of either, shall dump grass clippings, leaves or other debris, detergents, petroleum products, fertilizers, or other pollutants or potentially hazardous or toxic substances, in any sewer system, water system, drainage ditch, stream, pond or lake within the Subdivision, or do any thing or maintain or permit any condition in violation of applicable environmental, toxic or hazardous waste or similar laws, roles or regulations. Storage of gasoline, heating or other fuels, or of any hazardous or toxic materials upon any Lot is strictly prohibited (except that up to five gallons of fuel may be stored upon a Lot for emergency purposes and operation of lawn mowers and similar tools or equipment if properly kept and stored in a safe and non-hazardous manner). The foregoing does not place upon the Association or any of its Related Parties any obligation for enforcement of any applicable environmental, toxic or hazardous waste or similar laws, rules or regulations.

7.04.4 Authority to Cure. Upon the good faith determination of the Board that a violation of this Section exists, the Board may take such actions as it deems necessary to abate the violation in the manner provided in Section 6.03 at the sole cost and expense of the violating Owner and, if applicable, their tenant.

SECTION 7.05 Septic Tanks Prohibited. No privy, cesspool, septic tank, private water well or similar private sewage or water systems is permitted upon any Lot.

SECTION 7.06 Disposal of Trash. No trash, rubbish, garbage, manure, debris or offensive material of any kind may be kept or allowed to remain on any Lot, nor may any Lot be used or maintained as a dumping ground for such materials. No incinerator may be maintained on any portion of the Subdivision, and disposal of any materials by incineration within the Subdivision is strictly prohibited. All trash and similar matter to be disposed of must be placed in cans or similar receptacles with tight fitting lids or plastic bags tied or otherwise tightly secured, and must be placed in an area adequately screened by planting or fencing from public view or within a garage except when placed for regular pickup as herein provided. Equipment used for the temporary storage and/or disposal of such material prior to removal must be kept in a clean and sanitary condition, and must comply with all applicable federal, state, county, municipal or other governmental laws and regulations. All such prohibited matter must be removed from each Lot at regular intervals if not removed or removable by a regular garbage and sanitation service. Trash and garbage for pickup by a regular service must be placed in such area or areas as the Board may from time to time direct, or as the applicable garbage and sanitation service or provider may require; provided trash and garbage may not be placed for pickup earlier

than eight hours prior to a scheduled pickup day, and all receptacles there for and any remaining trash and garbage must be removed from the pickup site by midnight of the pickup day. Any of the foregoing provisions may be modified, added to or deleted by applicable Rules and Regulations.

SECTION 7.07 Permitted Hours for Construction Activity. Except as is reasonably necessary for initial construction of a residence on a Lot, or in an Emergency, outside construction work or noisy interior construction work shall not be permitted except: (i) as to initial construction of a residence upon a Lot, only between the hours of 6 a.m. to 8 p.m., Monday through Friday, 7 a.m. to 6 p.m. on Saturday and 10 a.m. to 6 p.m. on Sunday; and (ii) in all other cases, not on any legal holiday or Sunday, and otherwise only between the hours of 7:00 a.m. to 7:00 p.m., Monday through Friday, and 9:00 a.m. to 6:00 p.m. on Saturdays.

SECTION 7.08 Building Materials. No Lot shall be used for the storage of any materials whatsoever, except that material used in the construction of improvements erected upon any Lot may be placed upon such Lot as provided in Section 8.04.4. Under no circumstances shall building materials be placed or stored on any street or walkway or upon any Community Properties except as expressly authorized in writing by the Board.

SECTION 7.09 Outdoor Cooking. Outdoor cooking shall be permitted on any Lot only in equipment especially constructed for same, and only in such manner as not to create a hazard of fire or injury to persons or property. Outdoor cooking is prohibited upon Community Properties unless authorized by the Board. All outdoor cooking equipment shall be properly maintained, and shall be stored in an area screened from public view when not in use. The Board may enact Rules and Regulations specifically prohibiting outdoor cooking any place within the Subdivision or upon any Lot, or otherwise restricting or regulating outdoor cooking.

SECTION 7.10 Firearms and Fireworks Prohibited. Except as allowed by law for protection, the use of firearms in the Subdivision is strictly prohibited. The term "firearms" includes, without limitation "B-B" guns, pellet guns, and small or large firearms of all types. Fireworks of any type are strictly prohibited at any place within the Subdivision.

SECTION 7.11 Basketball Goals. No basketball goals or backboards may be mounted on a garage or on a pole, or otherwise erected or maintained upon any Lot, without the prior written approval of the ACC.

SECTION 7.12 Leases.

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

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

7.12.2 Default. In the event of default under any lease due to violation of this Declaration or any other Governing Documents, the Board may (but has no obligation to) initiate any proceedings, actions or litigation under the lease to enforce compliance or to terminate the lease and/or for eviction. With regard to the foregoing, each Owner hereby irrevocably appoints the Board or its designated representative as their attorney-in-fact, agrees to indemnification in regard thereto to the fullest extent herein provided (including as set forth in Section 3.06) and agrees to be solely responsible for all costs thereof (including as provided in Section 5.06).

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

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

SECTION 7.13 Unoccupied Residences. The Owner of a Lot with an unoccupied residence, including any mortgagee in possession and any mortgagee obtaining title to a Lot by foreclosure or by any deed or other arrangement in lieu of foreclosure, is liable for full observance and performance of all terms and conditions of this Declaration and all other Governing Documents, including in particular, but without limitation: (i) proper maintenance of the Lot and all improvements thereon; (ii) securing of the unoccupied residence, including fastening of windows and locking of all entry and garage doors, and maintenance of appropriate curtains or other permitted window covers in order to prevent unauthorized entry or use; and (iii) such other maintenance as required to avoid an appearance of abandonment or other unsightly or unkempt appearance.

SECTION 7.14 Undeveloped Lots. The Owner of any Lot upon which a single family residence has not been constructed must maintain such Lot in a neat, sanitary and attractive condition and in accordance with other applicable provisions of this Declaration and other Governing Documents, including without limitation, periodic and regular removal

of trash and debris there from and mowing of grass and other vegetation thereon as necessary to prevent growth to more than eight inches in height.

SECTION 7.15 Garage Usage. No portion of any garage may be diverted to any use other than the parking of vehicles and other generally accepted and customary usage of a garage. In particular, but not in limitation of the foregoing, no portion of any garage may be used as a residence or a game room, or for any similar use as living quarters. Garage doors must be kept in a closed position when the garage area is not being actively used.

SECTION 7.16 Mineral Production. No drilling, development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

SECTION 7.17 Clotheslines. No outside clotheslines shall be constructed or maintained on any Lot or Community Properties, nor shall any other outside drying of clothes be permitted.

SECTION 7.18 Timesharing Prohibited. No Lot may be made subject to any type of timesharing, faction-sharing or similar program whereby the right to exclusive use of the Lot or the single family residence thereon rotates among members of the program on a fixed, floating or other time schedule.

SECTION 7.19 Electronic Signal Devices. The Board may require registration of the frequencies of any electronic signal devices such as garage door openers, fence openers, remote controls for lights or other electronic devices with the Board. If so required and in the event a similar frequency is already registered with the Board, the Board has the right to require the later registering user to change their proposed frequency. The Board will attempt to coordinate such frequencies so that one user's electronic devices will not interfere with the devices of other users.

SECTION 7.20 Rules and Regulations. The Board is hereby specifically authorized to promulgate, amend, modify and delete such reasonable Rules and Regulations applicable to the operation, use and occupancy of the Subdivision, including all Lots and Community Properties, as the Board may from time to time deem beneficial to the Subdivision. Such authority includes, but is not limited to: (i) the right to limit, in addition to the provisions of Section 7.03, the type and size of vehicles permitted within the Subdivision, traffic and parking regulations and other traffic control, procedures, and the maximum permissible noise levels of vehicles within the Subdivision; (ii) procedures and reasonable restrictions and limitations on the right to use Community Properties; and (iii) all procedural and substantive aspects for the establishment, levy, collection and payment of fines for any violations of the Governing Documents. Rules and Regulations are of equal dignity with and may be enforceable in the same manner as the provisions of this Declaration; provided

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7.20.1 Rules and Regulations may not be enacted retroactively (except that if any activity is subsequently covered by Rules and Regulations and such activity ceases after enactment of the Rules and Regulations covering same, then the Rules and Regulations will apply to the activity thereafter);

7.20.2 Rules and Regulations may not be incompatible with the provisions of this Declaration; and

7.20.3 Rules and Regulations will not become effective until thirty days after notice thereof is given to all Owners or such later date as stated in the notice (certification by the Association that proper notice was given in accordance with this Section to be conclusive absent proof of fraud).

Article VIII
Architectural Restrictions

SECTION 8.01 Type of Residence.

8.01.1 Single Family Residence. No building other than one attached Townhouse not to exceed three stories which is to be occupied as a residence by one single family and outbuildings if and as may be approved in writing by the ACC may be constructed, placed or permitted to remain on each Lot.

8.01.2 Garages and Garage Doors. All single-family residences must have an attached enclosed garage. All garages must be enclosed with permanent walls and their fronts enclosed with standard type overhead doors customarily used in the building industry which garage doors must be maintained in good working order at all times. Any replacement garage door must be approved by the ACC, and must be painted to match the color scheme of the residence as originally constructed or a subsequent color scheme which has been approved in writing by the ACC. Except for interior modifications of a garage wholly consistent with its use as a garage and which do not alter the use or exterior appearance of the garage as originally constructed, no modification of the interior or exterior of any garage as originally constructed is permitted without prior written approval of the ACC.

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

8.01.4 Tents, Mobile Homes and Temporary Structures. No tent, shack, mobile home, or other structure of a temporary nature shall be placed upon any Lot or

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elsewhere in the Subdivision. The foregoing prohibition does not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Lot, provided it receives the prior approval of the ACC. In addition, party tents or similar temporary structures may be erected for a limited period of time for special events with prior written approval of the ACC.

SECTION 8.02 Living Area Requirements. All single-family residences, exclusive of porches and garages, must contain not less than 2,500 square feet.

SECTION 8.03 Location of Residences. No single family residence (excluding any roof overhang, fireplace, chimney, bay window, steps or similar architectural detail which is part of a single family residence) may be located upon any Lot except in accordance with building setback lines shown on any applicable Plat, or as established by this Declaration or applicable requirements of the City.

SECTION 8.04 Construction Standards.

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

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

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

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

8.04.5 Landscaping. All landscaping installed on any Lot must be in accordance with the plans and specifications therefore approved by the ACC.

8.04.6 Home Address Numbers. Any house address number markers are subject to the prior written approval of the ACC, and as to same the ACC must maintain general uniformity.

8.04.7 Exterior Materials. The exterior wall areas of all residences, excluding gables, windows and door openings, must be brick, stone, stucco or other masonry siding. The ACC is expressly authorized to permit use of other materials or otherwise modify the foregoing requirements from time to time by Architectural Guidelines or as otherwise expressly approved.

8.04.8 Drainage Easements and Devices. During the Development Period Declarant is hereby specifically authorized to excavate as necessary for and to establish, construct and maintain drainage swales, erosion control systems and such other things and devices (herein referred to as "Drainage Devices") upon, over, across or under any part of the Subdivision, including any Lot, as Declarant deems appropriate to properly maintain and control water drainage and erosion. Declarant may also authorize any builder of the initial single-family residence on any Lot to establish, construct and maintain Drainage Devices as aforesaid. Declarant hereby reserves for itself and authorized builders a blanket easement upon, over, under and across the Subdivision, including each Lot, for purposes of establishment, construction and maintenance of Drainage Devices as aforesaid; provided, such easement may not be exercised and no Drainage Device may be established, constructed or maintained in any manner as to encroach upon the foundation or any other part of any single family residence or its appurtenant garage. Once established and for so long as continued maintenance thereof is reasonably necessary, all Drainage Devices shall remain unobstructed, and shall be properly maintained by the Association. Each Owner must refrain from permitting any construction, grading and any other work, act or activity upon such Owner's Lot which would obstruct, alter, divert, increase, accelerate or impede the proper functioning of any Drainage Device. THE FOREGOING SHALL NOT BE CONSTRUED TO OBLIGATE DECLARANT TO CONSTRUCT, INSTALL, MAINTAIN, REPAIR OR RECONSTRUCT ANY DRAINAGE DEVICES OF ANY TYPE OR KIND WHATSOEVER, AND ANY REPRESENTATION, WARRANTY OR IMPLICATION AS TO SAME IS HEREBY SPECIFICALLY DISCLAIMED.

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

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8.04.10 Gutters and Downspouts. Adequate guttering must be installed around rooflines and downspouts must be installed to promote drainage in accordance with Section 8.04.9.

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

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

SECTION 8.05 Temporary Structures; Sales Office. Temporary buildings or structures shall not be permitted on any Lot; provided, the Board may permit (and shall not unreasonably withhold or delay approval for) temporary toilet facilities, sales and construction offices and storage areas to be used in connection with the construction and sale of residences at such locations as the Board may direct, and may authorize usage of garages as sales offices during the Development Period. During all times when a garage is used as a sales office, as aforesaid, there must be posted a conspicuous sign in such garage advising prospective purchasers that the area must be reconverted to and thereafter maintained as a garage upon the sale of the Lot. At the time of the sale of a residence, any garage appurtenant to any residence used for sales purposes must have been reconverted to a garage.

SECTION 8.06 Lot Re-subdivision or Combination. No Lot as originally conveyed by Declarant to any Person, including a builder, may thereafter be subdivided or combined with any other Lot, or the boundaries thereof otherwise changed.

SECTION 8.07 Window and Door Glass Covers. Glass in windows, doors and other similar openings must be maintained as installed during original construction except as otherwise permitted in writing by the ACC. Glass film and similar tinting, and aluminum foil and similar reflective materials, are in all events prohibited; provided, factory tinted glass may be approved by the ACC. Only blinds, curtains or drapes, which are white or off-white, are permitted unless prior written approval of the ACC is obtained.

SECTION 8.08 Lot Line Fences, Walls and Hedges. All fences and freestanding fence type walls, gateposts, hedges and planters (sometime herein referred to as "Lot Line Fencing"), whenever and wherever located on any Lot, must comply with the following:

8.08.1 ACC Approval Required. No Lot Line Fencing may be constructed, placed or maintained on any Lot or any other place within the Subdivision without prior written approval of the ACC.

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8.08.2 Composition. All Lot Line Fencing other than hedges must be constructed of redwood or cedar, ornamental iron, brick or masonry, or combinations thereof, as approved by the ACC.

8.08.3 Chain Link Fences Prohibited. No chain link type fencing of any type is permitted on any Lot.

8.08.4 Ownership and Maintenance. Ownership of all Lot Line Fencing passes with title to the Lot, but the Association shall maintain Lot Line Fences.

8.08.5 Hedge Defined. For the purposes of this Section, "hedge" means a row of bushes, shrubs and similar plants, which, at natural maturity, will exceed three feet in height and have sufficiently dense foliage as to present a visual and physical barrier substantially similar to a fence.

SECTION 8.09 Antennas and Satellite Dish System. No exterior antennas, aerials, satellite dishes, or other apparatus for the reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any Lot, which are visible from any street, Common Area or another Lot, unless it is impossible to receive an acceptable quality signal from any other location. In that event, the receiving device may be placed in the least visible location where reception of an acceptable quality signal is possible. The Board of Directors of the Association may require painting or screening of the receiving device, which painting or screening does not substantially interfere with an acceptable quality signal. In no event are the following devices permitted: (i) satellite dishes, which are larger than one (1) meter in diameter; (ii) broadcast antenna masts, which exceed the height of the center ridge of the roofline; or (iii) MMDS antenna masts, which exceed the height of twelve feet (12') above the center ridge of the roofline. No exterior antennas, aerials, satellite dishes, or other apparatus shall be permitted, placed, allowed or maintained upon any Lot, which transmit television, radio, satellite or other signals of any kind. This section is intended to be in compliance with the Telecommunications Act of 1996 (the "Act"), as the Act may be amended from time to time; this section shall be interpreted to be as restrictive as possible, while not violating the Act. The Board of Directors of the Association may promulgate architectural guidelines, which further define, restrict or elaborate on the placement and screening of receiving devices and masts, provided such architectural guidelines are in compliance with the Telecommunications Act.

SECTION 8.10 Signs, Advertisements and Billboards. No sign of any kind shall be displayed to public view on any Lot, except signs of not more than one (1) sign in each of the following categories, which is not more than six (6) square feet in area used to: (a) advertise the Lot for sale or lease; (b) indicate traffic control or security services; (c) identify the Builder or contractor while construction is in progress on such Lot; or (d) local school spirit signs approved by the Architectural Control Committee for designated periods of time. Owners may place ground mounted signs on their Lot, which advertise a political candidate or ballot item for an election ("Political Signs"), provided the following criteria are met:

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- (1) No Political Sign may be placed on an Owner's Lot prior to the ninetieth (90th) day before the date of the election to which the sign relates, or remain on an Owner's Lot subsequent to the tenth (10th) day after the election date.
 - (2) No more than one (1) Political Sign is allowed per political candidate or ballot item.
 - (3) No Political Sign may: contain roofing material, siding, paving, materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component; be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object; include the painting of architectural surfaces; threaten the public health or safety; be larger than four feet by six feet; violate a law; contain language, graphics, or any display that would be offensive to the ordinary person; or be accompanied by music, other sounds, by streamers or is otherwise distracting to motorists.

The Association may remove a sign displayed in violation of this Section 8.10 of the Declaration. Additionally, the right is reserved by Declarant to construct and maintain signs, billboards, and advertising devices as is customary in connection with the sale of newly constructed Townhouses.

SECTION 8.11 Exterior Lighting. Except Christmas lighting, any exterior lighting of a residence or Lot must be approved by the ACC in accordance with Article IV. No exterior lighting (including Christmas lighting) may be directed outside property lines of the Lot upon which same is located. All lighting fixtures (except Christmas lighting) must be compatible in style and design to the residence where located. Christmas lighting and related decorations and ornamentation may be displayed between November 1 and January 16, and the ACC may in particular instances or through Architectural Guidelines permit other holiday lighting, decorations and ornamentation (all of which for purposes of this Section are referred to as "Christmas Lighting"); provided, the ACC is authorized to fully regulate all Christmas Lighting in particular instances or by Architectural Guidelines to avoid any annoyance, nuisance, safety hazard or unsightly condition or appearance as determined in the sole opinion of the ACC.

SECTION 8.12 Tree Removal. No living tree with a trunk diameter of six inches or greater shall be cut down or removed from any Lot without the prior written approval of the ACC except for trees within the footprint of a single family residence to be constructed on the Lot or within five feet thereof dead or damaged trees which may create a hazard to property or persons within the Subdivision must be promptly removed or repaired at the Owner's expense.

SECTION 8.13 Traffic Sight Line Areas. No fence, wall, hedge, tree, shrub planting or any other thing or device which obstructs sight lines at elevations between two and six feet above a street shall be permitted on any corner Lot within the triangular area formed by the two boundary lines thereof abutting the street and a line connecting them at points twenty-five feet from their intersection, or within the triangular area formed by the

boundary line abutting a street, the edge line of any driveway pavement and a line connecting them at points ten feet from their intersection.

SECTION 8.14 Solar and Other Energy Devices. No solar energy collector panels or attendant hardware or other similar equipment is permitted upon any portion of the Subdivision, including any Lot and/or residence located thereon, without the prior written consent of the ACC. Any such installation shall be in harmony with the design of the residence, and such that the device is not visible from any street. Windmills, wind generators and other apparatus for generating power from the wind are prohibited.

SECTION 8.15 Exterior Colors. Unless otherwise approved by the ACC, each residence and other painted improvements upon each Lot must remain the same color(s) used in the original construction of same.

SECTION 8.16 Maintenance Of Utilities. All utility services intended to be provided to each single family residence as originally constructed, including without limitation water, sewage, electric and gas services, must be maintained by the Owner at all times when a residence is occupied. Owner shall have no responsibility regarding maintenance of water meters installed by the Association or Declarant.

SECTION 8.17 Air Conditioners. Except as approved by the ACC, no window, wall or exterior roof mounted type air conditioners or heating units, or any part thereof, and no air conditioners or heating units, or any part thereof, which is visible from any street will be permitted.

SECTION 8.18 Private Utility Lines. All electrical, telephone and other utility lines and facilities which are located on a Lot and which are not owned and maintained by a governmental entity or a utility company must be installed in underground conduits or other underground facilities unless otherwise approved in writing by the ACC, and must be maintained at all times by the Owner of the Lot upon which same is located.

SECTION 8.19 Disposal Units. Each kitchen in a single family residence must be equipped with a garbage disposal unit, and same must at all times be kept in good working order and serviceable condition.

SECTION 8.20 Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, canals or other ground or surface waters shall be installed, constructed or operated upon any Lot or elsewhere in the Subdivision. Private irrigation wells are prohibited upon any Lot. Sprinkler and irrigation systems installed as Subdivision Facilities will be maintained by the Association. No other sprinkler or irrigation system may be installed upon any Lot or elsewhere in the Subdivision except with the prior written consent and approval of the ACC obtained as provided in Article IV.

SECTION 8.21 Artificial Vegetation, Exterior Sculpture and Similar Items. Artificial vegetation, exterior sculpture, fountains, flags and temporary flagpoles (excepting state

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and United States flags maintained and exhibited in accordance with applicable Architectural Guidelines), birdhouses, birdbaths and other decorative embellishments or similar items are prohibited at any location upon a Lot which is visible from any street or at ground level from another Lot except with the prior written consent and approval of the ACC obtained as provided in Article IV.

SECTION 8.22 Excavation. The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except upon written approval of the ACC as may be necessary in conjunction with the landscaping of or construction on such Lot.

Article IX Easements

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

SECTION 9.02 Owner's Easements for Use and Environment. Every Owner of a Lot has a right and easement of ingress and egress, use and enjoyment in and to the Community Properties which is appurtenant to and passes with the title to the Lot.

SECTION 9.03 Easements for Encroachment and Overhang. In the event that any portion of any roadway, walkway, parking area, driveway, water line, sewer line, utility line, sprinkler system, building or any other structure or improvement, including without limitation any building steps, fences, paving, decking, footings, piers, piles, grade beams or similar improvements, or any overhang of walls or roofs of any such building or structure as originally constructed, encroaches on any Lot or the Community Properties due to the unintentional placement or setting or shifting of any of the foregoing to a distance of not more than thirty inches, as measured from any point on the common boundary between each Lot and the adjacent portion of the Community Properties or as between adjacent Lots; as the case may be, along a line perpendicular to such boundary at such point, it shall be deemed that the Owner of such Lot or the Association has granted a perpetual easement to the Owner of the adjoining Lot or to the Association for continuing maintenance and use of such encroaching improvements for maintenance, repair or replacement of any of the foregoing if performed in substantial compliance with the original construction. The foregoing also applies to any overhead encroachment and

to any encroachment, which is completely underground for any distance, which does not substantially and adversely effect the Lot or Community Properties being encroached.

SECTION 9.04 Owners' Access Easement.

9.04.1 Defined. Each Lot and the Community Properties are subject to a non-exclusive access easement for the construction, maintenance, repair and replacement of improvements located upon any adjacent Lot (the "Accessing Lot") for usage by an Accessing Lot Owner or occupant, or their agents or employees. The Lot or Community Properties being accessed is herein referred to as the "Easement Lot". This access easement area on the Easement Lot (the "Access Area") consists of a strip of land adjacent the nearest boundary line of the Accessing Lot of not less than three feet nor more than six feet, as may be reasonably required. In no event will such easement extend to any part of the single-family residence located on the Easement Lot.

9.04.2 Notice; Duration. Prior to use of the Access Area, the Owner or occupant of the Accessing Lot must give written notice of intent to utilize the Access Area stating therein the nature of intended use and the duration of such usage. Such notice must be delivered to the Owner or occupant of the Easement Lot by regular or certified mail or personal delivery, or by attaching same to the front door of the residence located upon the Easement Lot. If by mail, such notice must be given at least ten business days prior to use of the Access Area; and if by personal delivery or affixing to the front door, such notice must be given at least five business days prior to use of the Access Area. In case of Emergency the Accessing Lot Owner or occupant may commence and continue usage of the Access Area without giving the foregoing notice for so long as is reasonably necessary to control the Emergency and complete work necessitated thereby, but must proceed with giving of the required notice as soon as practical after commencement of usage. If made by an Owner or occupant, the determination that an Emergency exists is the sole responsibility of such Owner or occupant who are solely liable as to same.

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

9.04.4 ACC Approval of Access Area Improvements. No structure or improvements other than grass, and flower and shrubbery beds may be placed within the Access Area at any time without the prior written approval of the ACC. The ACC may not

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approve any such structures or improvements, which would substantially interfere with, or be unduly burdensome to, or which would cause excessive expense to any potential Accessing Lot if access becomes necessary as herein provided.

9.04.5 Restoration. Promptly after completion of usage of an Access Area, the Accessing Lot Owner or occupant must thoroughly clean the Access Area and repair and restore same to substantially the same condition that existed at the time of commencement of usage; provided, such obligation for restoration does not apply to any structures or improvements which have been placed in the Access Area without written ACC approval. At the time of receipt of notice, the Easement Lot Owner or occupant must promptly notify the Accessing Lot Owner or occupant as provided in Section 9.04.2 of any structures or improvements within the Access Area, which have been approved by the ACC.

SECTION 9.05 Association Easements.

9.05.1 Blanket Access Easement. The Association has a continuing non-exclusive access easement as to all Lots as is reasonably necessary for the performance of any of the Association's functions or duties or exercise of any of its rights under this Declaration. The Association must give notice to the Owner or occupant of the Lot being accessed and otherwise comply with applicable provisions of Section 9.04, excluding any portion of Lots that are apart of the Subdivision Facilities.

9.05.2 Subdivision Facilities. The Association is hereby granted an irrevocable easement for installation, maintenance, repair and replacement of all Subdivision Facilities. No Owner may ever tamper, interfere with or change in anyway Subdivision Facilities located on their Lot. Any damage to the Subdivision Facilities caused by the Owner of the Lot where the Subdivision Facilities are located or the Owner's Related Parties will be the responsibility of the Owner to pay as a specific assessment under Section 5.06.1.

SECTION 9.06 Governmental Functions, Utilities and Other Services.

9.06.1 Governmental Functions: Removal of Obstructions. A blanket easement is hereby granted to the City and other governmental authorities for access, ingress and egress upon, over and across any portion of the Subdivision and any Lot in the performance of any official business without liability of any kind. THE CITY IS ALSO SPECIFICALLY AUTHORIZED TO REMOVE OBSTRUCTIONS IF NECESSARY FOR EMERGENCY VEHICLE ACCESS, INCLUDING AS PERMITTED BY SECTION 9.06.2, AND TO ASSESS THE COST OF REMOVAL TO THE OWNER OF THE OBSTRUCTION.

9.06.2 Service Vehicles. A blanket easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, to garbage and trash collection vehicles and other service vehicles and to all Association agents and employees in connection with any work or other duties as set forth in this

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Declaration upon, over and across any portion of the Subdivision and any the Lots in the performance of their duties. An easement is also specifically granted to the United States Post Office, its agents and employees upon, over and across any portion of the Subdivision or Lot in performance of mail delivery or any other United States Post Office services.

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

9.06.4 Changes and Additions. At the sole election of Declarant during the Development Period and the Board thereafter, the Association has the right to grant, dedicate, reserve or otherwise create, at any time and from time to time, easements for public, quasi-public or private utility purposes, including, without limitation, gas, electricity, telephone, sanitary or storm, cable television and similar services, along, over, above, across and under the Subdivision and any Lot, provided, such additional easements shall not be located in such manner as to encroach upon the footprint of any then existing residence (including any attached or detached garage) or, any swimming pool.

SECTION 9.07 Egress/Regress to Public Way Required. All single-family residences shall be constructed, and thereafter same and related improvements shall be maintained, such that a continuous and unobstructed means of egress and regress to a common public way is maintained in accordance with applicable building codes and ordinances of the City. Specifically, all Owners and Related Parties have an easement across the Shared Common Drive for pedestrians and allowed vehicles.

SECTION 9.08 Title to Easements and Appurtenances Not Conveyed. Title to any Lot conveyed by contract, deed or other conveyance may not be held or constructed in any event to include the title to any easement established by this Article IX, including but not limited to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way or any pipes, lines, poles, or conduits on or in any utility facility, service equipment or appurtenances thereto.

SECTION 9.09 Easements Perpetual. Easement rights established by or obtained pursuant to this Article IX may not, once established or obtained, be adversely effected by any amendment of this Declaration. The foregoing does not limit subsequent abandonment or other modification of easement rights in accordance with applicable instruments covering any easement, by consent or agreement of the affected parties, or as, otherwise provided by law.

Article X
Enforcement

SECTION 10.01 Strict Compliance Required. Each Owner and each Owner's tenants, by acquisition of any right, title or interest in any Lot, covenant and agree to be bound by and to strictly comply with all restrictions, covenants, conditions and easements set forth in this Declaration and all other Governing Documents as same may from time to time or at any time be hereafter amended. The foregoing provisions apply regardless of whether or not any such Governing Documents are filed in the Official Public Records of Real Property of Harris County, Texas or any other public records except as otherwise expressly required by this Declaration.

SECTION 10.02 Enforcement.

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

10.02.2 Right to Inspect and Cure Defaults. The provisions of Section 6.03 apply to any breach of this Declaration and any other applicable Governing Documents. In addition and without prior notice, the Association may photograph any violations or suspected violation at any time and otherwise obtain evidence to confirm the existence or non-existence of any suspected violation in any reasonable manner without liability in trespass or otherwise.

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

10.02.4 Cumulative Rights and Remedies. Each right and remedy set forth in this Declaration and any other Governing Documents is separate, distinct and non-exclusive, and all are cumulative. The pursuit of any right or remedy so provided for or by law shall be without prejudice to the pursuit of any other right or remedy, and the failure to exercise any particular right or remedy shall not constitute a waiver, of such right or remedy or any other right or remedy.

SECTION 10.03 Liability for Conduct of Others ("Related Parties"). Each Owner and the tenant of each Owner must ensure that their respective Related Parties strictly

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comply with all applicable provisions of this Declaration and all other Governing Documents. Each Owner is liable for all consequences of any such violation by the Owner's tenant and by Related Parties of the Owner, and each Owner and the Owner's tenant are jointly and severally liable for all consequences of any such violation by Related Parties of the tenant. To the same extent as aforesaid each Owner and each tenant must indemnify and hold harmless the Association and its Related Parties from any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, made or asserted by Related Parties of the Owner or the Owner's tenants attributable directly or indirectly, to any such violation, said indemnification to be secured and paid as provided in Section 10.04.

SECTION 10.04 Obligation for Payment of Costs and Expenses Resulting from Violations. Each Owner and tenant of an Owner found to have committed, or who is responsible for, a violation or violations of any of the provisions of this Declaration or any other Governing Documents, is jointly and severally liable for payment to the Association for, and to indemnify and to hold and save harmless the Association and its Related Parties from, any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including, reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, incurred or attributable to any such violation(s), and must pay over to the Association all sums of money which the Association or its representatives may pay or become liable to pay as a consequence, directly or indirectly, of such violation(s). All such sums are assessed as a specific assessment, and are secured by the continuing lien established by Article V hereof. All such sums are due and payable upon demand by the Association or its representative without the necessity of any other or further notice of any act, fact or information concerning the Association's rights or such Owner's or their tenant's liabilities under this Section; provided, in the case of indemnification the demand shall contain a statement setting forth the Association's payment or liability to pay the claim with sufficient detail to identify the basis for the payment or liability to pay.

SECTION 10.05 Notice and Opportunity to be Heard. Except as otherwise provided in Chapter 209 of the Texas Property Code, whenever this Declaration or other Governing Documents require notice and opportunity to be heard, the procedures set forth in this Section must be observed.

10.05.1 Notice of Violation. The party proposing to take the action (such as the Board, a committee, the Managing Agent, etc.) must give written notice of violation to the Owners and, if applicable, to the Owner's tenants according to the records of the Association (the "Affected Parties"). The notice must include: (i) a general description of the matters complained of; (ii) all curative action requested and a time period within which curative action must be completed; and (iii) a statement advising that the Affected Parties are entitled to a hearing upon delivery of a written request in accordance with Section 10.05.2 of this Declaration.

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10.05.2 Time to Cure; Response. A notice of violation must allow at least ten days from the date of the notice within which to complete the curative action thereby required and to request a hearing. The ten-day period to cure may be shortened in the case of an Emergency. The Affected Parties may request a hearing only in writing and only by also stating in the request each claim or other matter, which is disputed or contested, and a general description of the basis for the dispute or contest. If no hearing is requested in writing as aforesaid it is presumed the Affected Parties do not dispute any matters set forth in the notice of violation.

10.05.3 Hearing. If a hearing is requested in writing as above set forth, all Affected Parties so requesting the hearing must be given written notice of the date, time and place for the hearing. At the hearing, the Affected Parties have the right, personally or by a representative, to give testimony orally, in writing or both, and to present such other relevant evidence as they may choose, subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. The hearing will be held in closed executive session, but the minutes of the meeting (or other written record) shall reflect the results of the hearing. The Affected Parties must be notified of decisions made in consequence of the hearing in the same manner in which notice of the hearing was given.

10.05.4 Appeal. Any decision made pursuant to Section 10.05.3 by a party other than the Board may be appealed to the Board by filing a written notice of appeal with the Board within ten days after the Affected Parties are given notice of the decision. The Board shall then conduct a hearing within a reasonable time after the Board receives the notice of appeal, giving the same notice and observing the same procedures as were required for the initial hearing.

10.05.5 Limited Abatement of Enforcement. Except in the case of an Emergency or other exigent circumstances as determined in the sole opinion of the Board, enforcement proceedings are abated until after expiration of the curative period stated in the notice of violation, or if a hearing is requested or an appeal properly made until ten days after notice of decisions made in consequence of the hearing or appeal is given.

10.05.6 Fines. After notice and opportunity to be heard fines may be imposed as specific assessments by the Board or ACC for any violation of this Declaration or other Governing Documents except non-payment of assessments. Except as otherwise provided by applicable Rules and Regulations, the Board or ACC shall fix the amount of a fine for each violation on a case-by-case basis per violation per day. Before any fine is imposed the Affected Parties must be given written notice allowing not less than ten days to cure the violation(s); provided, any fine may be imposed at the time of giving notice if written notice has been given to any of the Affected Parties of a similar violation within the preceding twelve month period.

SECTION 10.06 Filing of Notices of Non-Compliance. At any time the Board determines there exists any noncompliance with any provisions of this Declaration or other Governing Documents, the Board may at its option direct that a Notice of Noncompliance be filed in the Official Public Records of Real Property of Harris County, Texas covering the affected Lot or Lots and the Owner(s) thereof at the sole cost and expense of such Owner(s). All such costs and expenses are due and payable upon demand, are deemed a specific assessment applicable to the affected Lot(s) and are secured by the Association's continuing assessment lien.

Article XI
Development Period

SECTION 11.01 Application. Notwithstanding any other provisions of this Declaration or any other Governing Documents to the contrary, the provisions of this Article XI apply during the Development Period (and thereafter as herein provided).

SECTION 11.02 Appointment of Board and ACC; Authority of Association; Declarant as Member. During the Development Period, Declarant may appoint all members of the Board of Directors and ACC and is entitled to remove and replace any of same, and in all other respects to exercise all rights and authority of the Association as set forth in this Declaration and all other Governing Documents. Without limitation of the foregoing, the provisions of the Bylaws or any other Governing Documents regarding qualifications for members of the Board or ACC are hereby specifically declared inapplicable to Developer during the Development Period. Without limitation of the foregoing, Declarant is specifically authorized during the Development Period to grant variances pursuant to Section 4.02.4. Declarant will be deemed to be a Member of the Association for all purposes during the Development Period whether or not Declarant continues to own any Lot.

SECTION 11.03 ACC Approval Not Required; Declarant's ACC Authority as to Initial Development of Lots. Declarant and any builder as so designated by Declarant are not required to obtain ACC approval or otherwise comply with any provisions of Article IV hereof until completion of the initial sale of each Lot, and Declarant hereby reserves and retains full and exclusive authority of the ACC as to each Lot, until completion of the initial sale of each Lot. The foregoing applies notwithstanding any other provisions of this Declaration or any other Governing Documents until completion of the initial sale of all Lots within the Subdivision. As to each Lot "completion of the initial sale" occurs upon substantial completion of the construction of a single family residence and related improvements upon the Lot and the sale of the Lot to a Person other than Declarant or a builder for use and occupancy of the Lot for a single family residence.

SECTION 11.04 Remedial Measures. If at any time, whether during or after the Development Period, any claim, demand or cause of action is asserted by the Association, or any Owner or tenant, or the Related Parties of any of the foregoing, or by any other Person, including any owners or occupants of properties outside the Subdivision, as to Declarant or its Related Parties concerning any acts, omissions or other

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activities of any kind whatsoever of Declarant regarding development of the Subdivision, including the construction or sale of Lots, residences or Community Properties, any "Developmental Activities" as that term is defined in Section 11.11, and any matters pertaining to drainage within or from the Subdivision or otherwise, then Declarant may take all actions which in Declarant's sole opinion are necessary or appropriate to address, correct, cure or otherwise deal with the asserted claim, demand or cause of action. For such purposes Declarant may utilize any easements established by this Declaration or by any Plat or otherwise, including the easements established by Section 8.04.09 regarding drainage and by Article IX, without the consent of or compensation of any kind to the Association, or any Owner or tenant, or any Related Parties of the foregoing, or any other Person. Except in case of an Emergency, Declarant shall give at least ten days written notice to any party which will be directly affected by activities undertaken by Declarant pursuant to the foregoing setting forth the general nature of activities to be undertaken.

SECTION 11.05 Community Properties.

11.05.1 Designation or Change as to Community Properties and/or Subdivision Facilities. REGARDLESS OF DESIGNATION BY ANY PLAT, DURING THE DEVELOPMENT PERIOD DECLARANT MAY DESIGNATE COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES, AND AT ANY TIME DURING THE DEVELOPMENT PERIOD MODIFY, DISCONTINUE, REDESIGNATE OR IN ANY OTHER MANNER CHANGE THE COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES.

11.05.2 Construction and Maintenance of Community Properties. During the Development Period, Declarant may provide and construct such Community Properties as Declarant may desire at Declarant's sole cost and expense or in conjunction with and as part of the cost of construction of single-family residences. Once provided or constructed, all costs and expenses of the operation, management, maintenance, repair and replacement of Community Properties, including all costs and expenses of insurance thereon, will be paid by the Association from the Maintenance Fund (either directly or by reimbursement to Declarant) regardless of whether or not title has been transferred or conveyed to the Association and regardless of whether or not any applicable contract, agreement or other arrangement for operation, management, maintenance, repair or replacement is in the name of, is procured through or has been transferred or assigned to the Association. The Association will also pay as aforesaid all costs and expenses, regardless of type and including procurement, as to service type Subdivision Facilities such as any patrol or garbage or recycling services.

11.05.3 Conveyance of Community Properties. Declarant may convey, transfer or assign any or all Community Properties, if any, to the Association during the Development Period, and must do so within a reasonable time after termination of the Development Period. ANY RIGHT, TITLE OR INTEREST TO ALL COMMUNITY PROPERTIES WILL BE TRANSFERRED, CONVEYED OR ASSIGNED TO THE ASSOCIATION ON AN "AS IS", "WHERE IS" AND "WITH

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ALL FAULTS" BASIS, AND, EXCEPT FOR SPECIAL WARRANTY OF TITLE BY, THROUGH OR UNDER DECLARANT, WITHOUT ANY COVENANT, WARRANTY, GUARANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING BUT NOT LIMITED TO: (I) ANY IMPLIED COVENANTS UNDER SECTION 5.023 OF THE TEXAS PROPERTY CODE AND ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR OR INTENDED PURPOSE; (II) THE NATURE AND CONDITION OF THE PROPERTY OR OTHER ITEMS TRANSFERRED, ASSIGNED OR CONVEYED, INCLUDING, WITHOUT LIMITATION, PHYSICAL OR ECONOMIC CHARACTERISTICS OF THE PROPERTY, THE WATER, SOIL AND GEOLOGY, THE SUITABILITY THEREOF AND OF THE PROPERTY OR OTHER ITEMS FOR ANY AND ALL ACTIVITIES AND USES, THE EXISTENCE OF ANY ENVIRONMENTAL HAZARDS OR CONDITIONS THEREON (INCLUDING, BUT NOT LIMITED TO, THE PRESENCE OF ANY HAZARDOUS MATERIALS, SUBSTANCES OR CONTAMINANTS OF ANY KIND) OR COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES OR REGULATIONS; (III) THE NATURE AND EXTENT OF ANY RIGHT-OF-WAY, LEASE, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION OR OTHERWISE; AND (IV) THE COMPLIANCE OF THE PROPERTY OR OTHER ITEMS TRANSFERRED, ASSIGNED OR CONVEYED OR ITS OPERATION WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL ENTITY OR BODY. ALL SUCH COVENANTS, WARRANTIES, GUARANTIES AND REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, OR BY OPERATION OF LAW, ARE HEREBY EXPRESSLY DISCLAIMED. THE PROVISIONS OF SECTIONS 3.06 AND 11.11.3 FULLY APPLY AS TO SAME AND THE PROVISIONS HEREOF SHALL APPLY REGARDLESS OF WHETHER OR NOT STATED IN ANY DEED, CONVEYANCE OR OTHER TRANSFER AS TO THE AFFECTED COMMUNITY PROPERTIES.

11.05.4 Use and Maintenance of Community Properties. So long as Declarant owns any Lot within the Subdivision, Declarant and any builder as so designated by Declarant: (i) have a non-exclusive easement appurtenant upon, over, under and across any and all Community Properties, and a non-exclusive right to use in any manner any part or all of the Community Properties as is reasonably necessary in Declarant's sole opinion for the development of the Subdivision and the development and sale of Lots therein; and (ii) may construct, maintain, expand, improve and repair any Community Properties, including, without limitation, any such matters regarding any thing or device relating to drainage within or which may otherwise affect the Subdivision, or any Lot therein, or any properties adjacent thereto or in the vicinity thereof. THE FOREGOING SHALL NOT BE CONSTRUED AS IN ANY MANNER CONSTITUTING ANY REPRESENTATION, WARRANTY OR IMPLICATION WHATSOEVER THAT DECLARANT OR ANY BUILDER WILL UNDERTAKE ANY SUCH USAGE OR ANY SUCH CONSTRUCTION, MAINTENANCE, EXPANSION, IMPROVEMENT OR REPAIR, OR THAT IF AT ANYTIME OR FROM TIME TO TIME UNDERTAKEN THAT ANY SUCH

ACTIVITIES WILL CONTINUE, AND ANY SUCH REPRESENTATION, WARRANTY OR IMPLICATION IS HEREBY SPECIFICALLY DISCLAIMED.

SECTION 11.06 Easements. Declarant and its agents or employees (including any builder, contractor or subcontractor) are entitled during the Development Period to use and exercise all easements set forth in this Declaration for, and Declarant may grant or exercise such additional easements for ingress, egress and usage as is reasonably necessary for, construction of single-family residences, providing and development of utilities, Community Properties and/or Subdivision Facilities and any and all other "Developmental Activities" as defined in Section 11.11. Any part of a single family residence as originally constructed may be located or encroached upon any easement established by this Declaration so long as any such location or encroachment does not interfere with any actual usage as permitted by any applicable easement actually existing at the time of establishment of such location or encroachment.

SECTION 11.07 Sales Activities. During the Development Period, Declarant has the right to transact any business reasonably necessary to development of the Subdivision (including all "Developmental Activities" as defined in Section 11.11), and to consummate the sale or rental of Lots and single family residences to be constructed thereon, and in connection therewith to maintain models, have signs, use without charge any part of any Lot or residence located thereon which is not occupied by a resident and use without charge any Community Properties (including Subdivision Facilities).

SECTION 11.08 Assessments.

11.08.1 Right of Declarant to Set Rate. During the Development Period, Declarant is entitled to change the annual rate of regular assessment as set forth in Section 5.03.1 without the joinder, vote or consent of any Owner and without further formality than giving of notice thereof as provided in Section 5.03.2. Without limitation of the foregoing, the provisions of Section 5.03.2 regarding disapproval of an annual rate of regular assessments is specifically declared inapplicable when the rate is set by Declarant under this Section.

11.08.2 Payment of Assessments by Declarant During Development Period.

(a) Notwithstanding anything to the contrary contained herein, or in the Declaration or in any other Governing Documents, all Lots owned by Declarant are exempt from payment of all assessments (regular, utility, special or specific) until the first day of the month following expiration or termination of the Development Period.

(b) In lieu of payment of assessments as aforesaid, Declarant will contribute to the Maintenance Fund during the Development Period an amount, if any, equal to the Actual Operating Expenses of the Association less all funds available to the Association regardless of source and regardless of any principles of accrual or other accounting which might otherwise be

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applicable, including without limitation all assessments (regular, utility, special and specific) received from all other Owners subject to payment of assessments plus all other income received by the Association from any source (such as, for example, interest income); provided, Declarant shall never be required to contribute more than an amount equal to the full annualized rate of regular annual assessments which would otherwise be applicable to Declarant's Lots. "Actual Operating Expenses" means those expenses reasonably necessary for the discharge of the Association's functions and duties under this Declaration, but does not include capital expenditures (determined in accordance with generally accepted accounting principals), or any amounts paid or to be paid to capital, contingency or other reserves, or any prepaid items, inventory or similar expenses attributable to periods after expiration or termination of the Development Period. The determination of Actual Operating Expenses by Declarant is final and conclusive. Declarant will contribute to the Maintenance Fund as aforesaid from time to time as Declarant may determine. Neither the Declarant, nor the Board during the Development Period, have any obligation whatsoever to set up or fund a reserve account for the Association. Annually, and upon expiration or termination of the Development Period, Declarant may offset any surplus funds of the Association against all contributions made by Declarant during the Development Period and demand repayment from such surplus funds up to the full amount of Declarant contributions, without interest.

11.08.3 Transfer By Declarant After Development. Once all Lots are sold, all ownership by Declarant shall be relinquished and all community assets will be conveyed to the Association. After such conveyance, the Association shall be fully responsible for any transfer of utilities and other expenses of the Declarant incurred after the date of such transfer, including additional deposits for such utilities, if required. After such transfer, the Declarants shall have no further responsibilities to the Association or the individual owners.

SECTION 11.09 Notices to Declarant. All notices or other communications to Declarant, as required or permitted by this Declaration, any other Governing Documents or otherwise, must be given to Declarant's registered agent at its registered office, by personal delivery acknowledged in writing or by certified or registered mail, return receipt requested, or as otherwise directed by written notice of Declarant filed in the Official Public Records of Real Property of Harris County, Texas. Notices or other communications to Declarant are deemed given only upon actual receipt.

SECTION 11.10 Amendment of Governing Documents or Plat: Annexation.

11.10.1 Declarant's Reserved Rights. During the Development Period Declarant reserves the sole and exclusive right, without joinder or consent of, and without notice of any kind to, any Owner or other Person, to: (i) amend, modify, revise or

repeal, from time to time and at any time, this Declaration and any other Governing Documents; (ii) prepare, amend, modify, revise or repeal any Plat covering or to cover the Subdivision; and (iii) annex and subject any other property to the scheme of this Declaration provided any such annexation is not inconsistent with the scheme of development contemplated hereby. During the Development Period, no other properties may be annexed or subjected to the scheme of this Declaration without the written consent of Declarant. Any such amendment, modification, revision, repeal or annexation shall be effective from and after filing of notice thereof in the Official Public Records of Real Property of Harris County, Texas except to the extent expressly otherwise provided in the notice.

11.10.2 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS DECLARATION TO THE CONTRARY, NO PROVISIONS OF THIS ARTICLE XI MAY BE AMENDED, MODIFIED, CHANGED OR TERMINATED EITHER DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT.

SECTION 11.11 Limitation of Liability.

11.11.1 General. Without limitation of Section 3.06 hereof, the decisions of Declarant regarding all developmental activities, management and operation of the Association and all other activities undertaken by Declarant pursuant hereto are final and conclusive; provided, Declarant will conduct all such activities in a manner consistent with the general scheme of development hereby established.

11.11.2 Developmental Activities. Declarant may or will be required during the Development Period to engage in construction activities upon multiple Lots or Community Properties, to store equipment or materials on multiple Lots or Community Properties, to create accumulations of trash and debris and to otherwise engage in activities and create conditions related to its initial development of the Subdivision, including the construction and sale of residences and any other improvements in the Subdivision (the "Developmental Activities"). Declarant will use reasonable efforts to minimize the adverse effects of its Developmental Activities. However, Declarant is not liable to any Owner or tenant, or to the Association or ACC; or to any Related Parties of any of the foregoing, for any consequences of the reasonable conducting of its Developmental Activities. Further, Declarant may establish any reasonable regulations as to Owners and tenants, as to the Association and ACC, and as to any Related Parties of any of the foregoing, which Declarant deems appropriate to avoid hindrance or interference with its Developmental Activities, including limiting or denying access to areas of the Subdivision, designating temporary dumping sites, maintenance of metal buildings or structures and use of Community Properties and/or Subdivision Facilities in connection with its Developmental Activities.

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11.11.3 NO REPRESENTATIONS OR WARRANTIES: INDEMNIFICATION.

(A) NO COVENANTS, REPRESENTATIONS, GUARANTIES OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OR BY OPERATION OF LAW, AND INCLUDING EXCLUSION OF ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY AND FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE, SHALL BE DEEMED TO BE GIVEN OR MADE BY DECLARANT, OR DECLARANT'S OFFICERS, DIRECTORS, AGENTS OR EMPLOYEES, BY ANY PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS REGARDING ANY DEVELOPMENT ACTIVITIES OR OTHERWISE. WITHOUT LIMITATION OF THE FOREGOING DECLARANT EXPRESSLY DISCLAIMS ALL COVENANTS, REPRESENTATIONS, GUARANTIES AND WARRANTIES, EXPRESS AND IMPLIED, AND BY OPERATION OF LAW: (I) AS TO ANY FUTURE DEVELOPMENT; (II) FOR MANAGEMENT OR SUPERVISION OF BUILDING, CONSTRUCTION AND ALL OTHER WORK BY ANY BUILDER, VENDOR OR SUPPLIER NOT DIRECTLY EMPLOYED BY DECLARANT, INCLUDING ANY DUTY TO ENFORCE ANY PROVISIONS OF THE GOVERNING DOCUMENTS AS TO ANY SUCH PARTY; (III) THE NATURE, CONDITION, APPEARANCE, USE AND ALL OTHER MATTERS PERTAINING TO ANY PROPERTIES ADJACENT TO OR WHICH ARE NOT OTHERWISE SUBJECT TO THE GOVERNING DOCUMENTS, INCLUDING WITHOUT LIMITATION ANY OBLIGATION NOW OR IN THE FUTURE TO INCLUDE IN THE SUBDIVISION OR IN ANY MANNER TO OTHERWISE SUBJECT ANY SUCH PROPER TIES TO ANY PROVISIONS OF THE GOVERNING DOCUMENTS; (IV) THE MANAGEMENT OR OPERATION OF THE ASSOCIATION; AND (V) AS TO ENFORCEMENT OF ANY PROVISIONS OF THE GOVERNING DOCUMENTS AS TO ANY OWNER, TENANT OR ANY OTHER PERSON, IT BEING EXPRESSLY STIPULATED AND AGREED THAT SUCH ENFORCEMENT IS AT ALL TIMES THE SOLE RESPONSIBILITY OF THE ASSOCIATION AND/OR ANY AFFECTED OWNER.

(B) IN ADDITION TO AND WITHOUT LIMITATION OF SECTION 3.06, THE ASSOCIATION AND EACH OWNER HEREBY RELEASES DECLARANT FROM, AND THE ASSOCIATION AND EACH OWNER MUST HEREAFTER INDEMNIFY, PROTECT, DEFEND, SAVE AND HOLD HARMLESS DECLARANT, AND DECLARANT'S EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, ATTORNEYS AND AGENTS FROM AND AGAINST, ANY AND ALL DEBTS, DUTIES, OBLIGATIONS, LIABILITIES, SUITS, CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES, LOSSES, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND EXPENSES AND COURT COSTS) IN ANY WAY RELATING TO, CONNECTED WITH OR ARISING OUT OF ANY OF THE MATTERS SET FORTH IN SECTION

11.05 AND IN THIS SECTION, INCLUDING WITHOUT LIMITATION THE COST OF ANY REMOVAL OF HAZARDOUS SUBSTANCES OR CONTAMINANTS OF ANY KIND FROM THE PROPERTY AND ANY OTHER REMEDIAL COSTS REGARDING ANY ENVIRONMENTAL HAZARD OR CONDITION, OR THE OWNERSHIP, LEASING, USE, CONDITION, OPERATION, MAINTENANCE OR MANAGEMENT OF THE SUBDIVISION, REGARDLESS OF WHETHER THE SAME ARISES OR ACCRUES DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD. THE PROVISIONS OF THIS SECTION (INCLUDING ITS INCORPORATION AS TO SECTIONS 3.06 AND 11.05) CONSTITUTE A COVENANT OF RELEASE AND INDEMNIFICATION RUNNING WITH THE LAND (INCLUDING EACH LOT AND ALL COMMUNITY PROPERTIES), AND IS BINDING UPON EACH OWNER AND THEIR TENANT, AND THEIR RESPECTIVE FAMILY OR OTHER HOUSEHOLD MEMBERS, SUCCESSORS IN TITLE OR INTEREST, AGENTS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS AND ASSIGNS.

Article XII
General Provisions

SECTION 12.01 Term. Subject to the provisions of Section 12.02, these covenants, conditions, restrictions, reservations, easements, liens and charges run with the land and are binding upon and inure to the benefit of Declarant, the Association, all Owners, their respective legal representatives, heirs, executors and administrators, predecessors, successors and assigns, and all Persons claiming under them for a period of twenty years from the date this Declaration is filed in the Official Public Records of Real Property of Harris County, Texas, after which time said covenants, conditions, restrictions, reservations, easements, liens and charges will be automatically extended for successive periods of ten years each.

SECTION 12.02 Amendment.

12.02.1 By Owners. Except as otherwise expressly herein provided, the Owners of three-fourths of the total number of Lots then contained within the Subdivision always have the power and authority to amend this Declaration in whole or in part, at any time and from time to time; provided, during the Development Period no amendment is effective unless and until approved in writing by Declarant. In this Declaration and all other governing Documents the terms "amend", "amendment" or substantial equivalent mean and refer to any change, modification, revision or termination of any provisions of this Declaration or other Governing Documents.

12.02.2 By Association. The Board of Directors has the right in its sole judgment, from time to time and at any time, to amend this Declaration without joinder of any Owner or any other Person for the following purposes:

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

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

(c) to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency, Veterans Administration or Federal Housing Administration, and in this respect the Board shall so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance.

12.02.3 Method for Approval of Amendment by Owners.

(a) Notice of any proposed amendment must be given to Owners of all Lots at least ten days before circulation of the amending instrument or conducting of the special meeting as to same as provided in Section 12.02.3(b). Unless a complete copy of the proposed amending instrument is included with the notice, the notice must set forth a reasonable summary of the proposed amendments and in that event a complete copy of the amending instrument must be mailed to any Owner promptly upon receipt by the Association of a written request for same.

(b) The Owner's approval of any amendment of this Declaration as provided in Section 12.02.1 may be obtained (i) by execution of the amending instrument or a consent thereto by any Owner of each Lot so approving, (ii) by affirmative vote, in person or by proxy, at a special meeting called for consideration of any such amendment, or (iii) by any combination of the foregoing.

(c) Any joint Owner may nullify the approval of another joint Owner only by filing of a written objection in the Official Public Records of Real Property of Harris County, Texas within ninety days after filing of the amending instrument. The certification of the Association's Secretary as to compliance with all prerequisites for amendment set forth herein is final and conclusive from and after two years after filing of the applicable amending instrument in the Official Public Records of Real Property of Harris County, Texas.

12.02.4 Effective Date. Any lawful amendment of this Declaration will be effective from and after filing of the amending instrument in the Official Public Records of

Real Property of Harris County, Texas, or such later date as may be stated in the amending instrument.

12.02.5 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NO AMENDMENT UNDER THIS SECTION MAY REMOVE REVOKE OR MODIFY ANY RIGHT OR PRIVILEGE OF DECLARANT WITHOUT THE WRITTEN CONSENT OF DECLARANT.

SECTION 12.03 Notices to Association, ACC and Owners. Unless otherwise expressly provided herein, all notices or other communications permitted or required under this Declaration must be in writing and are deemed properly given if, but only if given in accordance with the following:

12.03.1 Notices to Association or ACC. All notices or other communications to the Association or ACC during the Development Period must be given to Declarant as provided in Section 11.09. Thereafter, such notices or other communications must be given by: (i) personal delivery acknowledged in writing; or (ii) certified or registered mail, return receipt requested, and by deposit in the United States mail, postage prepaid and addressed, to any member of the Board or ACC, to the Association's registered agent, or to the Association's Managing Agent as from time to time designated by the Board. Such notices or other communications are deemed given only upon actual receipt of same. In the event the Association or ACC disputes receipt of any notice or other communication, the original or a copy of the delivery acknowledgment or return receipt must be provided to the Association or ACC failing which the notice or other communication will be conclusively deemed not to have been received.

12.03.2 Notice to Owners. All notices or other communications to any Owner are deemed given upon personal delivery to or when deposited in the United States mail, postage prepaid and addressed to, the street address of the Owner's Lot located within the Subdivision, or to the most current street address given by an Owner for purposes of notice as provided in Section 12.03.3. Where more than one Person is the Owner of a single Lot, the mailing of any notices or other communications as aforesaid to any single Owner constitutes notice given to all such Owners.

12.03.3 Owner's Notice of Address Other Than Lot Address Required. Any Owner may request any notices required or permitted hereby be mailed to an address other than such Owner's Lot address by giving written and dated notice of the alternate address to the Association. Any such request will be conclusively deemed not to have been received unless the Owner produces the original or copy of the properly signed and dated return receipt request or delivery receipt acknowledgment. In the event of conflict in such requests by a single Owner or multiple Owners, the request last received shall control.

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12.03.4 Change of Ownership. Written notice of change of ownership of a Lot by sale or otherwise must be given to the Association within thirty days after the change. The notice must state the name and current mailing address of the current Owner(s), the date of acquisition of ownership, the names of all persons who will occupy the affected Lot and their relationship and a general statement of the legal basis of the change of ownership (such as sale under deed or executory contract for conveyance).

12.03.5 Leasing. Written notice of leasing of or other change in occupancy of a Lot must be given to the Association within thirty days after the change of occupancy. The notice must state name and current mailing address of the Owner(s), the date of change of occupancy, the names of all persons who will occupy the affected Lot and their relationship and a general statement of the legal basis of the change of occupancy (for example under lease for one year term).

12.03.6 Notice of Liens, Status and Foreclosure; Notice of Default.

(a) Upon written request an Owner must provide to the Association a written statement setting forth the current holder of all mortgages, deeds of trust and other liens and encumbrances as to their Lot for the purchase thereof, taxes thereon, and work and materials used in constructing improvements thereon, and as to each the nature of and loan, account or similar identifying number or other designation applicable to the mortgage, deed of trust or other lien or encumbrance.

(b) Upon written request the holder of any mortgage, deed of trust and any other lien or encumbrance pertaining to a Lot must provide to the Association a statement of current status, including account or similar identifying number or other designation applicable to the mortgage, deed of trust or other lien or encumbrance, the nature of any current default and resulting current amounts due, if any, the nature of and current status of any enforcement proceedings, current payoff, and such other relevant information as may be set forth in the written request.

(c) The holder of any mortgage, deed of trust or other lien or encumbrance pertaining to a Lot must give the Association written notice of acquisition of title by foreclosure or deed or other instrument of conveyance in lieu of foreclosure, or of the status of a mortgagee in possession, within thirty days after acquisition of such title or status. The notice must include name and mailing address, account or similar identifying number or other designation (such as REO No.) and such other relevant information as the Association may request in writing.

(d) The Association may (but is not required to) notify any credit bureau, and the holder (or purported or believed holder) of any right, title or interest in and any mortgage, deed of trust and any other lien or encumbrance

pertaining to a Lot as to any default under the Governing Documents, including delinquency in payment of assessments and any other monetary amounts due to the Association.

12.03.7 Other Information or Documentation. The Board may from time to time by written request require any Owner or their tenant to verify the information covered by Section 12.03.3 through 12.03.6 by submission of such documentation and additional information as the Board may reasonably require.

12.03.8 Other Governing Documents. Applicable provisions of this Section 12.03 also apply to notices or other communications permitted or required by other Governing Documents except as otherwise expressly provided in such other Governing Documents, and provided that notice given in accordance herewith is in all events sufficient regardless of contrary provisions in other Governing Documents.

SECTION 12.04 Managing Agent. The Board shall have the authority, from time to time and at any time, to retain, hire, employ or contract with any one or more Persons to provide management services to the Association, including discharge of such functions and duties of the Board and/or any officers or committees of the Association, as the Board may specify (any such Person herein referred to as a "Managing Agent"). Any Managing Agent shall be retained, hired, employed or contracted for on such terms and conditions as the Board in its sole good faith judgment may determine; provided, the Board shall retain the right in all cases as to any Managing Agent to remove the Managing Agent, with or without cause, upon not more than sixty days notice.

SECTION 12.05 Conflicts In Governing Documents. In the event of any conflict in the Governing Documents which cannot be reasonably reconciled after application of rules of interpretation as provided herein or by law, this Declaration shall control over any other Governing Documents, and all other Governing Documents shall control in the following order of priority: (i) Architectural Guidelines; (ii) Rules and Regulations; (iii) Certificate of Formation; (iv) Bylaws; (v) Board and Member resolutions; and (vi) all others.

SECTION 12.06 Interpretation. The provisions hereof are to be liberally construed to give full effect to their intent and purposes. If this Declaration or any word, clause, sentence, paragraph, or other part thereof shall be susceptible to more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration and the scheme of development thereunder shall govern. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience, and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. In particular and without limitation, the division of use restrictions under Article VII hereof and architectural restrictions under Article VIII hereof are for convenience of reference, it being the intent that all such provisions be given full effect in an integrated manner in light of the general purposes and

objectives of this Declaration and the scheme of development accomplished thereby. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

SECTION 12.07 Severability. Wherever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person, particular circumstance or property shall be prohibited or held invalid, such prohibition or invalidity shall not extend beyond such Person, particular circumstance or property and shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

SECTION 12.08 Effective Date. This Declaration is effective from and after the date of filing of same in the Official Public Records of Real Property of Harris County, Texas.

In WITNESS WHEREOF, the undersigned, being the current sole Owner of all Lots initially subject to this Declaration, has executed this Declaration to be effective upon the date of filing of this Declaration in the Official Public Records of Real Property of Harris County, Texas.

SUNSET ESTATES, L.P.
a Texas limited partnership

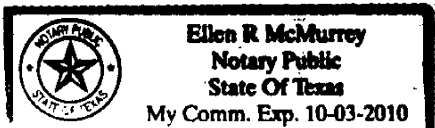
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By: Ron Marks, President
Ron Marks, President

DECLARANT'S ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 13 day of August, 2008 by Ron Marks, President of Sunset Estates, L.P., a Texas limited partnership on behalf of the corporation.



Ellen R. McMurrey
Notary Public for the State of Texas

RP 063-17-1644

JOINDER OF LIENHOLDER

The undersigned, being the owner and holder of an existing mortgage and lien upon and against the real property described in the foregoing Declaration and defined as the "Subdivision" in said Declaration, as such mortgagee and Lienholder, does hereby consent to and join in said Declaration for Sunset Estates.

This consent and joinder shall not be construed or operate as a release of said mortgage or lien owned and held by the undersigned, or any part thereof, but the undersigned agrees that its said mortgage and lien shall hereafter be upon and against the Lots and all appurtenances thereto, and all of the undivided, equitable shares and interests in the Common Properties, subject to the provisions of the Declaration hereby agreed to, provided said mortgage or lien shall remain superior to any lien for assessments or dues set forth in said Declaration.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

MAR - 6 2009



Dorely B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

METROBANK, N.A.,
a national banking association

By: *Jenny Ko*
Printed: JENNY KO Calaway
Its: SVP

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this day personally appeared _____ of Metrobank, N.A., a national banking association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 15th day of January, ~~2008~~, 2009, to certify which witness my hand and official seal.

Notary Public in and for the State of Texas

RECORDER'S MEMORANDUM:
138893 At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

RP 063-17-1645