

maintenance fees on or before September 30th of each year. The rate of assessment for each Lot shall change as the character of ownership and the status of occupancy changes. For the benefit of record keeping and calculation, in any given year wherein Declarant elects to be assessed on the basis of the annual operating deficit, those lots owned by the Declarant shall not be deemed assessable until the character of ownership changes.

SECTION 7. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL

ASSESSMENT. The annual assessment provided for herein shall commence as to all assessable Lots on a date fixed by the Residential Board. If the Residential Board determines to fix an assessment for 1996, such assessment shall be adjusted according to the number of months remaining in the calendar year and shall be due and payable thirty (30) days after written notice of the assessment is sent to every Owner whose Lot is subject to assessment. ~~On or before the 30th day of November in each year, the~~

~~Residential Board shall fix the amount of the annual assessment to be levied against each assessable lot in the next calendar year. Written notice of the assessment amount, as determined by the Residential Board, shall be sent to every Owner whose Lot is subject to the payment thereof.~~

~~_____~~
 The Residential Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Residential Association (or its designated agent), setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Residential Association as to the status of assessments on a particular Lot is binding upon the Residential Association as of the date of its issuance.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE

RESIDENTIAL ASSOCIATION. Any assessments or charges which are not paid when due shall be delinquent. If an assessment or charge is not paid within thirty (30) days after the due date, it shall bear interest at the rate of ten percent (10%) per annum from the due date and the Residential Association may bring an action at law against the Owner personally obligated to pay the same, or to foreclose the lien herein retained against the property. Interest as above specified, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge, and become secured by the lien. Each such Owner, by his acceptance of a deed hereby expressly vests in

the Residential Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such assessments and charges as a debt and to enforce the lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Residential Association in a like manner as a mortgage or deed of trust lien foreclosure on real property, and such Owner expressly grants to the Residential Association a power of sale and non-judicial foreclosure in connection with the lien. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. As above provided, the title to each Lot shall be subject to a lien securing the payment of all assessments and charges due the Associations, but the lien shall be subordinate to the lien of any purchase money lien. Sale or transfer of any Lot shall not affect the lien in favor of the Associations; provided, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien securing such assessment or charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided for above, the Residential Association, in the sole discretion of its Residential Board, may subordinate the lien securing any assessment provided for herein to any other mortgage lien or encumbrance, subject to such limitations, if any, as the Residential Board may determine.

SECTION 10. EXEMPT PROPERTY. All Properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments and charges created herein. Notwithstanding the foregoing, no Lot which is used as a residence shall be exempt from said assessments and charges.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON AREA

SECTION 1. OWNER'S EASEMENT FOR ACCESS AND ENJOYMENT. Subject to the provisions herein stated, every Member shall have an easement of access and a right and easement of enjoyment in the Common Area, and such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights of the Residential Association:

- (a) The Residential Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.
- (b) The Residential Association (as may be determined by the Residential Board) shall have the right to borrow money. With the assent of two-thirds (2/3rds) of each class of Members, the Residential Board shall have the right to mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred.
- (c) The Residential Association (as may be determined by the Residential Board) shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any such mortgage.
- (d) The Residential Association (as may be determined by the Residential Board) shall have the right to suspend the voting rights and enjoyment rights of any Members for any period during which any assessment or other amount owed by such Member to the Residential Association remains unpaid in excess of thirty (30) days.
- (e) The Residential Association (as may be determined by the Residential Board) shall have the right to establish reasonable rules and regulations governing the Members' use and enjoyment of the Common Area, and to suspend the enjoyment rights and voting rights of any Member for any

period not to exceed sixty (60) days for any infraction of such rules and regulations.

(f) The Residential Board shall be authorized to execute deed(s). Upon approval of two-thirds (2/3rds) of each class of Members, the Residential Association shall have the right to dedicate, sell or transfer all or any part of the Common Area to any public agency or authority for such purposes and subject to such conditions as may be approved by said two-thirds (2/3rds) of each class of Members; provided, however, nothing contained herein shall be construed to limit the right of the Residential Association to grant or dedicate easements in portions of the Common Area to public or private utility companies. Such a vote shall authorize the Residential Board to execute appropriate deed(s).

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend his rights and easements of enjoyment to the Common Area to the members of his family, to his tenants who reside in the Properties, and to such other persons as may be permitted by the Residential Association.

ARTICLE VI

ARCHITECTURAL APPROVAL

SECTION 1. ACC. As used in this Declaration the term "Architectural Control Committee" or "ACC" shall mean a committee of three (3) members, all of whom shall be appointed by Declarant, except as otherwise set forth herein. Declarant shall have the continuing right to appoint all three (3) members until the earlier of (a) the date the last Lot owned by Declarant is sold (except in connection with a conveyance to another party that is a successor as Declarant), or (b) such date as the Declarant elects to discontinue such right of appointment by written notice to the Residential Board. Thereafter, the Residential Board shall have the right to appoint all members. Members of the ACC appointed by Declarant may be removed at any time and shall serve until resignation or removal by Declarant. Members of the ACC appointed by the Residential Board may be removed at any time by the Residential Board, and shall serve for such term as may be designated by the Residential Board or until resignation or removal by the Residential Board. The ACC shall have the right to name a spokesman ("Designated

Representative") by recordation of a notice of appointment in the official Public Records of Real Property of Harris County, Texas, which notice must contain the name, address, and telephone number of the Committee. All third parties shall be entitled conclusively to rely upon such person's action(s) as the action(s) of the ACC itself until such time as the Declarant, the Residential Board or the ACC shall record a notice of revocation of such appointment in the Official Public Records of Real Property of Harris County, Texas.

SECTION 2. APPROVAL OF IMPROVEMENTS REQUIRED. The approval of a majority of the members of the ACC or the approval of the "Designated Representative" (as defined in Section 1 above) shall be required for any Improvement to Property before commencement of construction of such Improvement to Property, other than an Improvement to Property made by Declarant.

SECTION 3. ADDRESS OF COMMITTEE. The address of the ACC shall be at the principal office of the Association.

SECTION 4. SUBMISSION OF PLANS. Before commencement of work to accomplish any proposed Improvement to Property, the person proposing to make such Improvement to Property shall submit to the ACC at its offices copies of such descriptions, surveys, plot plans, drainage plans, construction plans, specifications, and samples of materials and colors as the ACC reasonably shall request, showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to Property, as may be more particularly described from time to time in any Architectural Guidelines adopted by the ACC. The ACC may require submission of additional plans, specifications, or other information before approving or disapproving the proposed Improvement to Property. Until receipt by the ACC of all required materials in connection with the proposed Improvement to Property, the ACC may postpone review of any materials submitted for approval.

SECTION 5. CRITERIA FOR APPROVAL. The ACC shall approve any proposed Improvement to Property only if it determines in its reasonable discretion that the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Properties as a whole; that the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Properties, including, without limitation, quality and color of materials and location with respect to topography and finished grade elevation; that the Improvement to Property will

comply with the provisions of this Declaration and any applicable plat, ordinance, governmental rule, or regulation; that the Improvements to Property will not detract from the beauty, wholesomeness, and attractiveness of the Subdivision or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed improvement to Property will not become a burden on the Association. The ACC is specifically granted the authority to disapprove proposed improvements because of the unique characteristics or configuration of the Lot on which the proposed improvement would otherwise be constructed, even though the same or a similar type of improvement might or would be approved for construction on another Lot. The ACC may condition its approval of any proposed improvement to Property upon the making of such changes thereto as the ACC may deem appropriate.

SECTION 6. ARCHITECTURAL GUIDELINES. The ACC from time to time may supplement or amend the Architectural Guidelines, which provides an outline of minimum acceptable architectural standards; provided, however, that such outline will serve as a minimum guideline only and the ACC may impose other requirements in connection with its review of any proposed Improvements. If the Architectural Guidelines impose requirements that are more stringent than the provisions of this Declaration, the provisions of the Architectural Guidelines shall control.

SECTION 7. ARCHITECTURAL REVIEW FEE. The ACC may, in its Architectural Guidelines, provide for the payment of a fee to accompany each request for approval of any proposed Improvement to existing home to cover the cost of inspecting and or subsequent inspection(s) any said improvement(s) to Property. The ACC may provide that the amount of such fee shall be uniform for similar types of any proposed improvement to Property or that the fee shall be determined in any other reasonable manner, such as based upon the reasonable cost of the proposed Improvement to Property, but in no circumstances shall exceed \$100.

SECTION 8. DECISION OF COMMITTEE. The decision of the ACC shall be made within thirty (30) days after receipt by the ACC of all materials required by the ACC. The decision shall be in writing and, if the decision is not to approve a proposed Improvement to Property, the reasons therefor shall be stated. The decision of the ACC shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the ACC. The Owner, however, is responsible under all circumstances to conform to the provisions of these restrictions in their entirety.

SECTION 9. APPEAL TO ASSOCIATION BOARD. If the ACC denies or refuses approval of a proposed Improvement to Property, the Applicant may appeal to the Residential Board by giving written notice of such appeal to the Association and the ACC within twenty (20) days after such denial or refusal. The Residential Board shall hear the appeal with reasonable promptness after reasonable notice of such Notice and Hearing to the Applicant and the ACC, and shall decide with reasonable promptness whether or not the proposed Improvement to Property shall be approved. The decision of the Residential Board shall be final and binding on all Persons.

SECTION 10. FAILURE OF COMMITTEE TO ACT ON PLANS. Any request for approval of a proposed Improvement to Property shall be deemed approved by the ACC, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the ACC within thirty (30) days after the date of receipt by the ACC of all required materials; provided, however, that no such deemed approval shall operate to permit any Owner to construct or maintain any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines. The ACC shall at all times retain the right to object to any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines.

SECTION 11. PROSECUTION OF WORK AFTER APPROVAL. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in strict conformity with the description of the proposed Improvement to Property in the materials submitted to the ACC. Failure to complete the proposed Improvement to Property within nine (9) months after the date of approval or such other period of time as shall have been authorized in writing by the ACC (unless an extension has been granted by the ACC in writing) or to complete the Improvement to Property in strict conformity with the description and materials furnished to the ACC, shall operate automatically to revoke the approval by the ACC of the proposed Improvement to Property. No Improvement to Property shall be deemed completed until the exterior facia and trim on the structure have been applied and finished and all construction materials and debris have been cleaned up and removed from the site and all rooms in the Dwelling Unit, other than attics, have been finished. Removal of materials and debris shall not take in excess of thirty (30) days following completion of the exterior.

SECTION 12. INSPECTION OF WORK. The ACC or its duly authorized representative shall have the right, not the obligation, to inspect any Improvement to Property at any time before or after completion, provided that the right of inspection shall terminate once the Improvement to Property becomes occupied.

SECTION 13. NOTICE OF NONCOMPLIANCE. If, as a result of inspections or otherwise, the ACC finds that any Improvement to Property has been constructed or undertaken without obtaining the approval of the ACC, or has been completed other than in strict conformity with the description and materials furnished by the Applicant to the ACC, or has not been completed within the required time period after the date of approval by the ACC, the ACC shall notify the Applicant in writing of the noncompliance ("Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance within the reasonable period of time set forth therein.

SECTION 14. APPEAL TO RESIDENTIAL BOARD OF FINDING OF NONCOMPLIANCE. If the ACC gives any Notice of Noncompliance, the Applicant may appeal to the Residential Board by giving written notice of such appeal to the Residential Board and the ACC within thirty (30) days after receipt of the Notice of Noncompliance by the Applicant. Additionally, if, after a Notice of Noncompliance, the Applicant fails to commence diligently to remedy such noncompliance ("Violator"), the ACC shall request a finding of noncompliance by the Residential Board by giving written notice of such request to the Association and the Violator within thirty (30) days after delivery to the Violator of a Notice of Noncompliance from the ACC. In either event, the Residential Board shall hear the matter with reasonable promptness after reasonable notice of such Notice and Hearing to the Violator and the ACC and shall decide, with reasonable promptness, whether or not there has been such noncompliance and, if so, the nature thereof and required corrective action. The decision of the Residential Board shall be final and binding on all Persons.

SECTION 15. CORRECTION OF NONCOMPLIANCE. If the Residential Board determines that a noncompliance exists, the Violator shall remedy or remove the same within a period of not more than forty-five (45) days from the date of receipt by the Violator of the ruling of the Residential Board. If the Violator does not comply with the Residential Board ruling within such period, the Residential Board may,

at its option but with no obligation to do so, (a) record a Notice of Noncompliance against the real property on which the noncompliance exists in the Official Public Records of Real Property of Harris County, Texas; (b) remove the nonconforming Improvement to Property; and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Residential Board elects to take any action with respect to such violation, the Violator shall reimburse the Association upon demand for all expenses incurred therewith. If such expenses are not promptly repaid by the Violator to the Residential Association, the Residential Board may levy a Reimbursement Assessment for such costs and expenses against the Violator. The permissive (but not mandatory) right of the Residential Association to remedy or remove any noncompliance (it being understood that no Owner may require the Residential Board to take such action) shall be in addition to all other rights and remedies that the Residential Association may have at law, in equity, under this Declaration, or otherwise.

SECTION 16. NO IMPLIED WAIVER OR ESTOPPEL. No action or failure to act by the ACC or by the Residential Board shall constitute a waiver or estoppel with respect to future action by the ACC or the Residential Board, with respect to any Improvement to Property. Specifically, the approval by the ACC of any Improvement to Property shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement to Property by such Person or otherwise.

SECTION 17. POWER TO GRANT VARIANCES. The ACC may authorize variances from compliance with any of the provisions of this Declaration (except for the provisions relating to single family residential use), including restrictions upon placement of structures, the time for completion of construction of Improvements to Property, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the ACC or by its Designated Representative. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall

not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the ACC other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned.

SECTION 18. COMPENSATION OF ACC. The members of the ACC shall be entitled to reimbursement by the Residential Association for reasonable expenses incurred by them in the performance of their duties as the Residential Board from time to time may authorize or approve.

SECTION 19. RECORDS OF ACTION. The ACC shall report in writing to the Residential Board all final action of the ACC and the Residential Board shall keep a permanent record of such reported action.

SECTION 20. ESTOPPEL CERTIFICATES. The Residential Board, upon the reasonable request of any interested party and after confirming any necessary facts with the ACC, shall furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance therewith. Any Person, without actual notice of any falsity or inaccuracy of such a certificate, shall be entitled to rely on such certificate with respect to all matters set forth therein.

SECTION 21. INDEMNITY FOR ACC ACTION. None of the members of the ACC, no Designated Representative, the Association, no member of the Residential Board, nor Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the ACC, except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the ACC shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of, the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes, or other governmental laws or regulations. Furthermore, none of the members of the ACC, no Designated Representative, no member of the Residential Board, nor Declarant shall be personally liable for debts contracted for or otherwise incurred by the Residential Association or for any torts committed by or on behalf of the Residential Association, or for a tort of another of such individuals, whether such other

individuals were acting on behalf of the Residential Association, the ACC, the Residential Board, or otherwise. Finally, neither Declarant, the Residential Association, the Residential Board, the ACC, nor their officers, agents, members, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, Improvements, or portion thereof, or for failure to repair or maintain the same.

SECTION 22. CONSTRUCTION PERIOD EXCEPTION. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the ACC may temporarily suspend the provisions of Article VI, Section 10 contained in this Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing shall be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Properties.

ARTICLE VII

ARCHITECTURAL RESTRICTIONS

XSECTION 1. AIR CONDITIONERS. No window, roof or wall-type air conditioner that is visible from any street or any other Lot, shall be used, placed or maintained on or in any Dwelling Unit, garage or other Improvement.

SECTION 2. ANTENNAS. Subject to Architectural Review Approval in advance of installation, exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, satellite or other signals of any kind be placed, erected, constructed or free standing, on any Lot, so as not to be visible from the fronting street or driveway. The Declarant and/or the Residential Association shall have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite or other signals for the benefit of all or a portion of the Properties. No radio or television signals or any other form of electromagnetic radiation shall be permitted to originate from any Lot that unreasonably interferes with the reception of television or radio signals upon any other Lot. The guidelines adopted by the Committee shall from time to time maintain compliance with respective governmental jurisdiction(s).