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DECLARATION OF ANNEXATION
OF
VILLAGE OF KINGS LAKE SUBDIVISION SECTION TWO

STATE OF TEXAS :
COUNTY OF HARRIS :

This DECLARATION OF ANNEXATION OF VILLAGE OF KINGS LAKE SUBDIVISION SECTION TWO is executed by 315 Village of Kings Lake, Ltd., a Texas limited partnership, (herein referred to as Declarant) as of June 21, 2007.

RECITALS

Reference is hereby made to that certain Declaration of Covenants, Conditions, Restrictions and Easements for Village of Kings Lake Subdivision (herein referred to as the Existing Declarations) which is dated September 28, 2004 and which was recorded on October 8, 2004 in the Official Records of Real Property of Harris County, Texas, at Clerk's File Number X976850 and film code number 593-71-2177 wherein Article X Section 7 thereof provides for annexation of additional property to be thereafter subjected to the Existing Declarations which annexation can be accomplished unilaterally by the Declarant, and Declarant desires to subject the property described below to the Existing Declarations.

ANNEXATION

1. Annexation: In accordance with ARTICLE X Section 7 of the Existing Declarations, Declarant hereby subjects to the Existing Declarations the following described property which shall hereafter be part of the Properties which are subject to the Existing Declarations and to the homeowners Association therein named:

VILLAGE OF KINGS LAKE SECTION TWO, a subdivision in Harris County, Texas, according to the plat recorded at Film Code No. 573257 of the Map Records of Harris County, Texas.

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2. Miscellaneous: Except as expressly supplemented hereby, the Existing Declarations shall remain in full force and effect.

GF# 07121237 /DS39
STEWART TITLE-HOUSTON DIVISION

ER 003 - 22 - 1958

315 VILLAGE OF KINGS LAKE, LTD.,
a Texas limited partnership.
by its co-general partner,
NEHC Properties, Inc.,

(3)
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By: *Joe Fogarty*
Joe Fogarty, President

And by:

Muduganti J. Reddy
Muduganti J. Reddy,
its co-general partner

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STATE OF TEXAS *
*
COUNTY OF HARRIS *

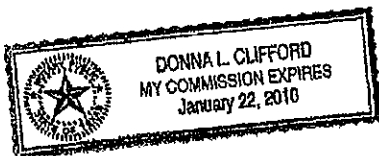
This instrument was acknowledged before me on June 26, 2007 by Joe Fogarty, President of NEHC Properties, Inc., a Texas corporation which is a co-general partner of 315 Village of Kings Lake, Ltd., a Texas limited partnership, on behalf of said entities.



Tracy Laperriere
Notary Public State of Texas

STATE OF TEXAS *
*
COUNTY OF HARRIS *

This instrument was acknowledged before me on June 29, 2007 by Muduganti J. Reddy, who is a co-general partner of 315 Village of Kings Lake, Ltd., a Texas limited partnership, on behalf of said entity.



Donna L. Clifford
Notary Public State of Texas

ER 003 - 22 - 1959

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e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
BEVERLY KAUFMAN
COUNTY CLERK
Fees 20.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

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.



Beverly Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

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DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
VILLAGE OF KINGS LAKE SUBDIVISION

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A RESIDENTIAL SUBDIVISION IN HARRIS COUNTY, TEXAS

NOTICE: THIS DOCUMENT SUBSTANTIALLY AFFECTS YOUR RIGHTS AND OBLIGATIONS AS AN OWNER OF PROPERTY IN THIS SUBDIVISION. READ IT CAREFULLY. WITHOUT LIMITATION, YOU ARE SPECIFICALLY ADVISED OF THE FOLLOWING: (1) ARTICLE III PROVIDES FOR MANDATORY MEMBERSHIP IN A HOMEOWNERS' ASSOCIATION, AND ARTICLE IV PROVIDES FOR MANDATORY PAYMENT OF ASSESSMENTS TO THE ASSOCIATION AND FOR A CONTINUING LIEN AGAINST YOUR PROPERTY TO SECURE PAYMENT OF ASSESSMENTS WHICH MAY BE FORECLOSED EVEN IF THE PROPERTY IS YOUR HOMESTEAD, (2) PARKING BY OWNERS AND OTHER OCCUPANTS IS LIMITED UPON ANY SUBDIVISION STREETS, (3) PLACEMENT AND USE OF BASKETBALL GOAL, SPORTS EQUIPMENT AND OTHER DEVICES IS LIMITED AND (4) DECLARANT RETAINS SUBSTANTIAL RIGHTS DURING A DEVELOPMENT PERIOD, INCLUDING THE UNILATERAL RIGHT TO SET RATES FOR REGULAR ASSESSMENTS AND TO IMPOSE ASSESSMENTS, AND WITHOUT NOTICE TO OR CONSENT OF ANY OWNER, TO ANNEX ADDITIONAL PROPERTIES INTO THE SUBDIVISION, TO AMEND ANY PLAT AND TO AMEND THIS DOCUMENT AND ANY OTHER GOVERNING DOCUMENT.

County Clerk
HARRIS COUNTY, TEXAS

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FILED

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
VILLAGE OF KINGS LAKE SUBDIVISION

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration"), made as of the date hereinafter set forth by 315 VILLAGE OF KINGS LAKE, LTD., a Texas limited partnership (hereinafter referred to as "Declarant"), joined herein by the lender described below.

WITNESSETH:

WHEREAS, Declarant, 315 VILLAGE OF KINGS LAKE, LTD., owns a tract of real property which is collectively referred to as the "Subdivision" and which is described as follows:

All of VILLAGE OF KINGS LAKE Section One, a subdivision in Harris County, Texas, according to the plat recorded at Film Code No. 547175 of the Map Records of Harris County, Texas; and

WHEREAS, it is the desire of Declarant to provide a common plan as to the use, permissible construction, and common amenities of the Subdivision, and to this end to subject the Lots (hereinafter defined) in the Subdivision to the covenants, conditions and restrictions hereinafter set forth for the benefit of all present and future owners thereof;

NOW, THEREFORE, Declarant hereby declares that the Lots in the Subdivision shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which shall run with said Lots and shall be binding upon all parties having any right, title or interest in said Lots or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

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

SECTION 1. "Association" shall mean and refer to VILLAGE OF KINGS LAKE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns, of which its articles of incorporation were issued by the

Texas Secretary of State on September, 2004 as charter number .

SECTION 2. "Builder" shall mean and refer to Royce Homes and to any other person or entity undertaking the initial construction of a residence on a Lot which has been designated as a Builder by the Board of directors.

SECTION 3. "Common Area" shall mean and refer to all properties, real or personal, owned, leased or used by the Association for the common use and enjoyment of the Members (hereinafter defined) of the Association, if any.

SECTION 4. "Declarant" shall mean and refer to 315 VILLAGE OF KINGS LAKE, LTD., its successors and assigns, provided that a successor and/or assign is designated in a recorded writing by Declarant as a successor and/or assignee of all or part of the rights of Declarant under this Declaration.

SECTION 5. "Lot" shall mean and refer to any of the numbered lots shown on the recorded plat or plats of the Properties intended for the construction of a residence, excluding all reserve tracts shown on a plat, but including Lots created by a replat of a reserve tract.

SECTION 6. "Member" shall refer to every person or entity which holds a membership in the Association.

SECTION 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation or those owning an easement right, a mineral interest or a royalty interest.

SECTION 8. "Properties" shall mean and refer to the real property within the jurisdiction of the Association being (i) the Subdivision and (ii) any additional property hereafter added to the jurisdiction of the Association as provided herein.

SECTION 9. "Street" shall refer to any publicly dedicated street, drive, boulevard, road, alley, lane, avenue or thoroughfare.

ARTICLE II

VILLAGE OF KINGS LAKE ARCHITECTURAL REVIEW COMMITTEES

SECTION 1. CREATION. There is hereby created the VILLAGE OF KINGS LAKE NEW CONSTRUCTION COMMITTEE herein referred to as the "NCC") which shall have exclusive jurisdiction over all original construction on the Lots in the Properties. There is also hereby created the VILLAGE OF KINGS LAKE MODIFICATIONS COMMITTEE (herein referred to as the "Modifications Committee") (the NCC and the Modifications Committee being collectively referred to herein as the "Village of Kings Lake Architectural Review Committees" or the "Committees") which has exclusive jurisdiction over all modifications, additions or alterations made on or to the residences and other improvements on the Lots within the Properties. No person serving on either of the Committees shall be entitled to compensation from the Association for services performed in such capacity, however, the Committees may employ, at the expense of the Association, one or more architects, engineers, attorneys or other consultants to assist the Committees in carrying out their respective duties hereunder.

SECTION 2. NUMBER AND APPOINTMENT OF MEMBERS. Each of the Committees shall consist of three (3) members. Declarant shall have the right to appoint all members of the NCC, as well as the right to remove any member until Declarant has sold and conveyed all of its Lots in the Properties and is no longer a Member of the Association. Prior to such date, in the event of the death, removal or resignation of any person serving on such Committees, Declarant, by recorded written instrument, shall designate a successor or successors who shall have all of the authority and power of his, her or their predecessor(s). Until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to exercise the powers herein granted to such Committees. After the date on which Declarant has sold and conveyed all of its Lots within the Properties, the Board of Directors of the Association may perform the functions of the NCC or from time to time appoint and remove members of such Committee. The initial members and all successor members of the Modifications Committee shall be appointed by the Board of Directors of the Association, which also shall have the power to remove any member of the Modifications Committee.

SECTION 3. POWERS OF THE COMMITTEES. To preserve the

architectural and aesthetic appearance of the Properties, no construction of improvements, or modifications, additions, or alterations to existing improvements, shall be commenced or maintained by an Owner on any Lot, including, without limitation, the construction or installation of sidewalks, driveways, drainage facilities, mail boxes, decks, patios, courtyards, swimming pools, greenhouses, playhouses, playground equipment, awnings, walls, fences and exterior lights, nor shall any exterior addition to or change or alteration be made to any improvements (including, without limitation, painting or staining of any exterior surface), until the site plan and the final working plans and specifications therefor have been submitted to and approved in writing by majority vote of the applicable Committee as to conformity with the restrictions herein contained and harmony of external design and location in relation to existing structures and topography.

The Committees shall have the right to specify architectural and aesthetic requirements for Lots, minimum setback lines, the location, height, and extent of fences, walls, or other screening devices, the orientation of structures with respect to Streets, walks, paths and structures on adjacent property and shall have the right to limit the number of acceptable exterior materials and finishes that may be utilized in construction or repair of improvements. The Committees shall have full power and authority to reject any site plan or final working plans and specifications that do not comply with the restrictions herein contained or that do not meet its minimum construction or architectural design requirements or that, in the sole and uncontrolled discretion and opinion of the applicable Committee, will not be compatible with the overall character and aesthetics of the Properties.

The Committees shall have the right, exercisable at their sole discretion, to grant variances to the restrictions of this Declaration in specific instances where the applicable Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Properties. A Committee may require the submission of such documents and items as it shall deem appropriate in connection with its consideration of a request for a variance. If the Committee shall approve such request for a variance, it shall evidence such approval, and grant its permission for such

variance, only by written instrument addressed to the Owner of the property relative to which such variance has been requested, describing the applicable restriction(s) and the particular variance requested, expressing the decision of the Committee to permit the variance, and describing (when applicable) the conditions on which the variance has been approved. Any request for a variance shall be deemed to have been disapproved in the event of either (a) written notice of disapproval from the Committee or (b) failure by the Committee to respond to the request for variance.

SECTION 4. LIMITATION OF LIABILITY. The Committees have no liability or obligation whatsoever in connection with any plans and/or specifications and no responsibility for the adequacy thereof or for the construction of any improvements contemplated by any such plans and/or specifications. The Committees have no duty to inspect any improvements, and, if a Committee should inspect any improvements, it shall have no liability or obligation to any party arising out of such inspection. The Committees expressly shall have no liability or responsibility for defects in or omissions from any plans and/or specifications or for defects in or omissions from the construction of any improvements. Notwithstanding any covenant, condition or term contained in this Declaration or provision of the By-Laws of the Association to the contrary, a Committee shall not have any liability to any Owner arising or resulting from any act, omission or delay of the Committee taken or omitted pursuant to this Declaration or the By-Laws of the Association. Each Owner by accepting a conveyance of any Lot or of any portion of the Properties conclusively shall be deemed to have unconditionally and irrevocably waived all claims against the Committees arising or resulting from acts or omissions pursuant to this Declaration or the By-Laws of the Association.

ARTICLE III

VILLAGE OF KINGS LAKE HOMEOWNERS ASSOCIATION, INC.

SECTION 1. ORGANIZATION. Declarant has caused the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure and management of the maintenance funds, enforcement of the restrictive covenants contained herein and architectural control of the Lots in the Properties.

SECTION 2. BOARD OF DIRECTORS. The Association shall act through a Board of Directors (the "Board") consisting of a minimum of three (3) and a maximum of five (5) members. The Board shall manage the affairs of the Association as specified in this Declaration and the By-Laws of the Association. The Board is hereby specifically authorized to promulgate, amend, modify and delete such reasonable Rules and Regulations applicable to the operation, use and occupation of any part of the Subdivision, including all Lots and Common Areas, as the Board may from time to time deem beneficial to the Subdivision.

SECTION 3. MEMBERSHIP. Every Owner of a Lot in the Properties shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

SECTION 4. VOTING RIGHTS. The Association shall initially have two (2) classes of membership as follows:

Class A: Class A Members shall be all persons or entities who own a Lot in the Properties with the exception of the Declarant. After the Conversion Date (as hereinafter defined) the Declarant shall become a Class A Member with respect to the Lots in owns.

Class B: The Class B Member shall be the Declarant. The Class B membership shall cease and become converted to Class A membership on the Conversion Date.

Class A Members shall be entitled to one (1) vote for each Lot owned within the Properties and the Class B Member shall be entitled to eight (8) votes for each Lot owned within the Properties. When two or more persons or entities hold undivided interests in any Lot, all such persons or entities shall be Members, and the vote for the Lot owned by such Members shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Lot in which such Members own undivided interests. If all of the joint owners of a lot are unable to agree on the vote for that lot, then the vote for that lot shall not be taken.

SECTION 5. CONVERSION DATE. The Conversion Date shall

occur on the earlier of (1) The date the total number of votes of the Class A Members equals the total number of votes of the Class B Member (2) December 31, 2060 or (3) such earlier date as may be established by Declarant in a written instrument recorded by Declarant in the Official Public Records of Real Property of Harris County, Texas. The votes of the Class B Member shall be deemed to include any and all votes attributed to lots owned by such Class B Member in any sections hereinafter annexed into the jurisdiction of the Association in addition to such votes attributed to ownership of lots in Village of Kings Lake Section One.

SECTION 6. TERMINATION OF MEMBERSHIP. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

SECTION 7. MEMBER'S RIGHT OF INSPECTION OF BOOKS. The members of the Association shall have the right to inspect the books and records of the Association at reasonable times during normal business hours, except to the extent that any such inspection is to include the account of one or more specific Members of the Association, in which case, such inspection shall not occur until thirty days after each such Member whose records are to be inspected have been given notice of the proposed inspection. Such notices shall be sent by the Association but the Member requesting such inspection shall pay the full cost of such notice in such sums as may be determined by the Association in its sole discretion. If any Member objects to such inspection, before it can go forward, the Member requesting the inspection is hereby obligated to indemnify the Association against any cost, including attorneys fees, which the Association may incur, and shall deposit such sums with the Association before the inspection process can proceed in such amounts as the Association in its sole discretion determines to be sufficient, and shall maintain such deposits in and "evergreen" status until any such dispute is resolved by settlement or final judgment. In the event the objecting Member prevails, the Member requesting such

inspection shall also then be liable to the objecting member for all of such persons costs, including attorneys fees.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. Declarant (for each Lot within the Subdivision) hereby covenants and agrees, and each Owner of any Lot within the Properties (by acceptance of a deed therefor, whether or not it shall be expressed in the deed or other evidence of the conveyance) is deemed to covenant and agree, to pay the Association (i) annual assessments or charges and (ii) special assessments for capital improvements, such assessments or charges to be fixed, established and collected as hereinafter provided. These assessments and charges, together with interest thereon as hereinafter provided, costs of collection and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing lien upon the property against which such assessments or charges are made. Each such assessment or charge, together with such interest, late charges, costs of collection and reasonable attorney's fees shall also be and remain the personal obligation of the Owner Of the particular Lot at the time the assessment or charge was due notwithstanding any subsequent transfer of title of such property. Except as to transfers pursuant to a lawful and valid foreclosure of a superior lien as described herein, each of an Owner's transferee, whether by purchase, gift, devise, inheritance 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 such transferee.

The following charges shall also be construed as if they are maintenance assessments. All expenses reasonably attributable to or incurred by reason of a breach or violation of or to obtain compliance with any provision of this Declaration must be assessed against the Owner who occasioned the incurrence of such expenses, including reasonable attorney's fees whether incurred prior to, during the pendency of or after successful completion of any actions in a court of competent jurisdiction. The foregoing shall include, without limitation, all costs, expenses and reasonable attorneys fees incurred in

connection with the judicial foreclosure of the Association's assessment lien, including prosecution or defense of any claims or actions relating to any such foreclosure proceedings. All other monetary obligations established by or pursuant to this Declaration or which are otherwise permitted or authorized by law, including without limitation as permitted or authorized by Chapter 204 of the Texas Property Code, and which are intended to apply to one or several but not all Lots must be assessed against the applicable Owner or Owners.

SECTION 2. PURPOSE OF ANNUAL ASSESSMENTS. The Association may levy annual assessments against the Lots. The annual assessments levied by the Association shall be used for carrying out the purposes of the Association as stated in its Articles of Incorporation, this Declaration and all other restrictive covenants instruments administered by the Association. The judgment of the Board of Directors of the Association in determining the functions to be performed by the Association, in determining the amount of annual assessments and in the expenditure of funds shall be final and conclusive so long as its judgment is exercised in good faith. Such funds may be used to pay costs incurred for any lawful purpose and specifically with respect to all or any of the following:

i. Operation, maintenance, repair and improvement of the Common Area as well as fences, entryways, road esplanades, cul de sacs and easement areas within, adjacent to or in the vicinity of the Properties, and, only if the Board of Directors specifically determines to do so, the purposes may include the operation, maintenance, repair and improvement of property in the subdivision which is restricted on a plat for purposes of recreation, detention, drainage, landscape or open space. In making that determination, the Board of Directors shall take into consideration whether any other person or entity has the legal right or obligation to do so;

ii. Payment of taxes and premiums for insurance coverage in connection with the Common Area and for directors and officers liability insurance;

iii. Paying the cost of labor, equipment (including expense of leasing any equipment), material and any associated management or supervisory services and fees required for management and supervision of the Common Area;

iv. Paying the cost and fees of a manager or firm retained to carry out the duties of the Association or to manage the affairs and property of the Association;

v. Maintaining or replacing any landscaping in the Common Area;

vi. Designing, purchasing and installing any improvements to the Common Area;

vii. Mowing and routine maintenance of the Common Area;

viii. Removing debris from the Common Area and from the Subdivision;

ix. Contracting for street lights in the Properties;

x. Collecting and disposing of trash, garbage, ashes, rubbish and other similar materials;

xi. Payment of legal fees and expenses incurred to collect assessments and enforce this Declaration;

xii. Employing policemen, watchmen and/or a security service;

xiii. Contracting for insect and pest control such as mosquito fogging;

xiv. Carrying out the duties of the Board of Directors of the Association;

xv. Creation and funding of such reserve funds as the Board of Directors of the Association deems necessary; and

xvi. Carrying out such purposes of the Association as generally benefit the Members of the Association.

xvii. The Association may, but shall not be obligated to, maintain or support certain activities within the Subdivision designed to make the Subdivision safer than they otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY OR PERSONS OR PROPERTY WITHIN THE SUBDIVISION. NEITHER SHALL THE ASSOCIATION, THE DECLARANT NOR ANY SUCCESSOR DECLARANT BE

HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY IMPROVEMENT AND THE TENANTS, GUESTS AND INVITEES OF ANY OWNER OR OTHER PERSON AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS, DECLARANT OR ANY SUCCESSOR DECLARANT DOES NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY IMPROVEMENT IN THE SUBDIVISION, AND EACH TENANT, GUEST AND INVITEE ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS AND/OR PROPERTY, AND FURTHER ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS, DECLARANT OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATION OR WARRANTY AND NOR HAS ANY SUCH PERSON RELIED UPON ANY SUCH REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN IN THE SUBDIVISION.

As stated herein above, the Association shall not be obligated to perform all of the foregoing functions or any particular function. The judgment of the Board of Directors of the Association in establishing annual assessments and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

SECTION 3. MAXIMUM LEVEL OF ANNUAL ASSESSMENTS. The annual assessment by the Association for (1) the initial year of assessment and (2) for each year thereafter until such time that at least ninety percent of the lots subject to these restrictions are owned by persons other than Declarant and/or a Builder shall be such amount as shall be established by the Board. The annual assessment in any year thereafter may be increased by the Board of Directors of the Association, at its sole discretion, by an amount equal to a fifteen percent (15%) increase over the assessment for the previous year without a vote of the Members of the Association. The annual assessment in any year may be

increased above fifteen percent (15%) with the approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy, at a meeting duly called for this purpose. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at any amount not in excess of the maximum.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any year, a special assessment against the Lots applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or repair or replacement of a capital improvement located upon the Common Area, including fixtures and personal property related thereto, provided, however, any special assessment must be approved by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments may be collected on a monthly basis at the Board's election.

SECTION 5. NOTICE AND QUORUM. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 above shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast ten percent (10%) of the votes of the Association's membership shall constitute a quorum. If the required quorum is not present or represented, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meetings. No subsequent meeting shall be held more than 60 days following the preceding meeting.

SECTION 6. RATES OF ASSESSMENT. Both annual and special assessments on all Lots shall be fixed at uniform rates and all Lots in the Properties shall commence to bear their assessment simultaneously, except that Lots owned by the Declarant or by a Builder shall be exempt from assessment. The assessment for an individual Lot, within a calendar year, shall change as the ownership of such Lot passes from the Declarant or from a Builder and the assessment for such Lot shall be prorated according to the applicable rate during each type of ownership. There shall

assessments on any portion of the Properties which has not been platted into Lots.

SECTION 7. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENT. The annual assessment provided for herein shall commence as to all Lots in the Properties upon conveyance of each such lot from Declarant or a Builder to a residential homeowner. The assessment for such year shall be adjusted according to the number of months remaining in the calendar year and shall be due and payable thirty (30) days after notice of the assessment is sent to every Owner whose Lot is subject to assessment. On or before a date set by the Board of Directors in each year, the Board of Directors of the Association shall fix the amount of the annual assessment to be levied against each Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the annual assessment shall be sent to every Owner whose Lot is subject to the payment thereof. Each annual assessment shall be due and payable in advance on the first day of January of each calendar year or such other date as the Board specifies. The Board of Directors shall determine the identity of any builder for the purpose of this event, and the decision of the Board of Directors shall be final. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer or authorized representative of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a particular Lot is binding upon the Association as of the date of its issuance.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS AND REMEDIES. 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 from the due date at the rate of eighteen percent (18%) per annum or such other rate not in excess of the maximum lawful rate as may be established from time to time by the Board. The Association may bring an action at law against the Owner personally obligated to pay the assessment, or to foreclose the lien herein retained against the property. Interest as above specified, collection costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge.

The lien in favor of the Association is created by the recordation of this Declaration which constitutes record notice and perfection of the lien. No other recordation of

a lien or notice of lien shall be or is required. There shall be no non-judicial foreclosures of the lien of the Association. The Association has the right to foreclose its lien judicially. Costs of foreclosure may be added to the amount owed by the Owner to the Association. An Owner may not petition a court to set aside a sale solely because the purchase price at the foreclosure sale was insufficient to fully satisfy the Owner's debt. The Association may bid for and purchase the Lot at the foreclosure sale utilizing funds of the Association. The Association may own, lease, encumber, exchange, sell or convey a Lot. The purchaser at any such foreclosure sale shall be entitled to sue for recovery of possession of the Lot by an action of forcible detainer without the necessity of giving any notice to the former owner or owners of the Lot sold at foreclosure. The Owner shall have no right of redemption after or resulting from a foreclosure sale of the Association's lien. Nothing herein shall prohibit the Association from taking a deed in lieu of foreclosure or from filing suit to recover a money judgment for sums that may be secured by the lien. At any time before a foreclosure sale, an Owner of a Lot may avoid foreclosure by paying all amounts due the Association. Foreclosure of a tax lien attaching against a Lot under Chapter 32 of the Texas Tax Code, shall not discharge the Association's lien under this paragraph for amounts becoming due to the Association after the date of foreclosure of the tax lien. No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Area or abandonment of his Lot.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. As herein above provided, the title to each Lot shall be subject to a lien securing the payment of all assessments and charges due the Association, but the lien shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the lien in favor of the Association 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 herein above, the Association, in the sole discretion of its Board of Directors, 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 Board of Directors may determine. Upon the foreclosure of any such Mortgagee's lien, the maintenance fees for the year of foreclosure shall be deemed to be a liability that is spread equally over each day of the entire year, so the purchaser at any foreclosure sale or the Grantee in any deed in lieu of foreclosure shall become liable for the pro rata portion of the maintenance fees accruing after the date of the foreclosure or the date of the deed in lieu of foreclosure. Any such fees for the remainder of the year which come due from the new owner shall be deemed to be due to the Association no later than ten days after the date of foreclosure or the date of the deed in lieu of foreclosure, so that on the eleventh day thereafter, the Association may institute litigation for collection of its fees and for recovery of its collection costs and attorneys fees and for foreclosure of its lien.

SECTION 10. EXEMPT PROPERTY. All properties dedicated to, and accepted by, a local public authority 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
RIGHTS IN THE COMMON AREA

SECTION 1. OWNER'S RIGHT OF ENJOYMENT. Subject to the provisions herein stated, every Member shall have a right of enjoyment in the Common Area, if any, and such right shall be appurtenant to and shall pass with the title to every Lot, subject the following rights of the Association:

i. The Association shall have the right to charge reasonable admission and other fees for the use of any facility situated upon the Common Area;

ii. The Association shall have the right, with the approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose, to borrow money and to mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred;

iii. The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any such mortgage;

iv. The Association 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 Association remains unpaid in excess of thirty (30) days;

v. The Association 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 of any Member for any period not to exceed sixty (60) days for any infraction of such rules and regulations;

vi. After the time that a part of the Common Area is owned by the Association, then the Association shall have (1) the right, with the approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose, to pledge, sell or convey that part of the Common Area and (2) the right, without the approval of the Members, to grant or dedicate easements in that part of the Common Area to public or private utility companies; however prior to the time that a part of the Common Area is owned by the Association, then the Declarant or other owner of such property shall have (1) the right to pledge, sell or convey that part of the Common Area and (2) the right to grant or dedicate easements in that part of the Common Area to public or private utility companies. In the event of any such pledge as collateral or otherwise, the part of the Common Areas so pledged may thereafter be sold or conveyed to the Association upon such terms and conditions, including the assumption of any debt for which such pledge is given, as may be agreed upon by the Declarant or other owner thereof and the Association; and

vii. The Association shall have the right to enter into agreements pursuant to which individuals who are not Members of the Association are granted the right to use the Common Area and the facilities located thereupon.

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend such Member's right of enjoyment to the

Common Area to the members of such Member's family and to such other persons as may be permitted by the Association. An Owner of a leased residence shall be deemed to have made a delegation of his rights to use the Common Area to his tenant.

SECTION 3. OBLIGATIONS OF TENANTS. Homes in the subdivision may be rented or leased only by written leases which are specifically subject in writing to the following restrictions and obligations. The failure of any such lease or rental agreement to impose in writing these obligations on a tenant and all occupants shall render such lease or rental agreement voidable upon the action of the Association.

All tenants and occupants there under shall be subject to the terms and conditions of these Declarations and of the rules and regulations of the Homeowners Association including its By-Laws and Articles of Incorporation on the same circumstances as if such persons were Owners.

Each Owner agrees to cause his lessee, occupant or persons living with such Owner to comply with these Declarations, the By-Laws, the Articles of Incorporation and all of the rules and regulations promulgated there under, and the Owner is personally jointly and severally liable with such other persons for the observance and performance of all of the terms and provisions of this Declaration and other governing documents including such liability for all violations and damages, costs, expenses and losses resulting from any violation thereof or caused by such tenants or occupants, notwithstanding the fact that such occupants of the unit are also fully liable for any violation of the documents and regulations. Failure to comply shall be, at the Association's option, considered a default in the lease.

In the event that a lessee, occupant or person living in or visiting the premises violates a provision of these Declaration, the By-Laws or any other rule or regulation adopted pursuant thereto, the Association shall have the power to bring an action or suit against any such person and against the Owner to recover sums due for damages, penalties and/or injunctive relief, or for any other remedy available at law or equity, including but not limited to all remedies available to a landlord upon the breach or default of the lease agreement by the lessee.

The Association shall also have the power to impose reasonable penalties upon the lessee and/or Owner for any violation above described, and to suspend the rights of the

Owner, Lessee, occupant or person living with or visiting the Lessee to use the Common Area.

ARTICLE VI
USE RESTRICTIONS

SECTION 1. RESIDENTIAL USE AND MAINTENANCE. Each and every Lot in the Properties is hereby restricted to residential dwellings for single family residential use only. No business, professional, commercial or manufacturing use shall be made of any Lot or any improvement located thereon, even though such business, professional, commercial or manufacturing use be subordinate or incident to use of the premises as a residence, and regardless of whether or not done for profit or remuneration. Notwithstanding the foregoing, a single family residence may be used for maintenance of a personal professional library, keeping of personal or professional records or accounts, or handling personal business or professional telephone calls, or for maintenance of one home office, but if and only if such business activity (1) 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), no on-site employees are otherwise permitted, and the public is not invited, permitted or allowed to enter the Lot to conduct any business thereon, (2) 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), (3) does not involve the storage of any equipment, materials or devices other than as consistent with operation of a small home office, and in all events which are not hazardous and do not constitute any type of threat to health or safety or other nuisance, (4) complies with all applicable City ordinances (including zoning ordinances), and with any other governmental laws, rules, regulations and permitting or licensing requirements applicable to same, (5) is consistent with the residential character of the Subdivision and (6) does not cause any annoyance or unreasonable inconvenience to Owners or occupants of area Lots or to any Common Areas.

No portion of any garage may be diverted to any use other than the parking of the number of vehicles that can be used parked in the garage in the manner that the same was originally designed and/or constructed. Any other

generally accepted and customary usage of a garage is prohibited to the extent that it limits the number of vehicles which may be parked in the garage in the manner that the same was originally designed and/or constructed. In particular, and 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 or sleeping quarters. Garage doors must be kept in a fully closed position when the garage area is not being actively used.

No structure other than one single family residence and its approved outbuildings shall be constructed, placed on or permitted to remain on any Lot in the Properties. The use of any Lot for any type of dwelling designed for multi-family dwelling, including but not limited to boarding or rooming houses or residents for transients, duplex houses, garage apartments for rental purposes, apartment houses or mobile homes, other than off site constructed modular housing, is specifically prohibited. Any permitted out building shall not be used as an apartment or residential living quarters.

As used in this Declaration, the term "single family" means either: (1) a husband and wife or parent or parents, 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; and/or (2) 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/or (3) the bona fide domestic servants of either. "Dependent children" and "dependent parents, grandparents, grandchildren, brothers and sisters" mean such relatives who do not maintain a separate residence and are not able to maintain a separate residence.

To the fullest extent allowed by law, no Lot or any part of a single family residence thereon may be used for the operation of a group home, half-way house, day-care center, rehabilitation center, treatment facility, or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicaps or illness, or other similar matters. The foregoing does not include a "community home" established and maintained pursuant to and

in strict compliance with Chapter 123 of the Texas Health and Safety Code, and all applicable governmental licensing requirements, rules and regulations.

Each Owner shall maintain the exterior of such Owner's residence, garage, and all other buildings, structures, fences, walls, recreational equipment and improvements located upon each Owner's Lot, in an attractive, sound and well maintained condition, including proper maintenance and repair as needed of paint, bricks, siding, roofs, rain gutters, downspouts, exterior walls, driveways, parking areas and all other exterior portions of the Owner's residence and garage. Without limitation of the foregoing, each Owner shall provide proper repair and maintenance as and when needed as follows (the term "residence" included garage, as applicable) and as otherwise set forth in these Declarations:

(a) The exterior paint on each Owner's residence must be maintained so that no portion thereof peels, scales or cracks excessively, and all painted portions remain neat and free of mildew and discoloration. NO CHANGE IN THE EXTERIOR COLOR SCHEME OF A RESIDENCE AS ORIGINALLY CONSTRUCTED IS PERMITTED WITHOUT PRIOR WRITTEN APPROVAL FROM THE ACC.

(b) The windows must be maintained so that no caulking thereon is chipped or cracked and no windowpanes are cracked or broken.

(c) All exterior doors, including garage doors, must be maintained, repaired, replaced and/or repainted as needed to prevent an unkempt or unsightly appearance and such as to maintain same in proper working condition, including replacement as needed of damaged or dented garage door panels and any cracked or broken glass in any door.

(d) The exterior woodwork on each Owner's residence, and all windowsills, door jams and thresholds, framing, hinges, latches and locks, must be maintained so that it remains whole, sound, neat and fully operational.

(e) No owner or occupant will allow any condition to exist or fail or neglect to provide any maintenance which adversely affects any adjoining or adjacent Lot, any Common Areas, or any improvements on any such Lot or Common Area.

SECTION 2. ANIMALS AND LIVESTOCK. No animals, hogs, horses, reptiles, fish, livestock, or poultry of any kind shall be raised, bred, located or kept on any Lot at any time, except for "Permitted Pets" which are dogs, cats and other usual and customary household pets. Not more than two Permitted Pets are allowed per Lot unless authorized in

writing by the Board or applicable Rules and Regulations, and no Permitted Pets may be raised, bred, kept or maintained for commercial purposes. The foregoing limitation on the number of Permitted Pets does not apply to hamsters, small birds, fish or other similar usual and customary household animals, birds or fish which are kept continuously and completely within a residence at all time of the day and night, nor shall it 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. However, no animal in such litter may be sold or transferred for any thing of value. Notwithstanding the foregoing, the following are hereby specifically excluded from the definition of Permitted Pets and shall not be allowed within any residence, upon any Lot or at any other place within the Subdivision: (1) any dog whose breed is reputed or known for and/or has exhibited its viciousness or ill temper, in particular the term Permitted Pet does not include any dog which is a Rottweiler, or the American Staffordshire Terrier, which is often known as a "Pit Bull" or a "Pit Bull Terrier" or any dog which has any genetic relationship within the fifth degree to any such dog, and (2) any animal of any kind that has venom or poisonous or capture mechanisms, or if let loose would constitute vermin. All Permitted Pets must be kept on a leash not in excess of ten feet long at all times or carried, and must be under the control of their owner when outside the owner's residence or when not maintained in an enclosed yard from which the Permitted Pet cannot escape.

Permitted Pets shall not include any animal which is not physically present inside the non-garage residential portion of a house for a minimum of twelve hours every day.

SECTION 3. NUISANCES. No noxious or offensive trade or activity shall be carried on within the Properties nor shall anything be done thereon which may be or become an annoyance or nuisance to residents of the Properties.

It is the continuing responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition of 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 substance, thing or material may be kept upon any Lot that will emit foul or obnoxious odors, or that will

cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive trade or activity may be carried on upon any Lot, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or a nuisance to any residents of the Subdivision or to any Person using any property adjacent to the Lot. No spirituous, vinous, malt, medicated bitters, alcohol, drugs or other intoxicants may be sold or traded or offered for sale or trade on any part of any Lot or any other place within the Subdivision. No Lot or any part thereof may be used for any immoral or illegal purposes. No Person shall commit any criminal act within the Subdivision, including but not limited to, burglary, trespass, assault, injury to any person or property and any violation of any criminal statute, ordinance or regulation on the United States, the State of Texas and/or any agency or political subdivision thereof.

No speaker, horn, whistle, bell, musical instrument, stereo, television or other sound emitting device or activity (including practice of a band, excessively loud social gatherings and similar activities) and/or any other device for the transmission of any sound shall be placed upon or utilized or shall occur in the exterior of any residential or other structure at any place in the Subdivision.

No speaker, horn, whistle, bell, musical instrument, stereo, television or other sound emitting device or activity (including such as practice of a band, excessively loud social gatherings and similar activities) and/or any other device for the transmission of any sound shall be placed upon or utilized or shall occur in the interior of any residential or other structure at any place in the Subdivision if any sound so emitted is audible outside the Lot lines of the applicable residence, garage or other structure, or which is otherwise an annoyance or nuisance to any other residents or Owners as determined in the sole and unfettered discretion of the Board of Directors.

The use of firearms, fireworks and rocket propelled devices in the Subdivision is strictly prohibited at all times and under all circumstances including any celebration of any holiday such as the Fourth of July. The term "firearms" includes without limitation "B-B" guns, pellet guns, paint ball guns, lazer guns, and any small or large firearm of any and all types which emits a projectile. The term "fireworks" includes any device which utilized any chemical or other material for any explosive reaction of

any kind.

SECTION 4. PARKING AND PROHIBITED VEHICLES.

Prohibited Vehicles shall not be allowed or operated in any part of the Subdivision unless located inside a garage with a closed door, and the term Prohibited Vehicles shall include commercial vehicles, vehicles with commercial writing on their exteriors, vehicles which are primarily used for commercial or business purposes, "eighteen wheel" type vehicles (including both trailers and tractors associated therewith) and other similar large van or flat bed type vehicles, tractors, trailers (either with or without wheels), trucks larger than a one ton pick-up, bar-b-que trailers, camper rigs off of a truck, motor boats, sail boats, any other kind of boats, boat rigging, boat motors, boat trailers, jet skis, wave runners, water craft of any kind, motor cycles, buses, recreational vehicles, hovercraft, aircraft, three wheel vehicles, all terrain vehicles, any vehicle which operates with more than six tires and machinery or equipment of any kind. The term Prohibited Vehicle shall also include any vehicle which (1) has an expired license tag or an expired safety inspection sticker, or (2) is more than six feet eight inches in height at any point or is more than eight feet in width at any point, or (3) is an inoperable vehicle which is a vehicle with one or more of its wheels put up on blocks or which is covered with a tarpaulin or similar device or which cannot be legally driven upon a public street on a daily basis or (4) has visible body damage with a reasonable cost of repair in excess of five hundred dollars or such other sum to be set by the Association.

The term Prohibited Vehicle shall include any vehicle which is unsightly as determined by the sole and unfettered discretion of the Board of Directors.

Use of tarps or vehicle covers of any kind are prohibited except for vehicles parked completely in a garage with a garage door that is closed at all times except when in actual use for vehicular ingress and egress from the garage.

The prohibition of commercial vehicles and equipment shall not apply to such vehicles or equipment which is not owned by an Owner and which is located in the Subdivision temporarily for the use in construction, repair or maintenance of a house or improvement in the Subdivision.

Vehicles which are not Prohibited Vehicles and which otherwise comply with these Deed Restrictions shall be

considered Permitted Vehicles.

No Prohibited Vehicle or Permitted Vehicle shall be parked (1) on a Street between the hours of midnight and six A.M., or (2) so as to obstruct or block in whole or in part any sidewalk.

No Prohibited Vehicle or Permitted Vehicle shall ever be located on the grass, dirt or other non-paved portion of any lot or property in the Subdivision, and this restriction shall extend to and include the areas of such property that may not be visible from the street such as back yards and side yards. Vehicles associated with persons occupying a structure on a lot must be parked only in the garage or driveway serving such lot. A maximum of two Permitted Vehicles per lot may be parked outside the garage on that lot. No garage shall be enclosed, modified or otherwise used so as to reduce its capacity for parking vehicles below that which was originally constructed with the house on a Lot. Garage doors which are visible from any street within the Subdivision shall remain closed at all times except during ingress or egress or when the garage is actively being used by the Owner or occupant of the lot upon which it is located.

No vehicle of any kind may be parked, stored or otherwise permitted to remain at any time in a slanted or diagonal manner or in any manner that is not essentially oriented perpendicular to the Street in front of the place of parking and/or perpendicular to the tangent of the curve of any such Street.

No Permitted Vehicle shall be located in the Subdivision unless it is maintained in a manner that the appearance of the vehicle does not detract from the marketability and appearance of the Subdivision. No vehicle shall be considered a Permitted Vehicle unless it can physically fit within the designed garage of a home with the garage door closed.

No Owner or resident is permitted to park or store any vehicle on the Lot of another Owner or resident.

THE PROVISIONS OF THIS SECTION APPLY TO PERMITTED AND PROHIBITED VEHICLES AS TO EACH LOT WHICH ARE OWNED AND/OR OPERATED BY (1) ANY SINGLE FAMILY MEMBER OF THE RESIDENTS OF EACH LOT, AND (2) ANY OTHER PERSON VISITING OR STAYING AT THE LOT WHO PARKS THE VEHICLE WITHIN THE SUBDIVISION AT ANY TIME MORE THAN ANY PART OF THREE DAYS IN ANY WEEK OR MORE THAN ANY PART OF FIVE DAYS IN ANY CONSECUTIVE THIRTY DAY PERIOD (i.e. "OCCUPANT VEHICLES"). AT LEAST ONE OCCUPANT VEHICLE MUST BE PARKED IN THE GARAGE OF THE APPLICABLE LOT BEFORE PARKING ANY OTHER OCCUPANT VEHICLE ON

A DRIVEWAY OR STREET. AT LEAST THREE OCCUPANT VEHICLES MUST BE PARKED IN THE GARAGE AND IN THE DRIVEWAY OF THE APPLICABLE LOT BEFORE ANY OCCUPANT VEHICLE IS PARKED ON A STREET. PARKING OF OCCUPANT VEHICLES AT ANY TIME AT ANY LOCATION IN THE SUBDIVISION EXCEPT IN ACCORDANCE WITH THE FOREGOING IS STRICTLY PROHIBITED.

No work on any vehicle within the Subdivision, including on any street, or on any Common Area, or on any Lot, may be performed at any time other than temporary emergency repairs or other work required solely in order to be able to promptly thereafter remove an inoperable or disabled vehicle from the Subdivision or t and completely within a garage.

As used in this Section, "vehicle" means a device in, on or by which a person or property may be transported, including an operable or inoperable automobile, truck, motorcycle, recreational vehicle, trailer, and such other devices as from time to time specified by applicable Rules and regulations promulgated by the Board of Directors of the Association.

Repairs or other work on any vehicle which extends 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 lawfully operated outside the Subdivision for seven or more consecutive days or the vehicle has not been lawfully operated outside the Subdivision more than twice in any fourteen day period. Unused and inoperable vehicles are prohibited within all parts of the Subdivision. The provisions hereof do not prejudice the right of the Association to otherwise establish a violation.

The Board of Directors or its designated representative may cause any vehicle which is parked, stored or maintained in violation of this Declaration, o which is in violation of any ordinance, statute or other governmental regulation, to be removed from the Subdivision to any vehicle storage facility within Harris County, Texas at the sole cost and expense of the Person owning such vehicle, whether or not such Person is an Owner, and/or the Owner to whom such Person is a tenant, visitor, guest, invitee or other related party. Any such removal may be in accordance with any applicable statute or ordinance, including Chapter 684 of the Texas Transportation Code, as amended. DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS OF THE ASSOCIATION, ANY MANAGEMENT COMPANY RETAINED BY THE ASSOCIATION, THEIR RELATED PARTIES, AND ANY PERSON REMOVING

ANY VEHICLE AS HEREIN PROVIDED, THE "INDEMNITEES" HAVE NO LIABILITY WHATSOEVER IN CONSEQUENCE OF REMOVAL OF ANY VEHICLE AS HEREIN PROVIDED. THE PERSON OWNING EACH TOWED VEHICLE, WHETHER OR NOT SUCH PERSON IS AN OWNER OF ANY PROPERTY IN THE SUBDIVISION, AND THE OWNER AND OWNER'S TENANT AS TO WHOM SUCH PERSON IS A VISITOR, GUEST, INVITEE, OR OTHER RELATED PARTY, SHALL HOLD ALL SUCH INDEMNITEES HARMLESS FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LIABILITIES OR DAMAGES ARISING, DIRECTLY OR INDIRECTLY, AS A RESULT OF SUCH REMOVAL. THE PROVISIONS HEREOF ARE CUMULATIVE OF ANY SIMILAR PROVISIONS OR REMEDIES FOUND ELSEWHERE IN THIS DECLARATION.

Additional rules and regulations for the use and parking of vehicles in the subdivision may be promulgated by the Association.

SECTION 5. PERMITTED HOURS FOR CONSTRUCTION ACTIVITY.

Except in an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the Association, after the initial construction of residences by the Builders, outside construction work or noisy interior construction work shall be permitted only between the hours of 7:00 A.M. and 7:00 P.M. Central Standard Time.

SECTION 6. DISPOSAL OF TRASH. No trash, rubbish, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot be used or maintained as a dumping ground for such materials. All such matter shall be placed in sanitary refuse containers constructed of metal, plastic or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened by planting or fencing. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense.

SECTION 7. DISPOSAL OF HAZARDOUS SUBSTANCES. No gasoline, motor oil, paint, paint thinner, pesticide or other product considered to be a contaminant or a hazardous substance under applicable federal or state laws and

regulations shall be disposed of on any Lot nor shall any such material be deposited into a storm sewer, sanitary sewer manhole, drainage ditch, channel or detention pond within the Properties, but rather all such materials shall be handled and disposed of in compliance with all applicable laws and regulations and the recommendations of the manufacturer of the applicable product or a governmental entity with jurisdiction. No person shall perform any activity or do any act or thing or maintain or permit any condition in violation of applicable environmental, toxic or hazardous waste or similar laws, rules or regulations. Storage of gasoline, heating or other fuels, or of any hazardous or toxic materials any where in the Subdivision is strictly prohibited except that up to five gallons of fuel may be stored upon a Lot for emergency purposes and for operation of lawn mowers and similar tools or equipment for landscape maintenance if properly kept and stored in a safe and non-hazardous manner. THE FOREGOING DOES NOT PLACE UPON DECLARANT, THE ASSOCIATION, ANY MANAGEMENT COMPANY RETAINED BY THE ASSOCIATION, AND/OR ANY PERSON WHO IS AN OFFICER, DIRECTOR OR EMPLOY OF SUCH ENTITIES ANY OBLIGATION FOR ENFORCEMENT OF ANY APPLICABLE ENVIRONMENTAL, TOXIC OR HAZARDOUS WASTE OR SIMILAR LAW, RULE OR REGULATION.

SECTION 8. BUILDING MATERIALS. Unless otherwise approved by the applicable Committee, 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 at the time construction is commenced. During initial construction of residences by Builders in the Properties, building materials may be placed or stored outside the property lines. Building materials may remain on Lots for a reasonable time, so long as the construction progresses without undue delay after which time these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. Under no circumstances shall building materials be placed or stored on the Streets.

SECTION 9. MINERAL PRODUCTION. No oil drilling, oil development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations 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. No activities shall be

permitted at any place in the Subdivision which involve the geological or seismic testing of any property for the existence of oil, gas or any other mineral. No activities shall be permitted at any place in the Subdivision which involve the exploration for or production of any mineral or chemical element of any kind.

SECTION 10. MAXIMUM OCCUPANCY. In no event may a single family residence be occupied by more persons than the product of the total number of bona fide bedrooms contained in the single family residence as originally constructed multiplied by two. The number of bonafide bedrooms is based on the single family residence as originally constructed, plus any additional bona fide bedroom or bedrooms which may thereafter have been added which have been specifically approved by the Architectural Review Committee.

ARTICLE VII
ARCHITECTURAL AND OTHER RESTRICTIONS

SECTION 1. TYPE OF RESIDENCE. Only one (1) detached single family residence not more than two (2) stories in height and approved accessory buildings shall be built or permitted on each Lot. All structures shall be of new construction and no structure shall be moved from another location onto any Lot. All residences must be kept in good repair and must be painted when necessary to preserve their attractiveness. The construction of any "out building" or "accessory building" must be approved by the Association which may impose height restrictions on any such structure. It is anticipated that the Association will not approve the construction of any structure other than those originally constructed by a Builder upon a Lot which was vacant at the time of the construction. In the event the construction of an "outbuilding" is approved by the Association, it must be constructed with materials, roofing and colorings similar to those of the residence on that lot and shall not exceed eight feet in height. No such outbuilding shall have electrical, sewer or water service. No such outbuilding shall be occupied by any person as a residence. No tents, tarpaulins or similar devices shall be erected in the Subdivision.

SECTION 2. LIVING AREA REQUIREMENTS. The total living area of each single family dwelling, exclusive of open porches, garages and carports or parking spaces shall be

not less than one thousand (1,000) square feet.

SECTION 3. LOCATION OF RESIDENCE ON LOT. The location of each residence on a Lot will be approved by the NCC with its approval of the site plan and the final working plans and specifications. No building shall be located on any Lot nearer to a Street than the minimum building setback lines shown on the plat containing such Lot and no building shall be located on any utility easement. Unless otherwise approved by the NCC, no building shall be located nearer than twenty (20) feet from the front lot line or nearer than five (5) feet to an interior lot line, except a detached garage or other permitted accessory building located sixty (60) feet or more from the front lot line may be located within three (3) feet of an interior lot line. For the purposes of this section, eaves, steps and open porches or driveways shall not be considered as a part of a building.

Subject to the approval by the NCC, an Owner of one or more adjoining Lots or portions thereof may consolidate or resubdivide such Lots or portions into one or more building sites with the privilege of placing or constructing improvements on such resulting building sites, in which case the side setback lines shall be measured from the resulting side property lines rather than from the Lot lines indicated on the plat. Any such resulting building site must have a width at the front building setback line of not less than the minimum width of the Lots in the same block.

SECTION 4. TYPE OF CONSTRUCTION. A minimum of seventy-five percent (75%) of the exterior facade of all single story residences and fifty percent (50%) of the exterior facade of all two story residences, exclusive of doors, windows and other openings, shall be brick, masonry (including Hardiplank) or such other material as may be approved by the NCC. No accessory building shall exceed in height the dwelling to which it is appurtenant without the written consent of the NCC. Every accessory building (except a greenhouse) shall correspond in style and architecture with the dwelling to which it is appurtenant.

SECTION 5. TEMPORARY BUILDINGS. Temporary buildings or structures shall not be permitted on any Lot. However, Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used by

Builders in connection with the construction and sale of residences.

SECTION 6. DRIVEWAYS. On each Lot the Builder shall construct and the Owner shall maintain at his expense the driveway to the abutting Street, including the portion of the driveway in the Street right-of-way, and the Builder shall repair at his expense any damage to the Street occasioned by connecting the driveway thereto. All concrete areas on each Owner's Lot, including but not limited to sidewalks, driveways, porches and patios, must be maintained so that all cracks are appropriately patched or surfaced as they appear, expansion joints are maintained, repaired or replaced, as needed, and oil, grease and other stains are removed as they appear, and all such areas must be kept free of weeds, grass or other vegetation.

SECTION 7. ROOF; ROOF PITCH; ROOF MATERIAL. The roof pitch of each residence shall have a minimum of five (5) feet of vertical rise for each twelve (12) feet of horizontal length. The roofs of all buildings shall be constructed or covered with fiberglass or asphalt shingles of a color approved by the NCC. Any other type of roofing material shall be permitted only at the discretion of the NCC. The roof on each Owner's residence must be maintained to prevent sagging, to prevent leaks, so that all shingles are properly secured, curled or damaged shingles are replaced and no worn areas or holes are permitted to remain, and such that the structural integrity and exterior appearance of the roof is maintained. The appearance of the roof shall not be changed by any such maintenance without the express written approval of the ACC. The gutters and downspouts on each Owner's residence, if any, must be maintained so that all are properly painted or treated to prevent rust and corrosion, are properly secured to roof, eaves, gables or exterior walls, as the case may be, are maintained without holes, and are promptly repaired or replaced if dented or otherwise damaged.

SECTION 8. FENCES. No fence or wall shall be erected on any Lot unless the location thereof and plans therefor have been approved by the NCC or the Modifications Committee. No portion of any fence shall be closer to the street in front of the residence than the front line of the residence exclusive of the garage portion thereof. For corner lots, no fence on the side street shall be closer to

the side street than furthest from the side street of (1) the property line of the Lot and (2) any applicable set back line. The erection of chain link or other metal fences on any Lot is prohibited. Each Owner shall, at his expense, maintain all fences on each Owner's Lot to prevent any listing or leaning, so that all broken or damaged members and all holes and cracks are repaired as they appear and so that no portion thereof is permitted to rot or decay. Maintenance of any joint fence between two or more lots shall be the joint and several obligation of each Owner of a Lot touched by such fence. Any wooden fence shall not be painted any color and shall be maintained only with its natural wood color.

SECTION 9. GRASS, TREES AND SHRUBBERY. Builders shall sod the area between the front of the residence and the curb line of the abutting Street prior to the sale of the residence with grass of a type prescribed by the NCC. Thereafter the Owner of each Lot shall keep his Lot mowed to prevent unsightly appearance. Dead or damaged trees, including, but not limited to, those which might create a hazard to property or persons, shall be promptly removed or repaired, and if not removed by the Owner upon request, then the Association may remove or cause to be removed such trees at the Owner's expense and shall not be liable for damage caused by such removal. Other than dead or damaged trees, no tree greater than four inches in diameter to be measured at a point six inches above grade shall be removed. In the event of intentional or unintentional violation of this limitation on tree removal, the violator or owner of the lot upon which such tree was previously located may be required to replace the removed tree with one or more comparable trees of such size and number and in such locations as the Association may determine necessary, in its sole discretion, to mitigate the damage. All plants, grass, shrubbery, trees, flower beds, vegetation and all other landscaping, either natural or artificial, on each Lot which is not maintained by the Association must be maintained at all times in accordance with the seasons as reasonably necessary to obtain and maintain on a consistent and continuing basis a sanitary, healthful and attractive condition and appearance and to eliminate any condition which may create any unsanitary condition or become a harborage for rodents, vermin or other pests. Each Owner's maintenance obligations extends to that unpaved portion of any street right of way or sidewalk which is between the Owner's front lot line and the paved portion of a street.

right of way. Vacant Lots shall not be used as dumping grounds for rubbish, trash, rubble or soil, except that Declarant may designate fill areas into which materials specified by Declarant may be placed.

SECTION 10. SIGNS. Except for (a) one sign of not more than five square feet advertising a residence on a Lot for sale or rent, but only during periods of time when the Lot is in fact for sale or for rent, and (b) one sign no larger than eight inches square and/or no more than four stickers no larger than four inches square provided to an Owner by a commercial security or alarm company providing service to a home, no signs, billboards, posters or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Board. No sign may be illuminated in any manner. No sign is permitted which is vulgar, obscene or otherwise patently offensive to persons of ordinary sensibilities. Permitted signs must be professionally printed and prepared, and must be properly installed and maintained, to avoid unsightly appearance. The good faith determination of the Board as to any of the foregoing is final.

The right is reserved by the Declarant to construct and maintain, or to allow Builders within the Properties to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed residential dwellings. In addition, Declarant and the Association shall have the right to erect identifying signs at each entrance to the subdivisions within the Properties.

SECTION 11. TRAFFIC SIGHT AREAS. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two and six feet above the Street shall be permitted to remain on any corner Lot within fifteen (15) feet of the point formed by the intersection of the building set back lines of such Lot.

SECTION 12. EXTERIOR ANTENNAE. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by the regulations promulgated under the Telecommunications Act of

1996, as amended from time to time. The Board is empowered to adopt rules governing the types of antennae that are permissible in the Properties and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that receipt of an acceptable signal would not be impaired, an antenna permissible pursuant to the rules of the Board may only be installed in a side or rear yard location, not visible from a Street, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

SECTION 13. COOKING EQUIPMENT, RECREATIONAL AND PLAYGROUND EQUIPMENT AND SPORTS EQUIPMENT. All playground equipment such as play houses, tents, canopies, and swing sets shall be situated, concealed and shielded so as not to be visible from any Street. Basketball goals attached to the residence or mounted on a pole in the ground shall not be located on a Lot so as to be visible from the Street in front of the residence and/or from the side street on corner Lots. No portable or moveable basketball equipment or other sports equipment shall be located in any part of the Subdivision in such a way that any part of any street or any driveway is utilized for the use of such equipment at any time. No sports equipment, including trampolines and basketball goals mounted on moveable platforms, may be located for any period of time in the front of a residence. The same limitation shall apply to Bar-b-que cookers and other similar cooking devices. There shall be no kind of cooking in any location that is visible from the street. It is the intent of these Deed Restrictions that the area on a Lot closer to the street than the front of the house shall have only grass, trees and approved landscaping located thereon. There shall be no above ground swimming pools permitted in the Subdivision, and all other swimming pools require approval of the Association. Any recreational equipment which is in fact installed pursuant to these Declarations must be maintained to prevent any unsightly or unkept condition, including for example but without limitation, proper maintenance of swing sets to prevent rust and corrosion, and proper maintenance of basketball goals to prevent rust and corrosion and by replacement as needed of torn or worn nets.

SECTION 14. DECORATIONS AND LIGHTING. No decorative appurtenances such as sculptures, birdbaths and birdhouses, fountains, or other decorative embellishments shall be

placed on the residence or on the front yard or on any other portion of a Lot which is visible from any Street, unless such specific items have been approved in writing by the Modifications Committee. Outside lighting fixtures shall be placed so as to illuminate only the yard of the applicable Lot and so as not to affect, reflect or be visible into other residences, yards or Lots. No mercury vapor, sodium or halogen light shall be installed on any Lot which is visible from any Street or from any other Lot unless otherwise approved by the Modifications Committee. No Christmas decorations, ornaments or other seasonal personal property related to any religious or secular holiday which occurs between December 1 of any year and January 2 of the next following year shall be allowed to remain in the Subdivision in a manner that is visible from any street or from any other Lot during the period from January 15 through November 15 of any year.

SECTION 15. AIR CONDITIONERS. No window, wall or roof type air conditioners shall be permitted in any improvements within the Properties, but the Declarant and Builders may install and use such air conditioners in sales offices and construction offices within the Properties, provided such air conditioners are removed when such facilities cease to be used.

SECTION 16. PRIVATE UTILITY LINES. All electrical, telephone, cable and other utility lines and facilities which are located on a Lot and are not maintained by a governmental entity or a public utility company shall be installed underground unless otherwise approved in writing by the applicable Committee. The Owner of each Lot must maintain in proper working order, and on a continuing basis, all sanitary sewer lines and facilities, drainage or storm water lines and facilities and gas lines, meters and facilities, telephone and any other telecommunication lines, devices of facilities, and all other facilities, utilities and services which service each Lot, regardless of the location of those utilities, save and except to the extent that maintenance is provided and actually performed by any governmental entity or utility company.

SECTION 17. ENFORCEMENT OF LOT MAINTENANCE. Each Owner of a Lot shall at all times be obligated to maintain his property and all improvements thereupon (and the area between the boundary lines of adjacent property and adjacent Streets if such area is not otherwise maintained),

so as to keep same in a clean, sightly and safe condition and to conform with any specific standards which the Board of Directors may adopt by resolution for the Properties. An Owner's maintenance obligation shall include, but not be limited to the maintenance of all visible exterior surfaces of all buildings and other improvements, the prompt removal of all paper, debris, and refuse, the removal and replacement of dead and diseased trees and plantings; the repair, replacement, cleaning and relamping of all lighting fixtures, the mowing, watering, fertilizing, weeding, replanting and replacing of all approved landscaping, and, during construction, the cleaning of dirt, construction debris and other construction related refuse from Streets and storm drains and inlets.

In the event of the violation of any covenant herein by any Owner or occupant of any Lot and the continuance of such violation after five (5) days written notice thereof, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate repairs and maintenance after such notice, the Association shall have the right (but not the obligation), through its agents or employees, to enter upon such Lot and to secure compliance with these restrictions and restore such Lot to a neat, attractive, healthful and sanitary condition. The Association may render a statement of charge to the Owner or occupant of such Lot for the cost of such work. The Owner or occupant agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt. In the event of the failure to pay for such work, the amount of such statement may be added to the annual maintenance charge provided for herein and shall be secured by a lien on the Lot in the same manner as such annual charge. The Association, or its agents and employees shall not be liable, and are hereby expressly relieved from any liability, for trespass or other tort in connection with the performance of the maintenance and other work authorized herein.

SECTION 18. DAMAGE AND DESTRUCTION OF IMPROVEMENTS.

Any buildings or improvements within the Properties which are damaged or partially destroyed by fire, storm or any other means shall be repaired within a reasonable period of time not to exceed sixty (60) days from the occurrence of such damage and the Lot restored to a clean, orderly and attractive condition. Any buildings or improvements which are damaged or destroyed to the extent that repairs are not

practicable, shall be demolished and removed within a reasonable period of time not to exceed ninety days from the occurrence of such damage and the Lot restored to a clean and attractive condition.

SECTION 19. CLOTHES LINES ARE PROHIBITED. No clothes line shall be constructed or maintained on any lot at a location which is visible from the street or from any other lot.

ARTICLE VIII
EASEMENTS

SECTION 1. GENERAL. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the plats or as dedicated by separate instruments. No utility company or authorized political subdivision using the easements referred to herein shall be liable for any damages done by them or their assigns, agents, employees or servants to fences, shrubbery, trees, flowers, improvements or other property of the Owner situated on the land covered by such easements as a result of construction, maintenance or repair work conducted by such parties or their assigns, agents, employees, servants or others.

SECTION 2. EASEMENTS FOR ASSOCIATION. There is hereby granted a general right and easement to the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the Owner or Occupant of the residence directly affected thereby.

SECTION 3. MAINTENANCE EASEMENT. There is reserved, for Declarant, the Association, and their respective successors and assigns, a five foot wide construction and maintenance easement adjacent and parallel to each of the rear and side lot lines of all Lots that abut a landscape reserve, perimeter boundary of the Properties or Street where a Declarant has constructed or intends to construct a fence or wall, together with the right of ingress and egress for the purposes, without liability to the Owner for damages arising from the use of the easement, of

constructing, repairing, and/or reconstructing the fence or wall. The easement area shall remain unobstructed of any structures or plantings that would prohibit access to the fence or wall for construction and maintenance purposes.

SECTION 4. UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEM. An underground electric distribution system will be installed within each subdivision which will be designated an Underground Residential Subdivision and which underground service area shall serve all Lots in the subdivision. The Owner of each Lot in the Underground Residential Subdivision shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle alternating current.

Easements for the underground service may be crossed by driveways and walkways provided that the Builder or Owner makes prior arrangements with the utility company furnishing electric service and provides and installs the necessary electric conduit of approved type and size under such driveways or walkways prior to construction thereof. Such easement for the underground service shall be kept clear of all other improvements, including buildings, patios, or other parings, and neither Builder nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants, to shrubbery, trees, or

improvements (other than crossing driveways or walkways provided the conduit has been installed as outlined above) of the Owner and located on the land covered by said easements.

ARTICLE IX
ENFORCEMENT

SECTION 1. ENFORCEMENT. The Association and/or any Owner shall have the right to enforce, by any proceeding at law or in equity, the covenants, conditions, restrictions, and liens contained herein. Failure of the Association or any Owner to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter. All Owners hereby waive the right to assert any statute of limitation in any proceeding to enforce these covenants, conditions, restrictions and liens.

ARTICLE X
GENERAL PROVISIONS

SECTION 1. TERM. These covenants shall run with the land and shall be binding upon all parties and all persons claiming under until December 31, 2060, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the Owners of a majority of the Lots covered by this Declaration has been recorded, agreeing to terminate this Declaration, in whole or in part.

SECTION 2. AMENDMENT.

A. By Declarant. This Declaration may be amended unilaterally at any time and from time to time by the Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation or judicial determination which shall be in conflict therewith, (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration or (c) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this

Declaration.

B. By Owners. This Declaration may be amended at any time by an instrument executed by the Owners holding two-thirds (2/3rds) of the votes allowed under these Declarations at the time the amendment is filed for record. Any such amendment shall become effective when an instrument is filed for record in the Official Public Records of Real Property of Harris County, Texas, with the signatures of the requisite number of the Owners of the Lots.

SECTION 3. SEVERABILITY. Invalidation of any one of these covenants by judgment or other court order shall in no wise affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

SECTION 4. GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

SECTION 5. TITLES. The titles of this Declaration of Articles and Sections contained herein are included for convenience only and shall not be used to construe, interpret or limit the meaning of any term or provision contained in this Declaration.

SECTION 6. REPLATING. Declarant shall have the right to subdivide any reserve tracts contained within the Properties into single family residential lots, by recorded plat or in any lawful manner. Lots created by the subdivision of a reserve tract shall be subject to these restrictions as if such Lots were originally platted as lots.

SECTION 7. ANNEXATION.

A. By Declarant. Subject to the provisions of Section 9 of this Article X, Declarant shall have the unilateral right, privilege and option at any time to annex additional property to the jurisdiction of the Association by filing for record a declaration of annexation in respect to the

property being annexed which subjects such property to all of the provisions of this Declaration. Any such annexation by the Declarant shall not require approval by the Association or the Members and shall be effective upon the filing for record of such declaration. The rights reserved by Declarant herein to annex additional land shall not be implied or construed so as to impose any obligation upon a Declarant to annex additional land it owns.

B. By Other Owners. Upon request by an owner of land other than a Declarant, the Association may annex real property to its jurisdiction. Any such annexation shall require the affirmative vote of Members representing a majority of the Association's votes present at a meeting duly called for such purpose and, as long as Declarant owns any portion of the Properties, the written consent of Declarant shall be required. Annexation of land not owned by Declarant shall be accomplished by filing of record in the Official Public Records of Real Property of Harris County, Texas an annexation agreement describing the property being annexed. Such annexation agreement shall be signed by the President and the Secretary of the Association, by the owner of the property being annexed, and, as long as Declarant owns any portion of the Properties, by Declarant.

C. Effect of Annexation. The Owners of Lots in property annexed into the jurisdiction of the Association shall be entitled to the use and benefit of all Common Area of the Association, provided that the annexed property shall be impressed with and subject to an annual assessment imposed by the Association on a uniform per Lot basis with the annual assessment on all other property within the jurisdiction of the Association.

SECTION 8. MERGER; DISSOLUTION. The Association may be merged with another non-profit corporation or dissolved only with (i) the assent given in writing by not less than two-thirds of the Class A Members and (ii) the Declarant, as long as Declarant owns any Lots within the Properties. In the event of a merger of the Association with another non-profit corporation organized for the same purposes, the Association's properties, rights, and obligations may be transferred to the surviving association, or alternatively, the properties, rights and obligations of the other association may be added to the properties, rights and obligations of the Association as a surviving corporation

pursuant to a merger. The surviving association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties of the other association as one scheme. In the event of the dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

SECTION 9. HUD APPROVAL. As long as there is a Class "B" Membership in the Association, the approval of the U.S. Department of Housing and Urban Development shall be required for the amendment of this Declaration, the annexation of property to the jurisdiction of the Association, and the dedication of Common Area.

SECTION 10. JOINDER OF LIEN HOLDER.

North Houston Bank, the owner and holder of a lien or liens covering the Subdivision has executed this Declaration of Covenants, Conditions and Restrictions for Village of Kings Lake Subdivision to evidence its joinder in, consent to and ratification of the imposition of the foregoing Declaration of Covenants, Conditions and Restrictions for Village of Kings Lake subdivision.

IN WITNESS WHEREOF, this Declaration is executed by the following to be effective as of the 28 day of September, 2004.

DECLARANT:

315 VILLAGE OF KINGS LAKE, LTD.,
a Texas limited partnership
By: NEHC Properties, Inc.,
its co-general partner,

By: 
Joe Fogarty, President

And by:

(3)
Jor

Muduganti J. Reddy
Muduganti J. Reddy, its co-general partner

LENDER:

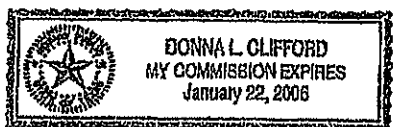
NORTH HOUSTON BANK

for

BY: *Michael D. Adams*
Michael D. Adams
Title *Assistant Vice President*

STATE OF TEXAS *
*
COUNTY OF HARRIS *

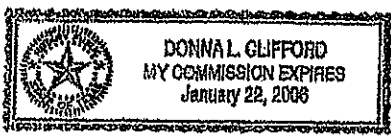
This instrument was acknowledged before me on September 28, 2004 by Joe Fogarty, President of NEHC Properties, Inc., a Texas corporation which is a co-general partner of 315 Village of Kings Lake, Ltd., a Texas limited partnership, on behalf of said entities.



Donna L. Clifford
Notary Public State of Texas

STATE OF TEXAS *
*
COUNTY OF HARRIS *

This instrument was acknowledged before me on September 28, 2004 by Muduganti J. Reddy, who is a co-general partner of 315 Village of Kings Lake, Ltd., a Texas limited partnership, on behalf of said entity.

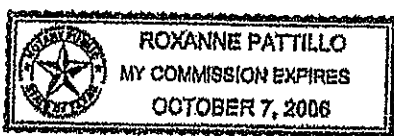


Donna L. Clifford
Notary Public State of Texas

STATE OF TEXAS *
*
COUNTY OF HARRIS *

This instrument was acknowledged before me this 30
day of September, 2004 by Michial Adams, Asst. V.P.
of North Houston Bank.

Roxanne Pattillo
NOTARY PUBLIC, STATE OF TEXAS



ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS VOID 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 herein by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris
County, Texas on

OCT - 8 2004



Dorothy B. Hayman
COUNTY CLERK
HARRIS COUNTY, TEXAS

RETURN TO:
VILLAGE OF KINGSLAKE HOMEOWNERS ASSN, INC
P.O. Box 540968
Houston Texas 77254

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