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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR KINGS RIVER ESTATES, SECTIONS THREE (3), FOUR (4), FIVE (5) AND SIX (6)

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

WHEREAS, by that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions for Kings River Estates, Section Three" ("the Declaration") recorded in the Official Public Records of Real Property of Harris County, Texas on February 6, 2002 under Clerk's File No. V584331, various covenants, conditions and restrictions were imposed upon the following real property:

> All of Kings River Estates, Section Three (3), a subdivision in Harris County, Texas according to the map or plat thereof recorded at Film Code No. 495112 of the Map Records of Harris County, Texas

and,

WHEREAS, by that certain instrument entitled "Supplemental Declaration for Kings River Estates, Section Four (4)" ("the Supplemental Declaration") recorded in the Official Public Records of Real Property of Harris County, Texas on September 17, 2002 under Clerk's File No. W085421, the following real property was subjected to all of the covenants, conditions and restrictions set forth in the Declaration, as well as the additional covenants, conditions and restrictions set forth in the Supplemental Declaration; and

> Kings River Estates, Section Four (4), a subdivision in Harris County, Texas according to the map or plat thereof recorded at Film Code No. 516092 of the Map Records of Harris County, Texas (such subdivision to be commonly referred to as "Kings Crown Estates").

WHEREAS, the Declaration provides that its provisions may be amended at any time by an instrument executed by two-thirds (2/3) of the Owners of the Lots comprising the Property; and

WHEREAS, by definition set forth in the Declaration, as of the date of this instrument the "Property" consists of all of Kings River Estates, Sections Three (3) and Four (4); and;

WHEREAS, Holley Foster Kings River, Ltd., a Texas limited partnership, and Parkstone Development Corp., a Texas corporation, are the owners of all of the Lots in Kings River Estates, Sections Three (3) and Four (4), and desire to amend and restate the Declaration and the Supplemental Declaration; and

WHEREAS, Holley Foster Kings River, Ltd. is the owner of the following real property:

Kings River Estates, Section Five (5), a subdivision in Harris County, Texas according to the map or plat thereof recorded at Film Code No. 525160 of the Map Records of Harris County, Texas, and

Kings River Estates, Section Six (6), a subdivision in Harris County, Texas according to the map or plat thereof recorded at Film Code No. 528137 of the Map Records of Harris County, Texas,

and desires to subject such real property to the provisions of this Amended and Restated Declaration;

and

WHEREAS, the Declaration grants to Holley Foster Kings River, Ltd., the authority to annex additional property to the provisions of the Declaration, as originally drafted or thereafter amended, without the consent of any other party;

NOW, THEREFORE, the undersigned, being the owners of all Lots in Kings River Estates, Sections Three (3) and Four (4), hereby amend and restate the Declaration and Supplemental Declaration in their entirety, and, at the same time, subject Kings River Estates, Sections Five (5) and Six (6), to the provisions of this Amended and Restated Declaration so that all of Kings River Estates, Sections Three (3), Four (4), Five (5) and Six (6), as well as any additional property duly annexed, shall be governed by the covenants, conditions, restrictions, reservations, liens, charges, and easements set forth herein.

ARTICLE I
Definitions

As used in this Declaration, the terms set forth below shall have the following meanings:

A. **ANNUAL MAINTENANCE CHARGE** - The assessments made and levied by the Association against each Owner and his Lot in accordance with the provisions of this Declaration. The Annual Maintenance Charge shall be uniform as to all Lots in the Subdivision.

B. **APPOINTED BOARD** - The Board of Directors of the Association appointed by Declarant pursuant to the provisions of Article II, Section 2.1, of this Declaration.

C. **ARCHITECTURAL GUIDELINES** – Guidelines established by Declarant for the purpose of outlining the minimal acceptable standards for a Residential Dwelling and related Improvements on a Lot. Declarant shall have the authority to revise the Architectural Guidelines from time to time as deemed appropriate; provided that any revisions to the Architectural Guidelines shall be applied prospectively, not retroactively. When Class B membership in the Association ceases to exist, the Architectural Review Committee shall have the authority to revise the Architectural Guidelines. In the event of any conflict between the Architectural Guidelines and the Declaration, the Declaration shall control.

D. **ARCHITECTURAL REVIEW COMMITTEE** - The Architectural Review Committee established and empowered in accordance with Article V of this Declaration.

E. **ASSOCIATION** - Kings River Estates No. 2 Property Owner's Association, Inc., a Texas non-profit corporation, its successors and assigns.

F. **BOARD or BOARD OF DIRECTORS** - The Board of Directors of the Association, whether the Appointed Board, the First Elected Board or any subsequent Board.

G. **BUILDER** - A person or entity who either purchases a Lot within the Subdivision for the purpose of constructing a Residential Dwelling thereon or is engaged by the Owner of a Lot to construct a Residential Dwelling thereon.

H. **BYLAWS** - The Bylaws of the Association.

I. **COMMON AREA** - Any real property and improvements thereon owned or maintained by the Association for the common use and benefit of the Owners.

J. **DECLARANT** – Holley Foster Kings River, Ltd., a Texas limited partnership, its successors and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant and recorded in the Official Public Records of Real Property of Harris County, Texas.

K. **ESTATE LOT** – Each Lot within Blocks 1 and 2 of Kings River Estates, Section Five (5); Lots 1 through 4, inclusive, in Block 3 of Kings River Estates, Section Five (5); and each Lot in Kings River Estates, Section Six (6).

L. **FIRST ELECTED BOARD** - The Board of Directors of the Association elected at the first meeting of the Members of the Association.

M. **GOLF COURSE** – The Atascocita Community Club Golf Course, whether or not hereafter renamed.

N. **GOLF COURSE LOT** – Each Lot within Kings River Estates, Section Four (4).

O. **IMPROVEMENT** - Any building, structure, fixture, or fence, any transportable structure placed on a Lot, whether or not affixed to the land, and any addition to, or modification of an existing building structure, fixture or fence.

P. **LAKE or LAKE AREA** - The "Section 3 Lake" as identified in that certain document entitled "Easement/Restrictions" and recorded in the Official Public Records of Real Property of Harris County, Texas, under Clerk's File No. W085420; the "Section 5 Entry Lake" as identified in that certain document entitled "Easement/Restrictions" to be recorded in the Official Public Records of Real Property of Harris County, Texas; the "Section 5 Interior Lake" as identified in that certain document entitled "Easement/Restrictions" to be recorded in the Official Public Records of Real Property of Harris County, Texas; the "Section 6 Lake" as identified in that certain document entitled "Easement/Restrictions" to be recorded in the Official Public Records of Real Property of Harris County, Texas, and any other Lake or Lake Area shown on the Plat.

Q. **LAKE LOT** - Each Lot that is contiguous, in whole or in part, to a Lake or Lake Area. All purchasers of Lake Lots are notified that this Declaration and/or the Architectural Guidelines may impose more stringent limitations on the existence, size, location and design of Improvements on Lake Lots for the purpose of preserving the appearance of Lake Lots from the Lake Area, streets and other Lots. A Lake Lot is also either an Estate Lot or a Patio Home Lot.

R. **LOT or LOTS** - Each of the Lots shown on the Plat, and designated herein as either an Estate Lot, a Golf Course Lot, or a Patio Home Lot.

S. **MAINTENANCE FUND** - Any accumulation of the Annual Maintenance Charges collected by the Association in accordance with the provisions of this Declaration and interest, penalties, assessments and other sums and revenues collected by the Association pursuant to the provisions of this Declaration.

T. **MEMBER or MEMBERS** - All Lot Owners who are members of the Association as provided in Article II hereof.

U. **MEMBER IN GOOD STANDING** - The Declarant and (a) a Class A Member who is not delinquent in the payment of any assessment levied by the Association against his Lot, or any interest, late charges, costs, or reasonable attorney's fees added to such assessment under the provisions of the Declaration or as provided by law, (b) a Class A Member who does not have any condition of his Lot which violates any provision of the Declaration which has progressed to the stage of a certified demand for compliance by the Association, or beyond, and which remains unresolved as of the date of determination of the Owner's standing, and (c) a Class A Member who has not failed to comply with all terms of a judgment obtained against him by the Association, including the payment of all sums due to the Association by virtue of such judgment. A Member who is not in good standing is not entitled to vote at any meeting of the Members of the Association or serve on the Board of Directors of the Association. No formal action by the Board of Directors to suspend the voting rights of a Member who is not in good standing is required.

V. **MORTGAGE** - A security interest, mortgage, deed of trust, or lien instrument granted by an Owner to secure the payment of a loan made to such Owner, duly recorded in the Official Public Records of Real Property of Harris County, Texas, and creating a lien or security interest encumbering a Lot and some or all Improvements thereon.

W. **NEIGHBORHOOD ASSESSMENT** – The assessment payable by the Owners of particular Lots and/or types of Lots for services provided only to those Lots. A Neighborhood Assessment is in addition to, not in lieu of, the Annual Maintenance Charge.

X. **OWNER or OWNERS** - Any person or persons, firm, corporation or other entity or any combination thereof that is the record owner of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as a security for the performance of an obligation.

Y. **PATIO HOME LOT** – Lots 1 through 11 in Kings River Estates, Section Three (3), and Lots 5 through 13, inclusive, in Block 3 of Kings River Estates, Section Five (5).

Z. **PLAT** - The plat for Kings River Estates, Section Three (3), recorded in the Map Records of Harris County, Texas [replatted or partially replatted by the plat for Kings River Estates, Section Six (6)], and any replat thereof, the plat for Kings River Estates, Section Four (4), recorded in the Map Records of Harris County, Texas, and any replat thereof; the Plat for Kings River Estates, Section Five (5), recorded in the Map Records of Harris County, Texas, and any replat thereof; the Plat for Kings River Estates, Section Six (6), recorded in the Map Records of Harris County, Texas, and any replat thereof; and the plat for any other subdivision duly annexed and subjected to the provisions of this Declaration and the jurisdiction of the Association, and any replat thereof.

AA. **PLANS** - The final construction plans and specifications (including a related site plan) of any Residential Dwelling, building or Improvement of any kind to be erected, placed, constructed, maintained or altered on any portion of the Property.

BB. **PROPERTY** - All of Kings River Estates, Sections Three (3), Four (4), Five (5) and Six (6), subdivisions in Harris County, Texas, according to the plats thereof recorded in the Map Records of Harris County, Texas, and any other property that may be duly annexed and subjected to the provisions of this Declaration and the jurisdiction of the Association by instrument recorded in the Official Public Records of Real Property of Harris County, Texas.

CC. **RESIDENTIAL DWELLING** - The single family residence and appurtenances constructed on a Lot.

DD. **RESTRICTIONS** - The covenants, conditions, restrictions, easements, reservations and stipulations that shall be applicable to and govern the improvement, use, occupancy, and conveyance of all the Lots in the Subdivision as set out in this Declaration or any amendment thereto.

EE. **RULES AND REGULATIONS** - Rules adopted from time to time by the Board concerning the management and administration of the Subdivision and/or the Common Areas for the use, benefit and enjoyment of the Owners, including rules and regulations governing the use of the Lake(s).

FF. **SUBDIVISION** - The Property, together with all Improvements now or hereafter situated thereon and all rights and appurtenances thereto.

GG. **UTILITY COMPANY or UTILITY COMPANIES** - Any public entity, utility district, governmental entity (including without limitation, districts created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution) or one or more private entities that regulate, provide or maintain utilities and drainage.

ARTICLE II
Management and Operation of Subdivision

SECTION 2.1. MANAGEMENT BY ASSOCIATION. The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power and obligation to provide for the management, acquisition, construction, maintenance, repair, replacement, administration, and operation of the Subdivision as herein provided for and as provided for in the Bylaws and in the Rules and Regulations. The business and affairs of the Association shall be managed by its Board of Directors. The Declarant shall determine the number of directors and appoint, dismiss and reappoint all of the members of the Board until the First Meeting of the Members of the Association is held in accordance with the provisions of Section 2.4 and a Board of Directors is elected (the Board of Directors appointed by Declarant, at any given time, being referred to herein as "the Appointed Board"). The Appointed Board may engage the Declarant or any entity, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the maintenance, repair, replacement, administration and operation of the Subdivision. The Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision in accordance with the Restrictions, including without limitation, the right to grant utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair,

administration, security, traffic, operation of recreational facilities, or other matters of mutual interest.

SECTION 2.2. MEMBERSHIP IN ASSOCIATION. Each Owner, whether one or more persons or entities, of a Lot shall, upon and by virtue of becoming such Owner, automatically become and shall remain a Member of the Association until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership.

SECTION 2.3. VOTING OF MEMBERS. Subject to any limitations set forth in this Declaration or the Bylaws, each Member other than Declarant shall be a Class A Member entitled to one (1) vote per Lot owned on each matter submitted to a vote of the Members. Declarant shall be a Class B Member having ten (10) votes for each Lot owned. No Member in Good Standing shall be entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Lot in the Subdivision to the Secretary of the Association. In the event that ownership interests in a Lot are owned by more than one Member of the Association, such Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one (1) vote be cast for each Lot. Such Members shall appoint one of them as the Member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Member of the Association, and no single Member is designated to vote on behalf of the Members having an ownership interest in such Lot, then the Member exercising the vote for the Lot shall be deemed to be designated to vote on behalf of the Members having an ownership interest in the Lot. All Members of the Association may attend meetings of the Association and all Members in Good Standing may exercise their vote at such meetings either in person or proxy. Fractional votes and split votes are not permitted. The decision of the Board of Directors as to the number of votes which any member is entitled to cast, based upon the number of Lots owned, shall be final.

Class B membership in the Association shall cease and be converted to Class A membership when Declarant voluntarily agrees in writing to convert its Class B membership to Class A membership or on the fifteenth (15th) anniversary date of the date of recording this Declaration, which ever occurs earlier.

SECTION 2.4. MEETINGS OF THE MEMBERS. The First Meeting of the Members of the Association shall be held when called by the Appointed Board upon no less than ten (10) and no more than fifty (50) days' prior written notice to the Members. Such written notice may be given at any time but must be given not later than thirty (30) days of the date that Class B membership in the Association ceases to exist. The First Elected Board shall be elected at the First Meeting of the Members of the Association. Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified or provided in the Bylaws.

SECTION 2.5. PROFESSIONAL MANAGEMENT. The Board shall have the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association

and to provide for the construction, maintenance, repair, landscaping, administration and operation of the Subdivision as provided for herein and as provided for in the Bylaws.

SECTION 2.6. BOARD ACTIONS IN GOOD FAITH. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.

SECTION 2.7. STANDARD OF CONDUCT. The Board of Directors, the officers of the Association, and the Association shall have the duty to represent the interests of the Owners in a fair and just manner. Any act or thing done by any Director, officer or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the Declaration, Articles of Incorporation, Bylaws and the laws of the State of Texas, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing shall not be a breach of duty on the part of the Director, officer or committee member if taken or done within the exercise of their discretion and judgment. The Business Judgment Rule means that a court shall not substitute its judgment for that of the Director, officer or committee member. A court shall not re-examine the decisions made by a Director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith and in what the Director, officer, or committee member believed to be in the best interest of the Association.

ARTICLE III
Maintenance Expense Charge and Maintenance Fund

SECTION 3.1. MAINTENANCE FUND. All Annual Maintenance Charges collected by the Association and all interest, penalties, assessments and other sums and revenues collected by the Association constitute the Maintenance Fund. The Maintenance Fund shall be held, managed, invested and expended by the Board, at its discretion, for the benefit of the Subdivision and the Owners of Lots therein. The Board shall, by way of illustration and not by way of limitation, expend the Maintenance Fund for the administration, management, and operation of the Subdivision; for the maintenance, repair and improvement of the Common Area; for the maintenance of any easements granted to the Association; for the enforcement of these Restrictions by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees, and for all other purposes that are, in the discretion of the Board, desirable in order to maintain the character and value of the Subdivision and the Lots therein. The Board and its individual members shall not be liable to any person as a result of actions taken by the Board with respect to the Maintenance Fund, except for willful neglect or intentional wrongdoings.

SECTION 3.2. COVENANTS FOR ANNUAL MAINTENANCE CHARGES AND ASSESSMENTS. Subject to Article III, Section 3.7, below, each and every Lot in the Subdivision is hereby severally subjected to and impressed with an Annual Maintenance Charge or assessment in an amount to be determined annually by the Board, which Annual Maintenance Charge shall run with the land. Each Owner of a Lot, by accepting a deed to any such Lot, whether or not it shall be so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the Annual Maintenance Charges and assessments levied against his Lot and/or assessed against him by virtue of his ownership thereof, as the same shall become due and payable, without demand. The Annual Maintenance Charges and assessments herein provided for shall be a charge

and a continuing lien upon each Lot, together with all Improvements thereon, as hereinafter more particularly stated. Each Annual Maintenance Charge or assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such charge or assessment accrued, but no Member shall be personally liable for the payment of any charge or assessment made or becoming due and payable after his ownership ceases. No Member shall be exempt or excused from paying any such Annual Maintenance Charge or assessment by waiver of the use or enjoyment of the Common Areas, or any part thereof, or by abandonment of his Lot or his interest therein.

SECTION 3.3. BASIS AND MAXIMUM ANNUAL ASSESSMENT. Commencing on January 1, 2003, , the maximum Annual Maintenance Charge shall be $250.00 per Lot. From and after January 1, 2003 , the maximum Annual Maintenance Charge may be increased, effective January 1 of each year, by an amount determined by the Board of Directors. No increase over a prior year's Annual Maintenance Charge shall require a vote of the Members of the Association. The Annual Maintenance Charge levied against each Lot shall be uniform.

SECTION 3.4. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENT. The initial maximum Annual Maintenance Charge provided for herein shall be established as to all Lots on the date this Declaration is recorded in the Official Public Records of Real Property of Harris County, Texas. However, the Annual Maintenance Charge shall commence as to each Lot on the date of the conveyance of the Lot by the Declarant and shall be prorated according to the number of days remaining in the calendar year. On or before the 30th day of November in each year, the Board of Directors of the Association shall fix the amount of the Annual Maintenance Charge 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 Maintenance Charge shall be sent to every Owner. The failure to fix the amount of the Annual Maintenance Charge by November 30th of any year or to send written notice thereof to all Owners shall not affect the validity of the Annual Maintenance Charge.

SECTION 3.5. SPECIAL ASSESSMENTS. If the Board at any time, or from time to time, determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for the continued operation of the Subdivision or any other purposes contemplated by these Restrictions, then the Board shall have the authority to levy such special assessments ("Special Assessments") as it shall deem necessary to provide for such continued maintenance and operation. No Special Assessment shall be effective until the same is approved in writing by at least a majority of the Members in Good Standing, or by the vote of not less than two-thirds (2/3) of the Members in Good Standing present and voting, in person or by proxy, at meeting of the Members called for that purpose at which a quorum is present. A Special Assessment shall be payable in the manner determined by the Board and the payment thereof may be enforced in the manner herein specified for the payment of the Annual Maintenance Charges.

SECTION 3.6. NEIGHBORHOOD ASSESSMENTS. In addition to Annual Maintenance Charges and Special Assessments as provided in this Article, the Association shall have the authority to levy and collect Neighborhood Assessments. A Neighborhood Assessment is a separate assessment levied equally against particular Lots and/or a particular type of Lot. For example, a separate Neighborhood Assessment may be levied against all Estate Lots, Golf Course Lots and Patio Home Lots or separate Neighborhood Assessment may be levied against particular Patio Home Lots. The sole purpose of a Neighborhood Assessment is to provide funds to the Association to pay expenses incurred to provide special services for the exclusive benefit of the

Owners or occupants of the particular Lots. Examples of special services which may be provided exclusively to particular Lots include, but not by way of limitation, patrol or watchman services, maintenance of private gates, street maintenance and repair, street lighting, landscape services, and fogging or insect control services. A Neighborhood Assessment shall not be levied by the Association against Lots in a particular category unless (a) a written request for services not regularly provided by the Association is submitted to the Board of Directors, (b) the Board of Directors agrees, on behalf of the Association, to provide the special services to the particular Lots, subject to the approval of a Neighborhood Assessment to cover the cost of the services, (c) a meeting is called among the Owners of the particular Lots to receive the services, (d) all Owners of those particular Lots are notified in writing not less than ten (10) or more than thirty (30) days before the meeting that a meeting will be held to discuss and vote upon the proposal to obtain special services and to approve a Neighborhood Assessment for that purpose, and (e) the Neighborhood Assessment is approved by Owners representing not less than a majority of the particular Lots. Neighborhood Assessments shall be due, in advance, on January 1st of each year in which the special services are to be provided. If special services provided to particular Lots commence after the first day of a calendar year, the Neighborhood Assessment for that year shall be due on the date specified by the Board of Directors. Payment of Neighborhood Assessments shall be secured by the continuing lien provided in this Article. A Neighborhood Assessment shall also be the personal obligation of the Owner(s) of the Lot at the time the Neighborhood Assessment became due. A Neighborhood Assessment shall be subject to the same provisions relating to non-payment that are applicable to Annual Maintenance Charges and Special Assessments pursuant to this Article. Notwithstanding any provision herein to the contrary, the Board of Directors of the Association shall have the authority to discontinue any special services to the Owners of particular Lots which were previously requested and approved as the Board deems, in its sole discretion, to be necessary or appropriate. If any Owner(s) of the particular Lots propose to discontinue any special services previously requested and approved, a petition signed by Owners representing not less than six (6) of the particular Lots must be submitted to the Board of Directors. A meeting of the Owners of the particular Lots shall be called in the manner set forth above. The special services shall be discontinued if the proposal is approved by Owners representing a majority of the particular Lots. When special services to the Owners of particular Lots are discontinued, either as the result of a decision of the Board of Directors or vote by the Lot Owners, the Neighborhood Assessment shall likewise be discontinued. Once discontinued, a Neighborhood Assessment may not be renewed unless approved in the manner set forth in this Section. The Board of Directors shall have the authority to set the rate of the Neighborhood Assessment each year based upon the anticipated cost to provide the special services approved by the Association and the requisite number of Owners of the particular Lots. When adjusting the amount of the Neighborhood Assessment from year to year, the Board of Directors shall consider any surplus or deficit in the budget from the prior year, as well as the need to establish reasonable reserves for the future maintenance and repair of Improvements.

SECTION 3.7. ENFORCEMENT; SUBORDINATION OF LIEN. The Annual Maintenance Charge assessed against each Lot shall be due and payable, in advance, on January 1, 2003 or on the date of the sale of such Lot by Declarant for that portion of the calendar year remaining, and on the first (1st) day of each January thereafter. Special Assessments shall be due as determined by the Board of Directors. Any Annual Maintenance Charge, Special Assessment or Neighborhood Assessment which is not paid and received by the Association by the thirty-first (31st) day of its due date shall be deemed to be delinquent, and, without notice, shall bear interest

at the rate of eighteen percent (18%) per annum from the date originally due until paid. Further, the Board of Directors of the Association shall have the authority to impose a monthly late charge on any delinquent Annual Maintenance Charge, Special Assessment or Neighborhood Assessment. The monthly late charge, if imposed, shall be in addition to interest. To secure the payment of the Annual Maintenance Charge, Special Assessments, Neighborhood Assessments and Reserve Assessments (as provided in Section 3.9) levied hereunder and any other sums due hereunder (including, without limitation, interest, late fees, attorney's fees or delinquency charges), there is hereby created and fixed a separate and valid and subsisting lien upon and against each Lot and all Improvements thereto for the benefit of the Association, and superior title to each Lot is hereby reserved in and to the Association. The lien described in this Section and the superior title herein reserved shall be deemed subordinate to any Mortgage for the purchase or improvement of any Lot and any renewal, extension, rearrangements or refinancing thereof. The collection of such Annual Maintenance Charge, Special Assessments, Neighborhood Assessments, Reserve Assessments and other sums due hereunder may, in addition to any other applicable method at law or in equity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, late charges, costs and attorney's fees shall be chargeable to and be a personal obligation of the defaulting Owner. Further, the voting rights of any Owner in default in the payment of the Annual Maintenance Charge, Special Assessment, Neighborhood Assessment, Reserve Assessment, or other charge owing hereunder for which an Owner is liable, and/or any services provided by the Association, shall be automatically suspended without the necessity of action by the Board for the period during which such default exists unless otherwise provided by law. Notice of the lien referred to in the preceding paragraph may, but shall not be required to, be given by the recordation in the Official Public Records of Real Property of Harris County, Texas of an affidavit, duly executed, and acknowledged by an authorized representative of the Association, setting forth the amount owned, the name of the Owner or Owners of the affected Lot, according to the books and records of the Association, and the legal description of such Lot. Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Association the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Annual Maintenance Charge, Special Assessment, Neighborhood Assessment, Reserve Assessment and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including both judicial and non-judicial foreclosure pursuant to Chapter 51 of the Texas Property Code (as same may be amended or revised from time to time hereafter); in addition to and in connection therewith, by acceptance of the deed to his Lot, each Owner expressly grants, bargains, sells and conveys to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, Special Assessment, Neighborhood Assessment, Reserve Assessment, and other sums due hereunder and grants to such trustee a power of sale. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and filed in the Official Public Records of Real Property of Harris County, Texas. In the event of the election by the Board to foreclose the lien herein provided for nonpayment of sums secured by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, to enforce the lien and to sell such Lot, and all rights appurtenant thereto, in accordance with the provisions of Chapter 51 of the Texas Property

Code as same may hereafter be amended. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer.

SECTION 3.8. PAYMENT OF ASSESSMENTS BY DECLARANT AND BUILDERS. Lots owned by Declarant are exempt from Annual Maintenance Charges, Special Assessments and Neighborhood Assessments by the Association as long as Class B membership in the Association exists. Provided that, as long as there is Class B membership, Declarant shall loan funds to the Association to pay any deficiency in the operating budget, less sums deposited in any reserve account established by the Association or otherwise set aside for reserves. An improved or unimproved Lot owned by a Builder shall be assessed the full Annual Maintenance Charge, Special Assessment and Neighborhood Assessment.

SECTION 3.9. RESERVE ASSESSMENT. Upon the first sale of a Lot subsequent to the completion of a Residential Dwelling thereon, the purchaser of the Lot shall pay to the Association a sum equal to one and one-half (1 ½) times the sum of the Annual Maintenance Charge in effect as of the date of closing on the sale of such Lot and the Neighborhood Assessment in effect as to the particular type of Lot sold on the date of closing on the sale of such Lot, if any (such sum being referred to herein as the "Reserve Assessment"). The Reserve Assessment shall be due and payable on or before ten (10) days after the date the deed conveying the Lot to the purchaser is recorded or, if a contract for deed or similar instrument, the date the contract for deed is executed. Payment of the Reserve Assessment shall be in default if the Reserve Assessment is not paid on or before the due date for such payment. Reserve Assessments in default shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid. All Reserve Assessments collected by the Association shall be deposited into a reserve account established and maintained by the Association for capital Improvements and/or the repair or refurbishment of the Common Areas. No Reserve Assessment paid by an Owner shall be refunded to the Owner by the Association. The Association may enforce payment of the Reserve Assessment in the same manner which the Association may enforce payment of Annual Maintenance Charge, Special Assessments and Neighborhood Assessment pursuant to this Article.

SECTION 3.10. NOTICE OF SUMS OWING. Upon the written request of an Owner, the Association shall provide to such Owner a written statement setting out the then current total of all Annual Maintenance Charges, Special Assessments and Neighborhood Assessments, and other sums, if any, owing by such Owner with respect to his Lot. In addition to such Owner, the written statement from the Association so advising the Owner may also be addressed to and be for the benefit of a prospective lender or purchaser of the Lot, as same may be identified by said Owner to the Association in the written request for such information. The Association shall be entitled to charge the Owner a reasonable fee for such statement.

SECTION 3.11. FORECLOSURE OF MORTGAGE. In the event of a foreclosure of a Mortgage on a Lot, the purchaser at the foreclosure sale shall not be responsible for Annual Maintenance Charges, Special Assessments, Neighborhood Assessments, or other sums, if any, which accrued and were payable to the Association by the prior Owner of the Lot, but said

purchaser and its successors shall be responsible for Annual Maintenance Charges, Special Assessments, Neighborhood Assessments and other sums, if any, becoming due and owing to the Association with respect to said Lot after the date of foreclosure.

SECTION 3.12. TRANSFER FEES AND RESALE CERTIFICATES. The Board of Directors of the Association shall establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing information in connection with the sale of a Lot in the Subdivision and changing the ownership records of the Association ("Transfer Fee"). A Transfer Fee shall be paid to the Association upon each transfer of title to a Lot. The Transfer Fee shall be paid by the purchaser of the Lot, unless otherwise agreed by the seller and purchaser of the Lot. The Association shall also have the authority to establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing a Resale Certificate in connection with the sale of a Lot. The fee for a Resale Certificate shall be in addition to, not in lieu of, the Transfer Fee.

ARTICLE IV
Property Rights In The Common Area

SECTION 4.1. OWNERS' EASEMENT RIGHTS. Each Owner shall have an easement of access and a right and easement of enjoyment in the Common Area, and such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights of the Association:

(a) The Association shall have right to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(b) The Association shall have the right to borrow money and, with the consent of two-thirds (2/3) of each class of Members, the Association may mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred. With the consent of two-thirds (2/3) of each class of Members, the Association may additionally convey any and all of the Common Area for such purpose or purposes as may be deemed desirable. In connection with the rights of the Association set forth hereunder, the Board shall be authorized to execute the appropriate or instruments required therefor.

(c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any mortgage on the Common Area.

(d) The Association shall have the right to suspend the voting rights and enjoyment rights of any Owner to the Common Area for any period during which any assessment or other amount owed by such Owner to the Association remains unpaid in excess of thirty (30) days, subject to any notice requirements imposed by law.

(e) The Association shall have the right to establish reasonable Rules and Regulations governing the Owners' use and enjoyment of the Common Area and to suspend the enjoyment rights and voting rights of any Owner for any period not to exceed sixty (60) days for any infraction of such Rules and Regulations, subject to any notice requirements imposed by law.

(f) Upon the approval by two-thirds (2/3) of each class of Members, the Association shall have the right to dedicate, sell or transfer all or any part of the Common Area to any public agency or like non-profit authority for such purposes and subject to such conditions as may be approved by said two-thirds (2/3) of each class of Members. Such a vote shall authorize the Board to execute appropriate documents to effect the dedication, sale, or transfer. Nothing contained herein shall be construed to limit the right of the Association to grant or dedicate easements in portions of the Common Area to public or private utility companies.

SECTION 4.2. DELEGATION OF USE. Each Owner shall have the right to extend his rights and easements of enjoyment to the Common Area to the members of his family and to the Owner's tenants who reside in the Subdivision.

SECTION 4.3. LIABILITY FOR DAMAGE. Each Owner shall be liable to the Association for any damage to the Common Area or for any expense or liability incurred by the Association, to the extent not covered by insurance, that may be sustained by reason of negligence or willful misconduct of such Owner, his guests and members of his family, or for any violation by such Owner of this Declaration or any of the Rules or Regulations. The Association shall have the power to levy and collect an individual assessment against an Owner, after notice and hearing as required by law, to cover the costs and expenses incurred by the Association on account of any such damage or any such violation of this Declaration or of the Rules and Regulations, or for any increase in insurance premiums directly attributable to any such damage or any such violation.

SECTION 4.4. CONDEMNATION. If any Common Area or interest therein is taken under exercise of the power of eminent domain or by private purchase in lieu of condemnation, the award in condemnation or the price payable shall be paid to the Association, except to the extent payable to any mortgagee of any such property, or to any Lot Owner, to the extent such Common Area consists of an easement over the Lot of the Owner in question. The Association shall have the exclusive right to participate in such condemnation proceeding and to represent the interests of all Owners therein. Any award or funds received by the Association shall be held by the Association, as determined by the Board of Directors, as a reserve for future maintenance, repair, reconstruction, or replacement of the Common Area or the funds may be used for improvements or additions to or the ongoing maintenance of the Common Area.

ARTICLE V
Architectural Approval

SECTION 5.1. ARCHITECTURAL REVIEW COMMITTEE. As used in this Declaration, the term "Architectural Review Committee" shall mean a committee of three (3) members, all of whom shall be appointed by Declarant, except as otherwise set forth herein. Declarant shall have the continuing right to appoint all three (3) members until the earlier of (a) the date that Class B membership in the Association converts to Class A membership, or (b) the date Declarant elects to discontinue such right of appointment by written notice to the Board. Thereafter, the Board shall have the right to appoint all members. Members of the Architectural Review Committee may, but need not be, Members of the Association. Members of the Architectural Review Committee appointed by Declarant may be removed at any time and shall serve until resignation or removal by Declarant. Members of the Architectural Review Committee

appointed by the Board may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board. The Architectural Review Committee shall have the right to designate a Committee Representative by recordation of a notice of appointment in the Official Public Records of Real Property of Harris County, Texas, which notice must contain the name, address, and telephone number of the Committee Representative. All third parties shall be entitled conclusively to rely upon such person's actions as the actions of the Architectural Review Committee itself until such time as the Architectural Review Committee shall record a notice of revocation of such appointment in the Official Public Records of Real Property of Harris County, Texas.

SECTION 5.2. APPROVAL OF IMPROVEMENTS REQUIRED. In order to preserve the architectural and aesthetic appearance and the natural setting and beauty of the development, to establish and preserve a harmonious design for the development and to protect and promote the value of the Property, the Lots and Residential Dwellings and all Improvements thereon, no Improvements of any nature shall be commenced, erected, installed, placed, moved onto, altered, replaced, relocated, permitted to remain on or maintained on any Lot or Residential Dwelling by any Owner, other than Declarant, which affect the exterior appearance of any Lot or Residential Dwelling or other Improvements unless plans and specifications therefor have been submitted to and approved by the Architectural Review Committee in accordance with the terms and provisions of this Article. Without limiting the foregoing, the construction and installation of any Residential Dwelling, sidewalk, driveway, mailbox, deck, patio, courtyard, landscaping, swimming pool, tennis court, greenhouse, play structure, awning, wall, fence, exterior lights, garage, guest or servant's quarters, or accessory building, shall not be undertaken, nor shall any exterior addition to or change or alteration be made (including, without limitation, painting or staining of any exterior surface) to any Residential Dwelling or other Improvement, unless the plans and specifications for the same have been submitted to and approved by the Architectural Review Committee in accordance with the terms and provisions of this Article.

The Architectural Review Committee is hereby authorized and empowered to approve all plans and specifications and the construction of all Residential Dwellings and other Improvements on any part of the Property and the Builder of such Improvements; provided that, the intent of the requirement that a Builder be approved by the Architectural Review Committee is to attempt to assure that a Builder has sufficient experience and financial responsibility to complete the work in accordance with the approved plans and in a timely manner. The approval of a Builder shall not be construed in any respect as a representation or warranty by the Architectural Review Committee, Declarant, the Association or their representatives, to any person or entity that the Builder has any particular level of knowledge or expertise or that any Residential Dwelling or other Improvement constructed by the Builder shall be a particular quality. It shall be the sole responsibility of each person or entity that engages a Builder to determine the quality of that Builder's workmanship and the suitability of the Builder to construct a Residential Dwelling or other Improvement of the type and design to be constructed. Prior to the commencement of any Residential Dwelling or other Improvements on any Lot, the Owner thereof shall submit to the Architectural Review Committee plans and specifications and related data for all such Improvements, which shall include the following:

(i) A check in the amount of the then applicable Submission Fee, if any, made payable to "Kings River Estates No. 2 Property Owner's Association, Inc."

(ii) Two (2) copies of an accurately drawn and dimensioned site development plan indicating the location of any and all Improvements, including, specifically, the Residential Dwelling to be constructed on said Lot, the location of all driveways, walkways, decks, terraces, patios and appurtenant Improvements and the relationship of the same to any set-back requirements applicable to the Lot or Residential Dwelling and any utility easements affecting the Lot.

(iii) Two (2) copies of a foundation plan, floor plans and exterior elevation drawing of the front, back, and sides of the Residential Dwelling or other Improvement to be constructed on the Lot.

(iv) Two (2) copies of written specifications and, if requested by the Architectural Review Committee, samples indicating the nature, color, type, shape, height and location of all exterior materials to be used in the construction of the Residential Dwelling or other Improvement on such Lot, including, without limitation, the type and color of all brick, stone, stucco, roofing and other materials to be utilized on the exterior of a Residential Dwelling or other Improvement and the color of paint or stain to be used on all doors, shutters, trim work, eaves and dormers on the exterior of such Residential Dwelling or other Improvement.

(v) Information sufficient to show that the lighting plan complies with any applicable provisions of the Architectural Guidelines;

(vi) Information sufficient to show that the landscaping and irrigation plans comply with the Declaration and any applicable provisions of the Architectural Guidelines.

(vii) Two (2) copies of information or documentation which clearly identifies all trees with a caliper of six (6) inches or more proposed to be removed from the Lot.

(viii) A written statement of the estimated date of commencement, if the proposed Improvement is approved, and the estimated dated of completion.

(ix) The name, address and telephone number of the Builder.

(x) Such other plans, specifications or other information or documentation as may be required by the Architectural Review Committee.

The Architectural Review Committee shall, in its sole discretion, determine whether the plans and specifications and other data submitted by any Owner for approval are acceptable. One copy of all plans, specifications and related data so submitted to the Architectural Review Committee shall be retained in the records of the Architectural Review Committee and the other copy shall be returned to the Owner submitting the same marked "approved", "approved as noted" or "disapproved". The Architectural Review Committee may establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, designers, engineers,

inspectors and/or attorneys retained in order to approve such plans and specifications and to monitor and otherwise enforce the terms hereof ("the Submission Fee").

The Architectural Review Committee shall have the right to disapprove any plans and specifications upon any ground which is consistent with the objectives and purposes of this Declaration, including purely aesthetic considerations, any failure to comply with any of the provisions of this Declaration or the Architectural Guidelines, failure to provide requested information, objection to exterior design, appearance or materials, objection on the ground of incompatibility of any such proposed Improvement with the scheme of development proposed for the Subdivision, objection to the location of any proposed Improvements on any such Lot or Residential Dwelling, objection to the landscaping plan for such Lot or Residential Dwelling, objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any Improvement or any other matter which, in the sole judgment of the Architectural Review Committee, would render the proposed Improvement inharmonious with the general plan of development contemplated for the Subdivision. The Architectural Review Committee shall have the right to approve any submitted plans and specifications with conditions or stipulations by which the Owner of such Lot or Residential Dwelling shall be obligated to comply and must be incorporated into the plans and specifications for such Improvements or Residential Dwelling. Approval of plans and specifications by the Architectural Review Committee for Improvements to one particular Lot or Residential Dwelling shall not be deemed an approval or otherwise obligate the Architectural Review Committee to approve similar plans and specifications of any of the features or elements for the Improvements for any other Lot or Residential Dwelling within the Subdivision.

Any revisions, modifications or changes in any plans and specifications previously approved by the Architectural Review Committee must be approved by the Architectural Review Committee in the same manner specified above.

If construction of the Residential Dwelling or other Improvement has not substantially commenced (e.g., by clearing and grading, pouring of footing and otherwise commencing framing and other related construction work) within ninety (90) days of approval by the Architectural Review Committee of the plans and specifications for such Residential Dwelling or other Improvements, then no construction may be commenced (or continued) on such Lot or Residential Dwelling and the Owner of such Lot or Residential Dwelling shall be required to resubmit all plans and specifications for any Residential Dwelling or other Improvement to the Architectural Review Committee for approval in the same manner specified above.

SECTION 5.3. PRELIMINARY REVIEW FOR ALL LOTS. Notwithstanding any provision in this Declaration to the contrary, with regard to the Residential Dwelling to be constructed on a Lot, the Owner of the Lot is required to participate in a two-step approval process. Initially, the Owner of the Lot must submit preliminary plans which include a site plan, floor plans, and front and rear elevations. The site plan must identify significant trees, as well as any tree with a caliper of six (6) inches or greater within two (2) feet of the base of the tree which Owner proposes to remove, the proposed location of the Residential Dwelling and all appurtenant Improvements on the Lot, and the location(s) of all easements. The Owner is not required at the preliminary review stage to submit proposed exterior building materials but the submission of that information is recommended. The Architectural Review Committee shall review the preliminary plans primarily

on the basis of the general design of the proposed Residential Dwelling, the location of the proposed Residential Dwelling and appurtenant Improvements on the Lot as they relate to the size and configuration of the Lot, setbacks, easements, any unique characteristics of the Lot, and the trees proposed to be removed from the Lot. Upon the approval by the Architectural Review Committee of the preliminary plans, the Owner may proceed with final plans setting forth all of the information required in Section 5.2 of this Article V. However, the Architectural Review Committee may disapprove the preliminary plan, in which event the Owner of the Lot must revise the preliminary plan to address the issue/issues upon which disapproval was/were based. The Architectural Review Committee shall act upon the submission of a preliminary plan within thirty (30) days of receipt; in the event that a preliminary plan is not approved or disapproved within thirty (30) days of the date of receipt of the preliminary plan or within thirty (30) days of the date of receipt of all information (in the event that the Architectural Review Committee requests additional information), the preliminary plan shall be deemed approved and the Owner may then proceed with the submission of a final plan. In no event shall the approval of a Lot Owner's preliminary plan, whether express approval or deemed approval, authorize the Owner to proceed with construction, it being the express intent of this provision to prohibit the Owner of a Lot from proceeding with the construction of a Residential Dwelling on such Lot until final plans and specifications have been approved by the Architectural Review Committee. Further, nothing herein shall be construed to require the Architectural Review Committee to approve the final plans and specifications for the Residential Dwelling to be constructed on a Lot because the preliminary plan was approved

SECTION 5.4. ADDRESS OF COMMITTEE. The address of the Architectural Review Committee shall be at the principal office of the Association

SECTION 5.5. ARCHITECTURAL GUIDELINES. The Architectural Review Committee from time to time may promulgate, supplement or amend the Architectural Guidelines, which provide an outline of minimum acceptable standards for proposed Improvements; provided, however, that such outline will serve as a minimum guideline only and the Architectural Review Committee may impose other requirements in connection with its review of any proposed Improvements. If the Architectural Guidelines impose requirements that are more stringent than the provisions of this Declaration, the provisions of the Architectural Guidelines shall control.

SECTION 5.6. FAILURE OF COMMITTEE TO ACT ON PLANS. Any request for approval of a proposed Improvement on a Lot shall be deemed approved by the Architectural Review Committee, unless disapproval or a request for additional information or materials is transmitted to the applicant by the Architectural Review Committee within thirty (30) days after the date of receipt by the Architectural Review Committee of all required materials; provided, however, that no such deemed approval shall operate to permit any Owner to construct or maintain any Improvement on a Lot that violates any provision of this Declaration or the Architectural Guidelines, the Architectural Review Committee at all times retaining the right to object to any Improvement on a Lot that violates any provision of this Declaration or the Architectural Guidelines

SECTION 5.7. PROSECUTION OF WORK AFTER APPROVAL. After approval of any proposed Improvement on a Lot, the proposed Improvement shall be prosecuted diligently and continuously and shall be completed within the time frame approved by the Architectural Review Committee and in strict conformity with the description of the proposed Improvement in the materials submitted to the Architectural Review Committee. No building materials shall be placed

upon a Lot until the Owner is ready to commence construction. Owners shall keep the job site and all surrounding areas clean during the progress of construction. All construction trash, debris and rubbish on each Lot shall be properly disposed of at least weekly. In no event shall any used construction material be buried on or beneath any Lot or Residential Dwelling. No Owner shall allow dirt, mud, gravel or other substances to collect or remain on any street. All construction vehicles must be parked on the Lot or in areas designated by the Architectural Review Committee. All Builders and their subcontractors must use the contractor entrance designated by Declarant, if any, for both ingress to and egress from the Subdivision. No Improvement on a Lot shall be deemed completed until the exterior fascia and trim on the structure has been applied and finished and all construction materials and debris have been cleaned up and removed from the site and all rooms in the Residential Dwelling, other than attics, have been finished. Removal of materials and debris shall not take in excess of thirty (30) days following completion of the exterior.

SECTION 5.8. NOTICE OF COMPLETION. Promptly upon completion of the Improvement on a Lot, the applicant shall deliver a notice of completion ("Notice of Completion") to the Architectural Review Committee and, for all purposes hereunder, the date of receipt of such Notice of Completion by the Architectural Review Committee shall be deemed to be the date of completion of such Improvement, provided that the Improvement is, in fact, completed as of the date of receipt of the Notice of Completion.

SECTION 5.9. INSPECTION OF WORK. The Architectural Review Committee or its duly authorized representative shall have the right to inspect any Improvement on a Lot before or after completion, provided that the right of inspection shall terminate sixty (60) days after the Architectural Review Committee shall have received a Notice of Completion from the Applicant.

SECTION 5.10. NOTICE OF NONCOMPLIANCE. If, as a result of inspections or otherwise, the Architectural Review Committee finds that any Improvement on a Lot has been constructed or undertaken without obtaining the approval of the Architectural Review Committee, or has been completed other than in strict conformity with the description and materials furnished by the applicant to the Architectural Review Committee, or has not been completed within the required time period after the date of approval by the Architectural Review Committee, the Architectural Review Committee shall notify the applicant in writing of the noncompliance ("Notice of Noncompliance"), which notice shall be given, in any event, within sixty (60) days after the Architectural Review Committee receives a Notice of Completion from the applicant. The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the applicant to take such action as may be necessary to remedy the noncompliance. If the applicant does not comply with the Notice of Noncompliance within the period specified by the Architectural Review Committee, the Association may, acting through the Board, at its option but with no obligation to do so, (a) record a Notice of Noncompliance against the real property on which the noncompliance exists in the Official Public Records of Real Property of Harris County, Texas; (b) remove the non-complying Improvement on the Lot; and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Board elects to take any action with respect to such violation, the applicant shall reimburse the Association upon demand for all expenses incurred therewith. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the Board to take such action) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise. Any expenses incurred by the Association as a result of the applicant's noncompliance, plus fifty

percent (50%) of such costs for overhead and supervision and interest thereon (from the date an invoice is submitted to Owner) at the rate of eighteen percent (18%) per annum, shall be charged to the applicant's assessment account and collected in the same manner as provided in Article III.

SECTION 5.11. FAILURE OF COMMITTEE TO ACT AFTER NOTICE OF COMPLETION. If, for any reason other than the applicant's act or neglect, the Architectural Review Committee fails to notify the applicant of any noncompliance within sixty (60) days after receipt by the Architectural Review Committee of a written Notice of Completion from the applicant, the Improvement on a Lot shall be deemed in compliance if the Improvement on a Lot in fact was completed as of the date of Notice of Completion; provided, however, that no such deemed approval shall operate to permit any Owner to construct or maintain any Improvement on a Lot that violates any provision of this Declaration or the Architectural Guidelines, the Architectural Review Committee at all times retaining the right to object to any Improvement on a Lot that violates this Declaration or the Architectural Guidelines.

SECTION 5.12. NO IMPLIED WAIVER OR ESTOPPEL. No action or failure to act by the Architectural Review Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Architectural Review Committee or the Board of Directors, with respect to any Improvement on a Lot. Specifically, the approval by the Architectural Review Committee of any Improvement on a Lot shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement on another Lot or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement on a Lot by such person or otherwise.

SECTION 5.13. POWER TO GRANT VARIANCES. The Architectural Review Committee may authorize variances from compliance with any of the provisions of Article VI of this Declaration, including restrictions upon placement of structures, the time for completion of construction of Improvements on a Lot, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Architectural Review Committee. Notwithstanding anything contained in this Declaration to the contrary, the Committee Representative shall not have the power to grant a variance. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Architectural Review Committee other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned.

SECTION 5.14. COMPENSATION OF ARCHITECTURAL REVIEW COMMITTEE MEMBERS. The members of the Architectural Review Committee shall not be compensated for the performance of their duties but shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve.

SECTION 5.15. ESTOPPEL CERTIFICATES. The Board of Directors, upon the reasonable request of any interested party and after confirming any necessary facts with the

Architectural Review Committee, shall furnish a certificate with respect to the approval or disapproval of any Improvement on a Lot or with respect to whether any Improvement on a Lot was made in compliance herewith. Any person, without actual notice of any falsity or inaccuracy of such a certificate, shall be entitled to rely on such certificate with respect to all matters set forth therein.

SECTION 5.16. NONLIABILITY FOR ARCHITECTURAL REVIEW COMMITTEE ACTION. None of the members of the Architectural Review Committee, any Committee Representative, the Association, any member of the Board of Directors, or Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Architectural Review Committee, except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Committee shall not inspect, guarantee or warrant the workmanship of the Improvement, including its design, construction, safety, whether structural or otherwise, conformance with building codes, or other governmental laws or regulations or whether the Improvement is suitable or fit for its intended purpose. Furthermore, none of the members of the Architectural Review Committee, the Committee Representative, any member of the Board of Directors, or Declarant shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association, or for a tort of another of such individuals, whether such other individuals were acting on behalf of the Association, the Architectural Review Committee, the Board of Directors, or otherwise. Finally, neither Declarant, the Association, the Board, the Architectural Review Committee, or their officers, agents, members, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, Improvements, or portion thereof, or for failure to repair or maintain the same.

SECTION 5.17. CONSTRUCTION PERIOD EXCEPTION. During the course of actual construction of any permitted Improvement on a Lot, and provided construction is proceeding with due diligence, the Architectural Review Committee may temporarily suspend the provisions of Article VI contained in this Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing shall be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Subdivision.

SECTION 5.18. SUBSURFACE CONDITIONS. The approval of plans and specifications by the Architectural Review Committee for any Residential Dwelling or other Improvement on a Lot shall not be construed in any respect as a representation or warranty by the Architectural Review Committee or Declarant to the Owner submitting such plans or to any of the successors or assigns of such Owner that the surface or subsurface conditions of such Lot are suitable for the construction of the Improvements contemplated by such plans and specifications. It shall be the sole responsibility of each Owner to determine the suitability and adequacy of the surface and subsurface conditions of any Lot for the construction of any contemplated Improvements thereon.

ARTICLE VI
Architectural Restrictions

SECTION 6.1. TYPE OF RESIDENCE. All Residential Dwellings shall be of new construction and no dwelling of any type shall be moved from another location onto any Lot. All Residential Dwellings must be kept in good repair and must be as often as necessary to preserve their attractiveness.

(a) Estate Lots and Golf Course Lots. Only one detached single-family Residential Dwelling not to exceed a reasonable height required for two (2) stories of living space above finished grade plus a pitched roof shall be built or permitted on each Estate Lot or Golf Course Lot. All Residential Dwellings shall have an attached or detached enclosed garage for not less than three (3) vehicles nor more than five (5) vehicles. Carports are prohibited.

(b) Patio Home Lots. Only one detached single-family Residential Dwelling not to exceed a reasonable height required for two (2) stories of living space above finished grade plus a pitched roof shall be built or permitted on each Patio Home Lot. All Residential Dwellings shall have an attached or detached enclosed garage for not less than two (2) vehicles nor more than three (3) vehicles. Carports are prohibited.

SECTION 6.2. LIVING AREA REQUIREMENTS.

(a) Estate Lots and Golf Course Lots. The ground floor area of interior living space in any one-story Residential Dwelling, exclusive of open porches and garages, shall contain not less than 2,600 square feet. The ground floor area of interior living space in any one and one-half or two-story Residential Dwelling, exclusive of open porches and garages, shall contain not less than 1,800 square feet. For a Residential Dwelling having more than one-story, the minimum of interior living space area, exclusive of open porches and garages, shall be 2,950 square feet.

(b) Patio Home Lots. The minimum square footage of ground floor area of interior living space in any one-story Residential Dwelling, exclusive of open porches and garages, shall be 1,800 square feet. The minimum ground floor area of interior living space in any Residential Dwelling having more than one-story shall be 1,500 square feet, exclusive of open porches and garages. For a Residential Dwelling having more than one-story, the minimum square footage of interior living space shall be 2,200 square feet.

SECTION 6.3. LOCATION OF RESIDENTIAL DWELLING ON LOT.

(a) Estate Lots and Golf Course Lots. The location of each Residential Dwelling on an Estate Lot or Golf Course Lot must be approved by the Architectural Review Committee with its approval of the site plan and the final working plans and specifications. No Residential Dwelling or other Improvement shall be located on any Estate Lot or Golf Course Lot nearer than fifty (50) feet

to the front property line, except Lots 6, 7, 11 and 12, in Block One (1), Section Four (4) which may be located no nearer than twenty-five (25) feet to the front property line per the Plat, and Lots 5 and 13, in Block One (1), Section Four (4), Lots 8 through 16, inclusive, in Block One (1), Section Five (5) and Lot 3 in Block One (1), Section Six (6) which may be located no nearer than thirty-five (35) feet to the front property line. No Residential Dwelling or other Improvement shall be located on any Estate Lot nearer to the side property line adjacent to the street on a corner Lot than the front setback of the adjacent Lot on the respective side street. No Residential Dwelling or other Improvement shall be located on any utility easement. Notwithstanding the foregoing provisions, the Architectural Review Committee is expressly granted the authority to determine the appropriate setback along the radius of a cul-de-sac Lot.

No Residential Dwelling or other Improvement shall be located on an Estate Lot or Golf Course Lot nearer than ten (10) feet to an interior Lot line. No Residential Dwelling or attached or detached garage shall be located nearer than twenty (20) feet to the rear property line or the Lake easement. A side loading garage shall not open at less than a ninety degree (90°) angle to the front Lot line and shall be located no closer than twenty-five (25) feet to any interior Lot line. A front hook-in garage shall not open at less than a ninety degree (90°) angle to the front Lot line and shall be located no closer than thirty (30) feet to any 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 Residential Dwelling. No garage door shall be permitted to open and face the front or side street of said Lot. The distances herein relating to side loading and front hook-in garages are from the garage door. No driveway on an Estate Lot or Golf Course Lot shall be located nearer to a side property line than five (5) feet.

(b) Patio Home Lots. The location of each Residential Dwelling on a Patio Home Lot must be approved by the Architectural Review Committee with its approval of the site plan and the final working plans and specifications. No Residential Dwelling shall be located on any Patio Home Lot nearer than thirty-five (35) feet to the front property line or within ten (10) feet of either the rear Lot line or the Lake. Each Residential Dwelling may be constructed so as to have one outside wall abutting the side property line designated as the "zero setback line" for that Lot. To provide for uniformity and property utilization of the building area within the Lot, the Residential Dwelling or any appurtenant structure on a Patio Home Lot shall not be less than six (6) feet from the Residential Dwelling or appurtenant structure on any contiguous Lot(s). No windows, doors or other openings may be placed in the wall built on or parallel to the zero setback line unless the wall is a minimum of three (3) feet from the zero setback line. The Owner of any adjacent Lot shall not attach anything to a sidewall or fence located upon the zero setback line or use same as playing surface for any sport; nor shall the Owner of any adjacent Lot alter in any manner, (i.e., structure, color, material or otherwise) a side wall or fence located upon the zero setback line without:

(i) the written approval of the Architectural Review Committee; and
(ii) the written consent of the adjoining Lot Owner.

For the purpose of these Restrictions, eaves, steps and open porches shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any eave, step or open porch of a Residential Dwelling on any Lot to encroach upon another Lot. Garage doors shall be permitted to open and face the front or side street of any Lot, but access to a corner Lot garage directly from a side street is prohibited unless otherwise specifically approved by Declarant.

Declarant shall have the right to modify these setback criteria for any additional land annexed into the Association and made subject to this Declaration, as well as establish setback requirements for other types of Improvements.

(c) Patio Home Lot Universal Easement. The Owner of each Patio Home Lot within the Property is hereby declared to have a universal easement, and the same is hereby granted to Declarant and the subsequent Owner(s) of each Patio Home Lot, over all adjoining Patio Home Lots for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the buildings, or any other cause. In the event a structure on any Patio Home Lot is partially or totally destroyed, and then repaired or rebuilt, the Owner of each Patio Home Lot agrees that minor encroachments over the adjoining Patio Home Lot shall be permitted and there shall be easements for the maintenance of said encroachments so long as they shall exist. In addition, each Patio Home Lot within the Property is hereby declared to have an easement for overhanging roofs and eaves as originally constructed over each adjoining Patio Home Lot being served and shall pass with each conveyance of said Patio Home Lot. The universal easement will continue so long as completed Residential Dwellings or a Residential Dwelling under construction remains on any Patio Home Lots.

(d) Patio Home Lot Maintenance Easements. All Patio Home Lots within the Property shall be conveyed subject to a three (3) foot wide easement adjacent to the side Lot line of the zero setback line of the adjoining Patio Home Lot, which easement shall be for the benefit of the adjacent Patio Home Lot, and such easements are hereby reserved by Declarant. Said easements, the uses and purposes of which are set forth below, shall be granted or reserved by reference to this Section. The following rules prescribe the terms, conditions and uses of said easements, both by the Owner of the easement (the dominant tenement) and the Owner of the land under the easement (the servient tenement).

(i) The Owner of the Patio Home Lot which is benefited by the easement (the dominant tenement), except as otherwise provided in this Section, shall have the use of the surface of the easement area for the sole and only purpose of maintaining, painting, repairing and rebuilding the side privacy wall, fence or eave which is situated adjacent and abutting the easement area.

(ii) The Owner of the land under the easement (the servient tenement) shall have the right at all reasonable times to enter upon the easement area for normal residential uses, including maintaining the lawn and/or trees located within such easement area, which maintenance shall be the obligation of the Owner of the land under the servient tenement.

(iii) The Owner of the land under the servient tenement shall have the right of surface drainage over, along and upon the easement area for water resulting from the normal residential use of the servient tenement and the dominant tenement shall not use the easement area in such a manner as will interfere with such drainage.

(iv) The Owner of the dominant tenement shall not attach any object to the side of the privacy wall, fence or eave facing onto the easement area. No structure shall be constructed

or placed upon the easement area by either the Owner of the dominant or the Owner of the servient tenement

(v) The Owner of the dominant tenement, as a condition to the exercise of the right of access provided for, shall indemnify and hold harmless the Owner of the servient tenement from damage to shrubs, plants, flowers, trees, lawn, sprinklers, hose bibs, and other landscaping directly resulting for the exercise of such right.

(vi) The Owner of the servient tenement shall indemnify and hold harmless the Owner of the dominant tenement from damage to the wall and/or building located on the dominant tenement which damage is caused by any use of the easement area by the servient tenement.

The aforesaid maintenance easements will continue so long as completed Residential Dwellings or a Residential Dwelling under construction remains on any Patio Home Lot.

SECTION 6.4. TYPE OF CONSTRUCTION. Unless otherwise approved by the Architectural Review Committee, the front and sides of the exterior wall area of a Residential Dwelling on any Lot above the foundation (excluding detached but not attached garages, gables, windows, and door openings) shall be of masonry, stucco or brick veneer. No garage or accessory building shall exceed the height of the appurtenant Residential Dwelling without the prior written consent of the Architectural Review Committee. Every garage and accessory building shall correspond in style and architecture with the Residential Dwelling to which it is appurtenant. No structure of any kind or character which incorporates frame construction on the exterior shall be erected on any Lot unless such structure receives at least two (2) coats of paint at the time of construction or the exterior is comprised of redwood or cedar material.

SECTION 6.5. TEMPORARY BUILDINGS. Unless otherwise approved by the Architectural Review Committee, temporary buildings or structures shall not be permitted on any Lot. 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 Residential Dwellings. Each Builder may use the garage on one (1) of the Lots owned by such Builder as a sales office for the time during which such Builder is marketing homes within the Subdivision. At the time closing on the sale of a Residential Dwelling by a Builder, any garage appurtenant to such Residential Dwelling used for sales purposes must be reconverted to a garage.

SECTION 6.6. DRIVEWAYS. At the time of initial construction of a Residential Dwelling on a Lot, the Builder shall construct a driveway that extends from the abutting Street to the garage; the Builder shall repair any damage to the Street occasioned by connecting the driveway thereto, at the Builder's expense. The maintenance of the driveway on a Lot shall be the responsibility of the Owner of the Lot. All driveways shall be constructed of concrete, natural stone or unit masonry. Other materials (e.g., brick) may be used only if approved by the Architectural Review Committee. All driveways shall be paved; chert, gravel or loose stone driveways are prohibited. Driveways shall not exceed eighteen (18) feet in width from the Street to the front building line. Beyond the front building line to the garage, a driveway shall not exceed eighteen (18) feet in width except as required for garage access and then only as permitted by the

Architectural Review Committee. The Owner shall maintain the driveway on his/her Lot so that grass and/or weeds does not grow in any expansion joints and there are no substantial oil stains on the driveway. No driveway on an Estate Lot or Golf Course Lot shall be located nearer to a side property line than five (5) feet.

SECTION 6.7. ROOF MATERIAL. Unless otherwise approved by the Architectural Review Committee, the roof of each Residential Dwelling shall be composed of wood shingles, tile, concrete, slate, or asphalt or laminated composition type dimensional shingles of twenty-five (25) year or more warranty. The color and type of the shingle to be used on a roof must be approved by the Architectural Review Committee prior to installation.

SECTION 6.8. FENCES. No fence or wall shall be erected on any Lot nearer to the front property line than the minimum building setback set forth in this Declaration. Chain link fences are prohibited. Owners shall construct and maintain a fence or other suitable enclosure as approved by the Architectural Review Committee to screen yard equipment and wood piles or storage piles from public view. The construction or installation of walls, fences, and hedges by Owners shall be subject to the approval by the Architectural Review Committee in accordance with the provisions of this Declaration. The Owner shall be responsible for maintaining and repairing all perimeter walls, fences and hedges installed by such Owner or his Builder. No fence shall exceed eight (8) feet in height. No item structure or Improvement may be attached to a fence without the prior written consent of the Architectural Review Committee. Fences on Golf Course Lots are subject to more stringent requirements, as set forth in the Architectural Guidelines. Any and all fences on the property line between Lots shall be the joint responsibility of the adjacent Lot Owners for the purpose of maintenance and/or repairs. Any portion of a fence facing a street or public right of way shall be installed with the finished side of the fence facing such street or public right of way, meaning the rails shall not be visible from the street.

SECTION 6.9. GRASS AND SHRUBBERY. Unless otherwise approved by the Architectural Review Committee, the Owner of each Lot on which there is a Residential Dwelling shall sod with grass the area between the front of his Residential Dwelling and the curb line of the abutting Street. The type of grass shall be prescribed by the Architectural Review Committee. Grass and weeds shall be kept mowed to prevent unsightly appearance. Dead or damaged trees, which might create a hazard to property or persons within the Subdivision, shall be promptly removed or trimmed, and if not removed or trimmed by the Owner upon request, the Association may cause any damaged or diseased trees to be removed or trimmed at the Owner's expense. The Association and its contractor shall not be liable in trespass or otherwise for removal or trimming any damaged or diseased trees on a Lot upon the Owner's failure or refusal to do so. Trees having a caliper of six (6) inches or greater shall not be removed without the consent of the Architectural Review Committee. Vacant Lots shall not be used as dumping grounds for rubbish, trash, rubble, or soil. The Architectural Review Committee may require shrubbery and other screening devices around boxes, transformers and other above-ground utility equipment. The Association, its agents and contractors, shall have the right, but not the obligation, to enter upon a Lot to plant, install, maintain and replace any such shrubbery or other screening devices, if the Owner fails or refuses to do so after notice.

SECTION 6.10. SIGNS. No signs, billboards, posters, or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Architectural Review Committee. One sign of not more than six (6) square feet advertising a particular Lot on which a Residential Dwelling has been commenced or completed shall be permitted, provided such sign shall not include a photograph or likeness of any person. The right is reserved by Declarant to construct and maintain, or to allow Builders within the Subdivision to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed Residential Dwellings. In addition, the Declarant and the Association shall have the right to erect identifying signs at each entrance to the Subdivision. Notwithstanding the provisions of this section, the Owner of a Lot shall have the right to display one (1) political sign having a face area not larger than six (6) square feet for a period of time commencing three (3) weeks before the corresponding election day and ending two (2) days after the election day, or as otherwise permitted by law. All other signage is prohibited unless otherwise provided in the Architectural Guidelines, but then only in strict compliance with the provisions of the Architectural Guidelines.

SECTION 6.11. SIGHT LINE OBSTRUCTIONS. No fence, wall, hedge, or landscaping which obstructs sight lines at elevations between two (2) and six (6) feet above the top of the paved surface of the streets within the triangular area formed by the curb lines of the streets in question and a line running from the curb line to curb line at points twenty-five (25) feet from the junction of the street curb lines shall be permitted to remain on any corner Lot.

SECTION 6.12. SUBDIVISION AND CONSOLIDATION OF LOTS. No Lot shall be further subdivided and no portion less than all of a Lot shall be conveyed by an Owner except as provided in this Section. A Lot may be divided with each of the two (2) portions thereof being combined with the adjacent Lot (with the result that the original three Lots become two Lots) with the prior written approval of the Board of Directors. In that event, the Owner of each portion of the Lot shall be required to pay a pro rata portion of any assessments levied against the Lot. With respect to voting, the Owners of the two (2) portions of the Lot must agree upon the manner in which any vote for that Lot shall be exercised; if the Owners cannot agree, no vote for that Lot shall be exercised. Notwithstanding any provision in this Declaration to the contrary, any Owner of adjoining Lots may consolidate such Lots into one (1) building site, with the privilege of constructing a Residential Dwelling on the resulting site, in which event setback lines shall be measured from the resulting side property lines rather than from the side Lot lines indicated on the Plat; provided that, the consolidation of two (2) or more adjoining Lots shall require the prior written consent of Declarant and in no event shall more than three (3) adjoining Lots be consolidated. Any such consolidated building site must have a frontage at the building setback line of not less than the minimum frontage shown on the Plat. Upon the consolidation of adjoining Lots, the consolidated building site shall not be considered a single Lot for purposes of voting rights and assessments; rather, the Lots comprising the consolidated building site (as shown on the Plat) shall be treated separately for purposes of voting rights and assessments.

SECTION 6.13. MAILBOXES. Mailboxes and house numbers on Lots must be harmonious with the overall character and aesthetics of the Subdivision. Furthermore, mailboxes shall meet the minimum standards of the United States Postal Service as to type, location and placement. All mailboxes and house numbers must be approved by the Architectural Review Committee.

SECTION 6.14. AIR CONDITIONERS. No window or wall type air conditioners shall be permitted in any Residential Dwelling or other Improvements unless the window or wall air conditioner is not visible from any street in the Subdivision and then only with the prior written approval of the Architectural Review Committee.

SECTION 6.15. EXTERIOR ANTENNAS. Satellite dish antennas which are forty (40) inches or smaller in diameter and antennas designed to receive television broadcast signals may be installed, provided they are installed in the least visible location (from the street in front of the Lot) that still enables the Owner to receive any acceptable quality signal. All other antennas are prohibited. Notwithstanding the provisions of this Section, it is the intent of Declarant to at all times comply with any FCC Regulations applicable to satellite dish antennas and other types of antennas designed to receive video programming and Internet access. In the event that this Section conflicts with any FCC Regulation that pre-empts a restriction on the size or type of antenna permitted on a Lot, the FCC Regulation shall be applicable.

SECTION 6.16. INTERFERENCE. No radio or television signals or any other forms of electromagnetic radiation shall be permitted to originate from any Lot that unreasonably interferes with the reception or television or radio signals upon any other Lot.

SECTION 6.17. CONTROL OF SEWAGE EFFLUENT. No outside toilets will be permitted, and no installation of any type of device for disposal of sewage shall be allowed that would result in raw or untreated or unsanitary sewage being carried in a street or into any body of water. No septic tank or other similar means of sewage disposal is permitted.

SECTION 6.18. SOUND DEVICES. No horns, whistles, bells, or other sound devices except for security systems used exclusively to protect a Residential Dwelling, shall be placed or used on any Lot or in any Residential Dwelling. This paragraph shall not preclude the use of outdoor speakers for stereos, or radios if the sound level is maintained at a reasonable level so as to not offend surrounding residents of ordinary sensibilities.

SECTION 6.19. WIND GENERATORS. No wind generators shall be erected or maintained on any Lot that is visible from the street in front of the Lot.

SECTION 6.20. SOLAR COLLECTORS. No solar collector shall be installed on a Lot without the prior written approval of the Architectural Review Committee. A solar collector must be harmonious on a Lot with the design of the appurtenant Residential Dwelling. A solar collector shall be installed in a location that is not visible from any street in front of the Lot.

SECTION 6.21. PRIVATE UTILITY LINES. All electrical, telephone, and other utility lines and facilities which are located on a Lot and are not owned by a governmental entity or a public Utility Company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the Architectural Review Committee.

SECTION 6.22. ENFORCEMENT OF LOT MAINTENANCE. In the event of the violation of any covenant in this Article by any Owner or occupant of any Lot and the continuance

of such violations after seven (7) days written notice from the Association, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate repairs and maintenance after such notice, Declarant or 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 Declarant or Association, as the case may be, may render a statement of charges to the Owner or occupant of such Lot for the cost of such work, plus fifty percent (50%) of such costs for overhead and supervision. 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 such invoice, 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 Maintenance Charge. Interest thereon shall accrue at the rate of eighteen percent (18%) per annum from the date that is thirty (30) days after the date the statement is delivered to Owner until paid. The Declarant, the Association, or their 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 6.23. DAMAGE OR DESTRUCTION OF IMPROVEMENTS. The Owners are bound and obligated through the purchase of a Lot to maintain the Lot and all Improvements thereon in a neat and habitable manner. In the event of damage to any Improvement, the Owner shall have the shorter of the period permitted by applicable laws or sixty (60) days to either begin repairing the damaged Improvements or demolishing the destroyed or damaged portion, and, once finally commenced, such repairs or demolition must be pursued diligently to completion. If, however, damage to the Improvement is not covered by insurance, or if the Owner's claim is not approved by the Owner's insurance company, or if the Owner decides not to restore the Improvements, the Owner may apply for a "hardship" extension to the operation of this Restriction to the Board of directors within sixty (60) days from the date of such destruction or damage. The Board of Directors shall rule on the Owner's application for a "hardship" extension within thirty (30) days of the date the request is received. In no event shall the granting of a "hardship" extension in a particular case be deemed a waiver of the right to enforce this Restriction thereafter.

SECTION 6.24. PERIMETER FENCING. It is the intent of Declarant to maintain visual continuity of fence lines along entryways, main thoroughfares and/or those fence lines which are visible to the public adjacent to Common Area. As such, all fences constructed along these areas shall be uniform in design, height, materials and finish and each Owner is obligated to comply with this architectural requirement and to repair or replace the fence as determined to be necessary or appropriate by the Board of Directors.

SECTION 6.25. FLAGPOLES. One (1) in-ground flagpole is permitted on a Lot with the prior written approval of the Architectural Review Committee; provided that, a permanent in-ground flagpole on a Patio Home Lot must be located in the rear yard of the Patio Home Lot, no nearer than twenty (20) feet from the Lake easement and at the center of the rear elevation of the Residential Dwelling. A permanent in-ground flagpole is permitted in the front yard of an Estate Lot or Golf Course Lot, but the flagpole must be located at the center of the front elevation of the Residential Dwelling and not farther from the front wall of the Residential Dwelling than five (5) feet. A permanent in-ground flagpole is permitted in the rear yard of an Estate Lot or

Golf Course Lot, provided that it is no nearer to the rear property line that the rear building setback and it is located at the center of the rear elevation of the Residential Dwelling. No in-ground flagpole shall exceed fifteen (15) feet in height. An in-ground flagpole may be illuminated but the type of illumination must be approved by the Architectural Review Committee. A flagpole may not be illuminated after ten o'clock p.m. In-ground flagpoles are intended to display the American flag. No other type of flag may be displayed on an in-ground flagpole without the prior written approval of the Architectural Review Committee. One (1) flagpole not to exceed five (5) feet in length may be mounted to the front or rear wall of the Residential Dwelling on a Lot to display seasonal flags and the American flag (whether or not a permanent in-ground flagpole exists on the Lot).

SECTION 6.26. EXTERIOR LIGHTING. All exterior lighting must be approved by the Architectural Review Committee prior to installation.

SECTION 6.27. WINDOW TREATMENT. No window in any Residential Dwelling or other Improvement that is visible from any other Lot or any street in the Subdivision may be covered with any aluminum foil or other reflective material. All window coverings which are visible from a street in the Subdivision or from another Lot must be compatible with the overall appearance of the Subdivision. The visible portion of a window covering must be neutral in color (either white or off-white). The Architectural Review Committee shall have the sole authority to determine whether particular window coverings are compatible with the Subdivision.

SECTION 6.28. DRAINAGE AND SEPTIC SYSTEMS. Catch basins and drainage areas are for the purposes of natural flow of water only. No obstructions or debris shall be placed in these areas. Declarant hereby reserves for itself and the Association a perpetual easement across the Property for the purpose of altering drainage and water flow. No Owner or occupant shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances, in any drainage ditch, stream, pond or lake within the Property.

SECTION 6.29. ARTIFICIAL VEGETATION AND SCULPTURES. No artificial vegetation shall be permitted on the exterior of any Lot. No exterior sculpture, fountain, birdhouse, birdbath, other decorative embellishment or similar item shall be permitted on a Lot unless approved in writing by the Architectural Review Committee prior to installation.

SECTION 6.30. PLAY STRUCTURES. No play structure of any kind is permitted on a Patio Home Lot. No play structure shall be erected or installed on any Estate Lot or Golf Course Lot without the prior written approval of the Architectural Review Committee. No play structure on an Estate Lot or Golf Course Lot shall be nearer to a side or rear property line than the applicable building setback; provided that, the Architectural Review Committee shall have the authority to require a play structure to be located farther away from a side or rear property line than the applicable building setback to minimize any inconvenience to an adjacent Lot Owner. As a rule, the greater the height of the play structure, the farther away from a side or rear property line the play structure is required to be located. Provided that, in no event is a play structure permitted to exceed fourteen (14) feet in height, measured from the ground to the highest point of the play structure. Any play structure placed or installed by the Association on Common Area shall be used at the risk of the user, and the Association shall not be liable to any person for any claim, damage, or injury occurring thereon or related to use thereof.

SECTION 6.31. ADDITIONAL PROPERTY. If Declarant subjects additional property to the provisions of this Declaration, Declarant shall have the right to modify the architectural restrictions set forth in this Article VI so that different architectural restrictions apply to the additional property. Any such modifications will be set forth in either a Supplemental Declaration or annexation document filed by Declarant with respect to such additional property

ARTICLE VII
Use Restrictions

SECTION 7.1. RESIDENTIAL USE. Each and every Lot is hereby restricted for single-family residential use only. No Residential Dwelling shall be occupied by more than one (1) single family. For purposes of these Restrictions, a single family is defined as any number of persons related by blood, adoption or marriage, living with not more than one (1) person who is not so related as a single household unit, and no more than two (2) persons who are not so related living together as a single household unit. It is not the intent of the Declarant to exclude from a Lot any individual who is authorized to so remain by any state or federal law. If it is found that this definition, or any other provision contained in these Restrictions, is in violation of any law, then this Section shall be interpreted to be as restrictive as possible to preserve as much of the original section as allowed by law. No trade or business, including, without limitation, professional, educational, religious, commercial, or manufacturing use shall be made of any of Lot, even though such business, professional, educations, religious, commercial, or manufacturing use is subordinate or incident to use of the premises as a single family residence. An Owner or occupant may conduct business activities that are merely incidental to the Owner's residential use within a Residential Dwelling so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residential Dwelling; (b) the business activity conforms to all zoning requirements and other restrictive covenants applicable to the Property; (c) the business activity does not involve visits to the Residential Dwelling by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Subdivision; and (d) the business activity does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision, as may be determined in the good faith judgment of the Board. A day care facility, church, nursery, pre-school, or other similar facility is expressly prohibited. The terms "business" and "trade" as used herein shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the manufacture or provision of goods for or to persons other than the provider's family, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does not generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of the entire Residential Dwelling to one (1) tenant shall not be considered a trade or business within the meaning of this Section. However, two (2) or more rooms in a Residential Dwelling shall not be leased to different tenants. This Section does not apply to any activity conducted by the Declarant or by a Builder with approval of the Declarant with respect to its development and sale of the Property. Garage sales or yard sales (or any similar vending of merchandise) conducted on any Lot more than one (1) time in any calendar year shall be considered a business activity and, therefore, prohibited. No business vehicles displaying commercial signage or advertising shall be permitted to be parked within public view on any Lot or in any street for any length of time other than service vehicles contracted by

Owners of Residential Dwellings to perform specific services. No vehicles with more than two (2) axles shall be permitted to be parked or stored for a period in excess of twelve (12) hours in the Subdivision without the written prior written consent of the Board of Directors, whose approval will be issued at its sole and absolute discretion. No structures other than one single-family Residential Dwelling with an appurtenant attached or detached garage and permitted accessory buildings shall be constructed, placed on, or permitted to remain on any Lot. As used herein, the term "residential use" shall also be construed to prohibit the use of any Lot for a duplex house, apartment house, mobile home, halfway house, garage apartment or treatment facility.

SECTION 7.2. GUEST HOUSE OR CABANA. A guest house or cabana may be constructed on a Lot with the prior written approval of the Architectural Review Committee. Provided that, no guest house or cabana shall have more than six hundred (600) square feet of slab area or exceed the height of the appurtenant Residential Dwelling. The exterior building materials used to construct a guest house or cabana must be compatible with the exterior building materials used to construct the appurtenant Residential Dwelling (in terms of type, quality and color). A guest house or cabana may be used as temporary quarters for a guest of the occupant of the Residential Dwelling, but in no event shall a guest house or cabana be used as living quarters for any member of the family of the occupant of the Residential Dwelling or any domestic personnel including, without limitation, a full-time maid or nanny. No guest house or cabana may be leased for residential purposes for any length of time. A one-story guest house or cabana shall not be located nearer to the rear or any side property line than ten (10) feet, and a one and one-half or two story guest house or cabana shall not be located nearer to the rear or any side property line than twenty (20) feet; provided that, the Architectural Review Committee shall have the authority to require a guest house or cabana to be located farther away from the rear or a side property line than the distances set forth in this Section to minimize any inconvenience to or visual obstruction of an adjacent Lot Owner.

SECTION 7.3. ANIMALS. Not more than three (3) generally recognized house or yard pets shall be maintained on any Lot and then only if they are kept thereon solely as domestic pets and not for commercial purposes. No exotic animal or breed of animal that is generally recognized to be vicious is permitted on a Lot. No animal or bird shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be visible from any street in the Subdivision or a neighboring Lot without the written consent of the Architectural Review Committee. Structures for the care, housing or confinement of any animal or bird on a Lake Lot must be approved in writing by the Architectural Review Committee as to size, location and type and color of materials; notwithstanding this provision, the Architectural Review Committee shall have the authority to prohibit a structure for the care, housing or confinement of any animal or bird on a Lake Lot when deemed by the Architectural Review Committee, in its sole discretion, to be appropriate. The Board shall also have the authority to determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular animal or bird is a generally recognized house or yard pet, or exotic or vicious, or a nuisance, and its determination shall be conclusive and binding on all Owners.

SECTION 7.4. NUISANCES. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot and no odors shall be permitted to arise therefrom, so as to render any such Lot or any portion thereof unsanitary, unsightly, offensive or

detrimental to any other Lot or to its occupants. No nuisance shall be permitted to exist or operate upon any Lot. For the purpose of this provision, a nuisance shall be any activity or condition on a Lot which is reasonably considered to be an annoyance to more than one (1) surrounding resident of ordinary sensibilities and/or which might be calculated to reduce the desirability of the Property. The Board of Directors is authorized to determine whether any activity or condition on a Lot constitutes a nuisance or is offensive and its determination shall be conclusive and binding on all Owners.

SECTION 7.5. STORAGE AND REPAIR OF VEHICLES. No Owner, lessee, tenant or occupant of a Lot, including all persons who reside with such Owner, lessee or occupant on the Lot, shall park, keep or store any vehicle on any Lot which is visible from any street in the Subdivision or any neighboring Lot other than a passenger vehicle or pick-up truck and then only if parked on the driveway for a period not exceeding forty-eight (48) consecutive hours. For purposes of these Restrictions, the term "passenger vehicle" is limited to any vehicle which displays a passenger vehicle license plate issued by the State of Texas or which, if displaying a license plate issued by another state, would be eligible to obtain a passenger vehicle license plate from the State of Texas, and a sport utility vehicle used as a family vehicle (whether or not the sport utility vehicle displays a passenger or truck vehicle license plate) and the term "pick-up truck" is limited to a one (1) ton capacity pick-up truck which has not been adapted or modified for commercial use. No passenger vehicle or pick-up truck owned or used by the residents of a Lot shall be permitted to be parked on any street in the Subdivision or any unpaved portion of a Lot. No guest of an Owner, lessee or other occupant of a Lot shall be entitled to park on any street in the Subdivision overnight or on any uncovered portion of the driveway of a Lot for a period longer than forty-eight (48) consecutive hours. No trailer, mobile home trailer, recreational vehicle or boat shall be parked, kept or stored on a Lot if visible from any street in the Subdivision or any neighboring Lot. A trailer, mobile home trailer, recreational vehicle or boat may be parked in the garage on a Lot or other structure approved by the Architectural Review Committee out of public view; if parked in the garage, there must be adequate space in the garage and on the driveway for all passenger vehicles used or kept by the Owner, lessee, tenant or occupant of the Lot. A trailer or boat, but not a mobile home trailer or recreational vehicle, may be parked, kept or stored behind the garage on a Lot that is not a Lake Lot, provided that the rear yard of the Lot is enclosed with a solid wood fence and no portion of the trailer or boat extends above the fence. No passenger vehicle, pick-up truck, mobile home trailer, recreational vehicle, boat or other vehicle of any kind shall be constructed, reconstructed, or repaired on any Lot within the Subdivision if visible from any street in the Subdivision or any neighboring Lot.

SECTION 7.6. PERMITTED HOURS FOR CONSTRUCTION ACTIVITY. Except in an emergency or when other unusual circumstances exist, as determined by the Board, outside construction work or noisy interior construction work shall be permitted only between the hours of 7:00 a.m. and 9:00 p.m. Monday through Saturday; on Sunday, work shall be permitted only between 9:00 a.m. and 5:00 p.m.

SECTION 7.7. 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 or storage 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, except as may be necessary for trash pick-up but then only for the shortest time necessary. 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 7.8. STORAGE OF BUILDING MATERIALS. Unless otherwise approved by the Board, 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 or remodeling of the Residential Dwellings by Builders in the Property, building materials may be placed or stored outside the boundary of the Lot lines, but not on an adjacent Lot or in the street. 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 in a street.

SECTION 7.9. 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.

ARTICLE VIII
Easements

SECTION 8.1. EASEMENTS. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the Plat or as dedicated by separate instruments. Neither Declarant nor any 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 or servants.

SECTION 8.2. UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEM. An underground electric distribution system will be installed in that part of the Subdivision, designated herein as underground residential Subdivision, which underground service area embraces all of the Lots which are platted in the Subdivision, at the time of execution of an agreement between electric company and Declarant or thereafter. The electrical distribution system shall consist of overhead primary feeder circuits constructed on wood or steel poles, single or three-phase, as well as underground primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make underground service available. In the event that there are constructed within the Subdivision structures containing multiple dwelling units such as townhouses, duplexes or apartments, then the underground service area

embraces all of the dwelling units involved. The Owner of each Lot containing a single Residential Dwelling, or in the case of a multiple unit structure, the Owner/Declarant shall, at his or its own costs, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the 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. Declarant has either by designation on the Plat or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various Owners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various Owners to permit installation, repair and maintenance of each Owner's owned and installed service wires. In addition, the Owner of each Lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure the Owner/Declarant, shall at his or its own costs, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as underground service is maintained in the underground residential Subdivision, the electric service to each Residential Dwelling 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.

The electric company has installed the underground electric distribution system in the underground residential Subdivision at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided) upon Declarant's representation that the underground residential Subdivision is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such Subdivision, townhouses, duplexes and apartment structures, all of which are designated to be permanently located where originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale or rent and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the Declarant or the Lot Owners in the underground residential Subdivision be changed so as to permit the erection therein of one or more mobile homes electric company shall not be obligated to provide electric service to any such mobile home unless (a) Declarant has paid to the electric company an amount representing the excess in cost, for the entire underground residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision or (b) the Owner of each affected Lot, or the applicant for service to any mobile home, shall pay to the electric company the sum of (1) $1.75 per front Lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot or dwelling unit over the cost of equivalent overhead facilities to serve such Lot or dwelling unit, plus (2) the costs of rearranging, and adding any electric facilities servicing such Lot, which arrangement and/or addition is determined by electric company to be necessary.

The provisions of the two preceding paragraphs also apply to any future residential development in any Reserve(s) shown on the Plat, as such Plot exists at the execution of the agreement for underground electric service between the electric company and Declarant or

thereafter. Specifically, but not by way of limitation, if a Lot Owner in a former Reserve undertakes some action which would have invoked the above per front Lot foot payment if such action has been undertaken in the underground residential Subdivision, such Owner or applicant for service shall pay the electric company $1.75 per front Lot foot, unless Declarant has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future nonresidential development in such Reserve(s).

Easement 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 paving, 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.

SECTION 8.3. CABLE TELEVISION. Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more cable television or high speed communication companies and Declarant shall have the right and power in such agreement or agreements to grant to such cable television or high speed communication company or companies the uninterrupted right to install and maintain cable communications and related ancillary equipment and appurtenances within the utility easements and rights-of-way dedicated by the Plat(s) or by separate instruments pertaining to the Property.

SECTION 8.4. EASEMENTS FOR RIVER AND POND MAINTENANCE AND FLOOD WATER. Declarant reserves for itself and its successors, assigns and designees the non-exclusive right and easement, but not the obligation, to enter upon any rivers, ponds, streams and wetlands located within the Property (a) to install, keep, maintain and replace pumps in order to obtain water for the irrigation of any of the Common Area, (b) to construct, maintain and repair any wall, dam, or other structure retaining water therein, and (c) to remove trash and other debris and fulfill their maintenance responsibilities as provided in these Restrictions. Declarant's rights and easements hereunder shall be transferred to the Association at such time as Declarant shall cease to own Property subject to the Declaration, or such earlier time as Declarant may decide, in its sole discretion, and transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of any of the rivers, ponds, streams, or wetlands to the extent reasonably necessary to exercise their rights and responsibilities under this Section. There is further reserved, for the benefit or Declarant, the Association, and their designees, a perpetual, non-exclusive right and easement of access and encroachment over Common Areas and Lots (but not the Residential Dwellings thereon) extending from the line of mean low tide to the line of vegetation of any river banks, ponds and streams within the Property, in order: (a) to temporarily flood and back water upon and maintain water over such portions of the Property; (b) to fill, drain, dredge, deepen, clean, fertilize, dye and generally maintain the ponds, streams and wetlands within the Common Areas; (c) to maintain and landscape the slopes and banks pertaining to such rivers, ponds, streams and wetlands; and (d) to enter upon and across such portions of the Property for the purpose of

exercising rights under this Section. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from, the exercise of such easement rights. Nothing herein shall be construed to make Declarant or any other person or entity liable for damage resulting from flood due to hurricanes, heavy rainfall, or other natural disasters.

ARTICLE IX
Annexation of Additional Property

SECTION 9.1. ANNEXATION. The Declarant, as the owner thereof or, if not the owner, with the consent of the owner thereof, shall have the unilateral right, privilege, and option for a period of fifteen (15) years from the date this Declaration is recorded, to subject any additional property to the provisions of this Declaration and the jurisdiction of the Association by filing of record Supplemental Declaration or similar annexation document with respect to the property being annexed. Any such annexation shall be effective upon the filing for record such Supplemental Declaration or annexation document. The rights reserved unto Declarant to subject additional property to this Declaration shall not impose any obligation upon Declarant to subject any of such land to this Declaration or to the jurisdiction of the Association. If additional property is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon such land, nor shall such rights in any manner limit or restrict the use to which such land may be by Declarant or by any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

SECTION 9.2. OTHER ANNEXATIONS. With the consent of the owner thereof, the Association may annex real property and subject such property to the jurisdiction of the Association. Such annexation shall require the affirmative vote of two-thirds (2/3) of the total eligible votes of the Members of the Association. This vote may be obtained at a meeting of the Members by a mail-in ballot, by door-to-door canvassing, or any combination thereof. The results of any vote of annexation shall be certified by the Secretary of the Association.

Annexation shall become effective by filing for records in the Official Public Records of Real Property of Harris County, Texas, a Supplemental Declaration or annexation document describing the property being annexed. Any such Supplemental Declaration or annexation document shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed.

ARTICLE X
Issues Pertaining To Golf Course Lots

Each Owner who acquires a Golf Course Lot acknowledges, accepts and assumes the risk of the special benefits and burdens associated with the Golf Course. The owner of the Golf Course and each and every member, guest, golfer, employee or agent of the Golf Course, disclaims any liability for personal injury or property damage resulting in any way, all or in part, from any of the following items set forth in Sections 10.1 through 10.8 of this Article X and each Owner accepts as

such disclaimer and agrees to release and waive any claims Owner, or any guest, invitee, employee or contractor of Owner, may have against Declarant or the Association as a result of the items set forth in this Article.

SECTION 10.1. ERRANT GOLF BALLS; RESERVATION OF EASEMENTS; RISK AND LIABILITY. Owners of Golf Course Lots acknowledge the inherent risk of errant golf balls and assume and accept such risk. Owners acknowledge and accept the risk that golfers may attempt to retrieve errant golf balls from any Golf Course Lot. Each Owner agrees to release and waive any claims Owner may have as a result of such errant golf balls or such retrieval. Accordingly, every Golf Course Lot is burdened with an easement permitting (i) golf balls to unintentionally go upon such Golf Course Lot; and (ii) golfers at reasonable times and in a reasonable manner to go upon the Golf Course Lot or Lots to retrieve errant golf balls; provided, however, if any Golf Course Lot is fenced or walled, the golfer shall not enter such Lot. Under no circumstances shall the Association, owner of the Golf Course, its members, guests, employees or agents, or Declarant be held liable for any damage or injury resulting from errant golf balls or the retrieval of golf balls by golfers, or the acts arising from the operation and use of the Golf Course. Neither Declarant, nor the Association, nor owner of the Golf Course, or their successors, assigns, partners, officers, directors or agents, shall be liable for any damage done by anyone using the Golf Course, whether with or without permission, to fences, windows, cars, houses, landscaping or any other property on or within any Golf Course Lot or Common Area, covered by said easement.

SECTION 10.2. VIEW IMPAIRMENT/PRIVACY. Owners of Golf Course Lots have no guarantee that their view over and across the Golf Course will be forever preserved without impairment or that the view from the Golf Course will not be impaired. The owner of the Golf Course has no obligation to prune trees or other landscaping and such owner has the right, at its sole discretion, to add, change or reconfigure the Golf Course, including, without limitation, any trees, landscapes, tees, bunkers, fairways and greens.

SECTION 10.3. TREATED WASTEWATER. The owner of the Golf Course may use reclaimed and treated wastewater to irrigate the Golf Course, and the Owners acknowledge, accept the use, and assume the risk of such reclaimed and treated wastewater.

SECTION 10.4. PESTICIDES AND FERTILIZERS. Pesticides, fertilizers and other chemicals may be utilized in connection with the Golf Course and the Owners acknowledge, accept the use, and assume the risk of such pesticides, fertilizers and chemicals.

SECTION 10.5. OVERSPRAY. Owners of Golf Course Lots may experience "overspray" from the Golf Course irrigation system, and the Owners acknowledge, accept and assume the risk of such "overspray"

SECTION 10.6. NOISE AND LIGHT. Owners of Golf Course Lots may be exposed to lights, noise or activities resulting from the use of the clubhouse for dining and entertainment and use of the Golf Course parking lots(s), and the Owners acknowledge, accept and assume the risk of such light, noise or activities

SECTION 10.7. NO ACCESS. Notwithstanding the proximity of the Golf Course to any Golf Course Lot, and notwithstanding that the Owner of any Lot may have a right to use the Golf Course facilities as a result of membership or other rights acquired separately from ownership of a Golf Course Lot or membership in the Association, no Owner, resident or occupant of a Golf Course Lot has a right of access to the Golf Course or any portion thereof directly from their Golf Course Lot.

SECTION 10.8. MAINTENANCE. Golf courses require daily maintenance, including mowing, irrigation and grooming, during early morning and evening hours, including, without limitation, the use of tractors, blowers, pumps compressors and utility vehicles. Owners of Golf Course Lots will be exposed to the noise and other effects of such maintenance, and the Owners acknowledge, accept and assume the risk of such noise and effects.

Each Owner of a Golf Course Lot understands and agrees that in addition to the foregoing, such Owner shall be subject to any previously recorded Restrictions covering the Golf Course and any other documents filed for record and to any and all rules and regulations of any governmental authority having jurisdiction over such Golf Course Lots.

ARTICLE XI
General Provisions

SECTION 11.1. DURATION. The provisions of this Declaration shall run with the land and shall be binding upon all parties and upon all persons claiming under them for a period of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive period of five (5) years each unless an instrument approved in writing by the Owners of not less than seventy five percent (75%) of the Lots shall be recorded, agreeing to terminate the provisions of this Declaration.

SECTION 11.2. AMENDMENT. This Declaration may be amended at any time by an instrument approved in writing by Owners representing not less than two-thirds (2/3) of the Lots. If a Lot has multiple Owners, approval for that Lot may be reflected by the signature of one (1) of the Owners. No amendment shall be effective until recorded in the Official Public Records of Real Property of Harris County, Texas. Additionally, Declarant may unilaterally amend this document without a vote of the Owners to comply with changes required for the benefit of financing and/or any other changes which may be required for governmental underwriting and/or for any other type of requirement which may be imposed by a governmental agency. In addition, as long as there is Class B membership in the Association, Declarant shall have the authority to amend the Declaration, without the joinder or consent of any other party, to clarify or correct any ambiguities, inadvertent misstatements and/or errors.

SECTION 11.3. SEVERABILITY. Invalidation of any one of these covenants by judgment or other court order shall not affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

SECTION 11.4. 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 11.5. 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 11.6. REPLAT. Declarant shall have the right, but not the obligation, to subdivide into Lots, by recorded plat or in any lawful manner, any Reserve within the Property and such Lots as defined by replat shall be subject to these Restrictions as if such Lots were originally included herein.

SECTION 11.7. MERGER AND CONSOLIDATION. Upon a merger or consolidation of the Association with another non-profit corporation organized for the same purposes, the Association's property, rights, and obligations may be transferred to the surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants, conditions and restrictions established by this Declaration, together with covenants, conditions and restrictions applicable to the properties of the other association as one scheme. However, such merger or consolidation shall not affect any revocation, change or addition to the covenants established by this Declaration and no merger or consolidation shall be permitted except with the assent of two-thirds (2/3) of all Members of the Association then eligible to vote.

SECTION 11.8. DISSOLUTION. Upon the dissolution of the Association, other than incident to a merger or a consolidation, the assets of the Association, if any, shall be dedicated to a public agency or shall be granted, conveyed, and assigned by the Board of Directors to any non-profit corporation, association, or other organization devoted to similar or like purposes.

SECTION 11.9. NOTICES. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when deposited in the U.S. mail with postage prepaid, to the Owner at his/her last known mailing address according to the records of the Association at the time of such mailing.

SECTION 11.10. ENFORCEABILITY/REMEDIES. These Restrictions shall run with the Subdivision and shall be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each Owner and occupant of a Lot in the Subdivision, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. If notice and an opportunity to be heard are given, the Association shall be entitled to impose reasonable fines for violations of the Restrictions or any Rules and Regulations adopted by the Association or the Architectural Review Committee pursuant to any authority conferred by either of them by these Restrictions and to collect reimbursement of actual attorney's fees and other reasonable costs incurred by it relating to violations of the Restrictions. Such fines, fees and costs may be added to the Owner's assessment account and collected in the manner provided in Article III of this Declaration. In the event any one or more persons, firms, corporations or other entities shall violate or attempt to violate any of the provisions of the Restrictions, the Declarant, the

Association, each Owner or occupant of a Lot within the Subdivision, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation. Upon the violation of any of the provisions of these Restrictions by any Owner, in addition to all other rights and remedies available to it at law, in equity or otherwise, the Association, acting through the Board, shall have the right to suspend the right of such Owner to vote in any regular or special meeting of the Members during the period of the violation, subject to any notice requirements, if any, imposed by law.

SECTION 11.11. RIGHT OF ENTRY; ENFORCEMENT BY SELF-HELP. During reasonable hours and subject to reasonable security requirements, the Association and its authorized agents and representatives shall have the right, in addition to and not in limitation of all of the rights it may have under this Declaration, to enter upon any Lot, including any Improvements located thereon, for emergency, security, maintenance, repair, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers and all police officers, firefighters, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or occupant of a Lot or Improvements thereon. Any such entry shall constitute an authorized entry and the Declarant, the Association or their agents and representatives shall not be deemed guilty of trespass by reason thereof. In addition to any other remedies provided herein, the Association or its duly authorized agent shall have the power to enter upon any Improvements or any portion of the Lots to abate or remove, using such force as is reasonably necessary, any Improvement that is made to the Lot, other structures, or thing or condition that violates this Declaration. Unless in an emergency situation exists, such self-help shall be preceded by written notice. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments, subject to any notice requirements imposed by law. All such entries shall be made with as little inconvenience to the Owner as is practicable in the judgment of the Association and any damages caused thereby (as distinguished from repairs with respect to which the Association is entitled to an easement to be reimbursed) shall be borne by the Association.

SECTION 11.12. SECURITY. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE ASSOCIATION, DECLARANT OR SUCCESSOR DECLARANT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENSS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY UNIT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, DECLARANT OR ANY SUCCESSOR DECLARANT DOES NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PORTECTION 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 UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, DECLARANT OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE OT PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, DECLARANT OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED 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 WITHIN THE PROPERTY.

ARTICLE XII
Kings River Village Declaration

Notwithstanding anything contained in this Declaration, Declarant's right to administer this Declaration is subject to the terms of a Partial Assignment filed of record under Clerk's File Number R352919 of the Official Public Records of Real Property Records of Harris County, Texas. Declarant previously obtained consent from Friendswood to enact the conditions, provisions, and restrictions contained in this Declaration, but Declarant cannot create a provision, amend, supplement, or administer this Declaration in any way which is detrimental to Kings River Village or which will conflict with any provision of the Declaration for Kings River Village without the written consent of Friendswood. Any attempt to create such a provision or to amend, supplement, or administer this Declaration in such a manner will render said provision void as a provision violating, and in derogation of, the rights given by the Assignment and will entitle Friendswood, its successors or assigns to an injunction or damages but will not obligate them to pursue said injunction or damages. Friendswood Development Company can delegate or assign its right of consent.