

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
RIVERSIDE PLACE TOWNHOMES

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS;

COUNTY OF HARRIS

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made the date hereinafter set forth by Declarants.

WITNESSETH

WHEREAS, Declarants are owners of Lots 1 through 12, RIVERSIDE PLACE, a subdivision of land in the City of Houston, Harris County, Texas, legally described according to the map or plat thereof recorded in Clerk's File Number M484107 of the Map Records of Harris County, Texas (the "Property").

WHEREAS, the Property has been or will hereafter be divided and replatted into a total of twelve (12) Lots (as hereinafter defined) and Declarants have constructed or will construct certain residential improvements (hereinafter referred to collectively as the "Townhouses" and individually as a "Townhouse"); and

WHEREAS, Declarants intend by this Declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of the residences in the Property by the recording of this Declaration. Declarants further intend by this Declaration to provide for the creation of access and utility easements to serve each residence within the Property and for maintenance of certain common facilities.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT the property shall be developed, improved, held, used, sold and conveyed in accordance with and subject to the following plan of development, easement, restrictions, covenants, conditions and stipulations, all of which are hereby adopted for and placed upon the Property and shall run with the Property and be binding on all parties now or at anytime hereafter having or claiming any right, title or interest in the Property or any part thereof, and shall inure to the benefit of each owner

thereof as set forth herein, and their respective heirs, administrators, executors, successors and assigns, regardless of the source of or the manner in which any such right, title or interest is or may be acquired.

**ARTICLE I.
DEFINITIONS**

Section 1. "Articles of Incorporation" means the Articles of Incorporation of the Riverside Place Homeowners Association, Inc. and any amendments thereto, as filed with the Secretary of State of Texas.

Section 2. "Assessment" shall mean the assessments and any other amounts or sums due by any Owner to the Association pursuant to the provisions of this Declaration, levied by the Association for purposes of obtaining funds to pay Association Expenses as provided herein.

Section 3. "Association" shall mean and refer to Riverside Place Homeowners Association, Inc., a Texas non-profit, non-stock, membership corporation incorporated under the laws of the State of Texas, its successors and assigns.

Section 4. "Association Expenses" shall mean and include the actual and estimated expenses of operating the Association as may be found to be necessary and appropriate by the Board of Directors of the Association pursuant to this Declaration and the Association's By-Laws and Articles of Incorporation

Section 5. "Board of Directors" or "Board" shall mean the governing body of the Association, consisting at a minimum of three (3) members.

Section 6. "Common Facilities" shall mean and refer to the Shared Common Driveways, the Entry Gates, Shared Utility Facilities, the Subdivision Fences across the Reserve Areas and the Driveways and to other properties real or personal, if any, intended for the common use and enjoyment of the Owners of the Lots within the Property, which facilities are to be maintained by the Association as hereinafter specified:

Section 7. "Entry Gate" shall mean the controlled access gate or gates and gate columns and related access limiting devices constructed or to be constructed by Declarants, which facilities are a portion of the Common Facilities.

Section 8. "Home Occupation" shall mean a commercial enterprise conducted entirely in a residence which is incidental to the principal residential use.

Section 9. "Lot" shall mean and refer to a portion of the Property conveyed by Declarants by metes and bounds or by reference to a recorded plat after being improved with a single family residence.

Section 10. "Member" shall refer to every Person entitled to membership in the Association, as provided herein.

Section 11. "Owner" shall mean each record owner, whether one or more persons or entities, of fee simple title to a Lot and the residence thereupon, including contract sellers and any person or entity holding legal title as trustee, but excluding those having such interest as security for the performance of an obligation.

Section 12. "Private Driveway" shall mean and refer to the private driveway and related curbs, gutters, other facilities constructed by Declarants upon the Property to provide vehicular access from the residences from Calumet Street, which improvements are a portion of the Common Facilities.

Section 13. "Shared Utility Facilities" shall mean all sanitary sewer facilities, drainage or storm water facilities, water pipelines, water meters and related water facilities and any other common or shared facilities or services constructed or provided by Declarants or any utility or common service provider which connect, for any one or more of the Lots, the individual water and/or sewer lines located below or above ground level which service the residence(s) on such Lot(s) to the water and/or sewer facilities owned, maintained or operated by the City of Houston or any other utility provider, or which connect or provide to multiple Lots common facilities or services.

Section 14. "Single Family" shall mean and refer to 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, or to no more than two (2) persons who are not so related lying together as a single household unit and the children of either of such individuals, and the household employees of the household unit.

Section 15. "Subdivision Fence" shall mean those portions of a fence installed or to be installed by Declarants on the property line and across the private driveway, which improvements are a portion of the Common Facilities. The Subdivision Fence shall not include any fence columns, gates, gate poles and other related improvements which provide enclosure to or which serves a specific Lot or Owner. The maintenance and upkeep of fences surrounding Individual Lots shall be the responsibility of the Individual Owner or Owners.

Section 16. "Subdivision Sign" shall mean any sign designating the project name and/or address of the Property constructed or installed by Declarants, which sign is a portion of the Common Facilities,

ARTICLE II.

RIVERSIDE PLACE HOMEOWNERS ASSOCIATION, INC.

Section 1. Organization. The Association has been organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure, and management of the maintenance funds, enforcement of the restrictions contained herein, providing for the operation and maintenance of the Common Facilities and the maintenance of the exterior portions of the residences within the Property, including roofs and patio areas, and architectural control of the Lots.

Section 2. Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, or part of a lot, which is subject to assessment by the Association. No Owner, whether one (1) or more persons, shall have more than one (1) membership per Lot owned. The rights and privileges of membership in the Association may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Lot or part of a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument

provided to the Secretary of the Board, subject to the provisions of this Declaration and the By-Laws.

Section 3. Voting. Members shall be entitled to one (1) vote for each Lot or part of a Lot of which they are the Owner. In any situation where more than one person holds the interest in a Lot required for membership in the Association, the vote for such Lot shall be exercised as those persons among themselves determine and advise the Secretary of the Association in writing prior to any meeting. In the absence at such advice, the vote for such Lot shall be suspended in the event more than one person seeks to exercise it.

ARTICLE III ARCHITECTURAL CONTROLS

Section 1. General. The plan for the development of the Property contemplates architectural control to maintain, enhance, and protect the attractiveness, beauty and desirability of the Property and the residences within the Property.

Section 2. Architectural Controls. No exterior additions, removals or alterations (Including changes in exterior color or appearance or placement of ornamentation on Patio Areas), to any residence on the Property, shall be commenced, erected, or maintained, until the plans and specifications for such work have been submitted to and approved in writing by the Association's Board of Directors or its designated agent. Requests for approval must be submitted to the Board or its designated agent in writing showing, in reasonable detail, the nature, kind, shape, height, materials, color, and location of the suggested addition or alteration. The Board or its designated agent shall approve or deny approval within thirty (30) days after said plans and specifications have been submitted for approval. If the board, or its designated agent fails to approve or deny such plans and specifications within said thirty (30) day period, approval will be deemed to have been given subject to the proposed addition or alteration being performed in complete harmony with the existing residences within the Property, as originally constructed, and in specific compliance with this Declaration. If no such submission has been made to the Board or its designated agent, suit to enjoin or remove such additions, alterations, or other changes may be instituted at any time by the Association or any Owner. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his residence, or to paint the interior of the residence on his property any color desired.

Section 3. Limitation of Liability. The approval by the Board or its designated agent, as applicable, of any plans and specifications, and any requirement that the plans and specifications be modified, shall not constitute a warranty or representation of the adequacy, technical sufficiency, or safety of the improvements described in such plans and specifications, as the same may be modified, and the Board and its designated agent shall have no liability whatsoever for the failure of the plans and specifications or the improvements to comply with applicable laws or to comply with sound engineering, architectural or construction practices. In addition, in no event shall Board or its designated agent have any liability whatsoever to an Owner, contractor, or any other person or entity for any costs or damages (consequential or otherwise) that may be incurred or suffered on account of the failure of the Board or its designated agent to act on the approval, disapproval, or conditional approval of

any plans or specifications or the granting of any variance or for any defects in any work done according to any approved plans and specifications.

Section 4. Variances. The Board or its designated agent, shall have the right to grant reasonable variances from provisions of this Declaration or any portion thereof, in specific instances where it in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Property. No variance granted pursuant to the authority herein reserved shall constitute a waiver of any provision of this Declaration as applied to any other person, entity or property. Any request for a variance shall be deemed to have been disapproved unless a written notice of approval is received by the party requesting the variance.

**ARTICLE IV.
BUILDING AND USE RESTRICTIONS.**

Section 1. Single Family Residences. Each Lot shall be used only for the construction of one (1) Townhome of no more than three (3) stories in height, including any related improvements. No Townhome shall be occupied by more than a Single Family. It is not the intent of Declarants to exclude from a single family residence any individual who is authorized to so remain by any state or federal law. If it is found that this provision 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.

Except as hereinafter specified, no Owner or other occupant shall use or occupy his Lot, or permit the same or any part thereof to be used or occupied for any purpose other than as a residence for the Owner or his tenant and their respective families, and no Lot shall be used or occupied for any business, manufacturing, commercial, trade or professional purpose either apart from or in connection with the use thereof as a residence, whether for profit or not. No Owner, or tenant of an Owner shall conduct, transmit, permit, or allow any type or kind of home hobby on any Lot or within any residence which would attract automobile, vehicular or pedestrian traffic to the Lot or involve lights, sounds, smells, visual effects, pollution and the like which would adversely affect the peace and tranquility of any part of the Property. The restrictions on use herein contained shall be cumulative of, and in addition to, such restrictions on usage as may from time to time be applicable pursuant to the statutes, rules, regulations, and ordinances of the City of Houston, Texas or any other governmental authority having jurisdiction over the Property.

Notwithstanding the foregoing, a residence may be used for a Home Occupation provided that:

- (i) no person other than a resident of the residence shall be engaged or employed in the Home Occupation at the site;
- (ii) there shall be no visible storage or display of occupational materials or products;
- (iii) there shall be no exterior evidence of the conduct of a Home Occupation and no Home Occupation shall be conducted on the Lot outside of the residence; and

(iv) no additional parking shall be provided for the Home Occupation.

Section 2. Living Area Requirements. The total floor area of each residence, exclusive of open porches and garage, shall contain not less than one thousand nine hundred (1,900.00) square feet.

Section 3. Temporary and Other Structures. No building or structure of a temporary character, trailer, mobile home, modular home, tent, shack, barn or any other building or structure shall be placed on any Lot either temporarily or permanently, and no residence shall be moved upon any Lot from another location.

Section 4. Antennas. Unless otherwise approved by the Board, no exterior antenna shall be placed, allowed or maintained upon any portion of a Lot or upon the residence located thereon other than a satellite dish of no more than 18 inches in diameter.

Section 5. Parking of Vehicles. No boat, boat trailer, boat rigging, motor home, trailer, truck, bus, camper or any type of automotive vehicle shall be parked or stored on any driveway or on Calumet or at any other place on the Property except in the garage of the residence located thereupon.

Section 6. Nuisance. No noxious or offensive activity shall be carried on or permitted upon the Property, nor shall anything be done thereon which may be or become an annoyance or nuisance to the Owners in the Property. Nothing shall be done or kept on any Lot which would be in violation of any statute rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Facilities or any part thereof shall be committed by any Owner or tenant of an Owner or any Invitee of any Owner or tenant of any Owner, and each Owner and tenant shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by an Owner, his tenants or the invitees of either of them,

Section 7. Signs. No sign of any kind, including specifically the names and street addresses of Owners or tenants, shall be displayed to the public view, other than designations, in such styles and materials as Declarants install in connection with the construction of residences on the Property. Each Owner has the right to place one (1) sign not in excess of six (6) square feet of area advertising his residence for sale on their own Lot.

Section 8. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, but dogs, cats and other common household pets are permitted in reasonable number as determined by the Board from time to time, provided such pets shall not be kept or bred for business purposes. Pets which are permitted to roam free, or which in the sole discretion of the Board, endanger health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners may be removed by the Board. Dogs which are household pets shall at all times, whenever they are outside a residence Lot, be on a leash. Animal control authorities shall be permitted to enter the Property to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law. All dogs and cats must be of a recognized domestic variety, No exotic pets are permitted within the Property.

Section 9. Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements.

Section 10. Garbage. No Owner shall use or permit the use of the Owner's Lot or any other portion of the Property as a dumping ground for rubbish, trash, or garbage, waste materials or other abandoned items, or junk. Trash, garbage and other waste materials shall be placed in appropriate receptacles for removal by the City of Houston or private service arranged for by Board. If on-site garbage pickup service is provided to the Property, all such Garbage shall be placed only in sanitary, tightly dosed trash bags located (a) on days when no garbage pickup is scheduled, within the property lines of the Owner's Lot and hidden from view, and (b) on days when garbage pickup is scheduled, in a neat, clean manner along Calumet Street by the City of Houston. Any tree limbs or branches, shrubbery clippings or similar items shall be bound in such a manner as required by the City of Houston or other pick-up service, but in no event in bundles greater than four (4) feet in length. No Lot shall be used for the open storage of any materials whatsoever.

Section 11. Fires. No Owner shall build or permit to be built any open fires on the Owners Lot; provided, however, that this paragraph shall not be construed as precluding the use by any Owner of an interior fireplace or gas grill.

Section 12. Leasing. An Owner may lease his residence provided that such lease is in writing and expressly sets forth that such lease is subject to all terms and provisions and conditions set forth herein, and provides that failure of the lessee to comply with the terms provisions and conditions set forth herein shall be a default under the terms of such lease.

ARTICLE V EASEMENTS

Section 1. Incorporation of Other Easements. All easements, dedications limitations, restrictions and reservations shown on the surveys of each Lot or on any plat or map filed in the plat or map records of Harris County, Texas, and grants and dedications of easements and related rights heretofore made by Declarants and its predecessors in title affecting the Property or any Lots and filed In the real property records of Harris County, Texas, are incorporated herein by reference and made a part of this Declaration for alt purposes as If fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Deolarants covering any portion of the Property or any Lot.

Section 2. Owners Easements for Access. Every Owner of a Lot shall have a right and easement for vehicular and pedestrian ingress and egress between his Lot and Calumet Street over and across the portion of the Property upon which the Private Driveway has been constructed. Declarants hereby grant and create access easements over such portions of the Property. Such easements shall be appurtenant to and shall pass with the title to the Lots subject to the operation and maintenance of the Entry Gate as a privacy oriented system which requires as a condition of entry to the Property such identification cards, passes, keys, or similar devices as may be established in connection with the installation of the Entry Gate by Declarants. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication,

expressed or implied, of any part of the Private Driveway to or for any public use or purpose whatsoever.

Section 3. Associations Easement for Maintenance. There Is hereby reserved and created a perpetual right and easement for the benefit of the Association, its agents and employees, upon, over and across the Property and the right to enter upon any Lot as may be reasonably necessary for the purposes of operating, repairing, maintaining, replacing or reconstructing the Common Facilities and/or utilities which serve the Lots.

Section 4. Utilities.

(a) Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garage and trash collection vehicles and other service vehicles to enter upon the Lots in the performance of their duties. An easement is also specifically granted to the United States Post Office, its agents and employees to enter upon any portion of the Property in performance of mail delivery or any other United States Post Office services.

(b) Shared Utility Facilities. To the extent easements have not been or are not granted by Declarants by separate instrument for each of the Shared Utility Facilities, an easement is hereby granted to each public or private utility company or other public authority or agency over those portions of the Property as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining and operating any of the Shared Utility Facilities. To the extent possible, all utility lines and facilities serving the Property shall be located underground. Each utility company or other supplier or servicer, with respect to the portions of the Property so encumbered, shall have the right (i) to cut and remove any trees, bushes, or shrubbery, (ii) to excavate or fill, or (iii) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

(c) Changes and Additions. At any time on or before one (1) year after the sale of all the Lots, Declarants shall have the right to grant, dedicate, reserve or otherwise create, easements for public, quasi-public or private utility purposes, including, without limitation, gas, electricity, telephone, sanitary or storm sewage cable television, security systems, and drainage in favor of any person furnishing or to furnish utility services to the Property, along, over, above, across and under the Property and any Lot, provided, such additional easements shall not interfere with any existing residence upon a Lot.

**ARTICLE VI
COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 1. Purpose of Assessment. The assessments provided for in this Declaration shall be used by the Association to operate, maintain and keep in good repair the Common Facilities and for the general purposes of promoting the common benefit of the Owners of the Lots. The judgment of the Board of Directors as to the expenditure of assessments shall be final and conclusive so long as its judgment is exercised in good faith. Funds obtained by the Association may, in the Board's discretion, be used to finance all or any of the following;

- i. Operation, mowing, maintenance, repair, replacement, reconstruction and improvement driveways, rights-of-way, easements and other areas within, adjacent to, and in the vicinity of the Property;
- ii. Payment of premiums for insurance coverage for the Property, including directors and officers liability insurance;
- iii. Paying the cost of labor, equipment (including expense of leasing any equipment) material, and any associated management or supervisory services and fees;
- iv. Paying the cost and fees of a manager or firm retained to carry out the duties of the Association or to manage the affairs of the Association;
- v. Maintaining or replacing landscaping;
- vi. Removing debris from the Property;
- vii. Contracting for street lights in the Property;
- viii. Collecting and disposing of trash, garbage, rubbish and other similar materials if the Board decides to provide such service to the Property;
- ix. Payment of legal fees and expenses incurred to collect assessments and enforce this Declaration;
- x. Contracting for access patrol or security services;
- xi. Carrying out the duties of the Board of Directors of the Association;
- xii. Creation and funding of such reserve funds as the Board of Directors of the Association deems necessary;
and
- xiii. Carrying out such purposes of the Association as generally benefit the Members of the Association.

Section 2. Types of Assessments. Each Owner by acceptance of a deed to any Lot in the Property, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association assessments or charges and special assessments for capital improvements, such assessments to be established and collected as hereinafter provided

(a) Annual Assessment. An assessment shall be fixed annually by the Association at least thirty (30) days prior to the commencement of each calendar year, and the assessment for a particular calendar year shall not exceed a sum which will produce revenues from the Property estimated in good faith to approximate the costs and expenditures to be incurred during the following calendar year to provide the services and to carry out the purposes herein specified and to provide reasonable reserves for contingencies. The initial annual assessment shall commence on the date of the conveyance of the first Lot by the Declarants or on such later date as may be determined by the Board. If such assessment commences on a date other than January 1, such assessment shall be adjusted according to the number of months remaining in the calendar year,

Thereafter, annual assessments shall be levied for each calendar year in advance. Notice of the assessment established for a calendar year shall be sent to the Owner of each Lot not later than December 15th of the calendar year preceding the calendar year for which the assessment is to be in effect; provided, however, that the providing of such notice of the assessment by such date shall not be a condition precedent to the validity of the assessment or the obligation of the Owners of Lots to pay the assessment. Annual assessments shall be payable annually on a date specified by the Board of Directors; provided, however, the Board may, at its option, require payment of such Assessments in monthly or quarterly installments,

(b) Special Assessments. In addition to the annual assessments authorized herein, the Board may levy one or more special assessments in any year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or repair or replacement of a capital improvement or the cost of other capital improvements determined by the Board to benefit the Owners. Any special assessment must have the assent of sixty percent (60%) of the votes of the Members of the Association who are voting in person or by proxy at a meeting called for such purpose. If a special assessment is levied, it shall be paid as determined by the Board. The Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed. Written notice of any meeting called for the purpose at approving a special assessment, if required hereby, shall be sent to all Members not less than 30 days nor more than 80 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) at all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meetings. No subsequent meeting shall be held more than 60 days following the preceding meeting,

(c) Rate of Assessments. Both annual and special assessments on all Lots, whether or not owned by the Declarants, shall be fixed at uniform rates.

Section 3. Creation of the Lien and Personal Obligation for Assessments.

Declarants, for each Lot within the Property, hereby covenants and each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be expressed in the deed or other evidence of the conveyance, is deemed to covenant and agree to pay annual assessments to the Association to be fixed, established and collected as herein provided. These assessments, together with interest thereon as hereinafter provided, costs of collection, and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing lien upon the property against which such assessments are made. Each such assessment, together with such interest, costs of collection, and reasonable attorney's fees shall also be and remain the personal obligation of the Owner of the particular Lot at the time the assessment fell due, notwithstanding any subsequent transfer of title of such property. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

Section 4. Effect of Non-Payment of Assessments: Remedies. Any assessments or charges which are not paid when due shall be delinquent. If an assessment or charge is not paid within thirty (30) days after the due date, it shall bear interest from the due date at the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum rate permitted by law, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or

foreclose the lien herein retained against the Lot. Interest, collection costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. In order to secure the payment of the assessments or charges hereby levied, a vendor's lien for the benefit of the Association, shall be and is hereby reserved in the deed from Declarants to the purchaser of each Lot, which lien shall be enforceable through appropriate judicial and non-judicial proceedings by the Association. As additional security for payment of the assessments hereby levied, each Owner of a Lot, by such party's acceptance of a deed thereto, hereby grants the Association a lien on such Lot which may be foreclosed on by non-judicial foreclosure pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The trustee may be changed at any time and from time to time by the Association without other formality than by means of a written instrument executed by a majority of the members of the Association entitled to vote on the matter. In the event that the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the notice of trustee's sale not less than twenty-one (21) days prior to the date of which sale is scheduled by posting such notice through the U.S. Postal Service, postage prepaid, registered or certified, return receipt requested, properly addressed to such Owner. Out of the proceeds of such sale, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorneys' fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount of default; third, any amounts required by law to be paid before payment to the Owner; and, fourth, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer.

Section 5. Collection and Enforcement. Each Owner by his assertion of title or clef m of ownership or by his acceptance of a deed to a Lot, whether or not it shall be so cited in such deed, shall be conclusively deemed to have expressly vested in the Association, the right, power and authority to take all action which the Association shall deem proper for the collection of assessments as specified herein, and/or for the enforcement and foreclosure of the liens securing the same.

Section 6. Subordination of the Lien to Mortgages. As hereinabove provided, the title to each Lot shall be subject to a vendor's lien and power of sale and non-judicial foreclosure securing the payment of all assessments and charges due the Association, but said vendors lien and power of sale and non-judicial foreclosure shall be subordinate to any valid first purchase money, lien or mortgage covering a Lot and any valid lien securing the cost of construction of improvements. Sale or transfer of any Lot shall not affect said vendors lien or power of sale and non-judicial foreclosure. However, the sale or transfer of any Lot which is subject to any valid purchase money lien, mortgage or construction lien, pursuant to a judicial or non-judicial foreclosure under such lien or

mortgage or any conveyance in satisfaction of such debt (commonly called a "deed in lieu of foreclosure") shall extinguish the vendor's lien and power of sale and non-judicial foreclosure securing such assessment or charge only as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability from any charges or assessments thereafter becoming due or from the lien thereof, in addition to the automatic subordination provided hereinabove, the Association may subordinate the lien securing any assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as a majority of the members determine.

Section 7. NO GUARANTEE OF SECURITY. THE SUBDIVISION FENCE AND ENTRY GATE HAVE SEEN INSTALLED TO MAKE THE PROPERTY SAFER THAN IT OTHERWISE MIGHT BE. HOWEVER, NEITHER DECLARANTS NOR THE ASSOCIATION SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. ALL OWNERS AND OCCUPANTS OF THE LOTS, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT DECLARANT AND THE ASSOCIATION DO NOT REPRESENT OR WARRANT THAT THE ENTRY GATE OR SUBDIVISION FENCE MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT SUCH FACILITIES WILL PREVENT LOSS BY BURGLARY, THEFT, HOLDUP, OR OTHERWISE, OR THAT SUCH FACILITIES WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH THEY ARE DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS AND TO THE CONTENTS OF RESIDENCES AND FURTHER ACKNOWLEDGES THAT IN CONNECTION WITH THE INITIAL SALE OF THE RESIDENCES WITHIN THE PROPERTY, DECLARANT HAS MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, RELATIVE TO THE ENTRY GATE OR THE SUBDIVISION FENCE.

ARTICLE VI.
INSURANCE

Section 1. Association Insurance. The Association shall have the authority, in its sole discretion, to obtain the following types of insurance policies:

- (a) Property insurance covering the twelve (12) single family residences in an amount equal to the full replacement value of the improvements and facilities as originally constructed affording protection against loss or damages by fire and other hazards as shall customarily be covered;
- (b) A comprehensive policy of public liability insurance covering the Property and insuring the Association and the Owners with such limits as it may consider acceptable for all claims for personal injury and/or property damage arising out of a single occurrence; and
- (c) A policy of fidelity coverage to protect against dishonest acts on the part of members of the Board and all others who handle, or are responsible for handling funds of the Association,

Premiums for all such insurance policies carried by the Association shall be a common expense payable from assessments as specified above. All proceeds from policies held by the Association shall be deposited in a bank or other financial

institution, the accounts of which bank or institution are insured by a federal governmental agency, and such funds may be withdrawn only by signature of at least two (2) of the members of the Board or by an agent duly authorized by the Board.

Section 2. Damage and Destruction. Immediately after damage or destruction by fire or other casualty of all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and the repair or reconstruction of the damaged or destroyed property, to the extent insurance proceeds are available for such purpose. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property in accordance with the original construction plans, allowing for any changes or improvements necessitated by changes in applicable building codes. If insurance proceeds are insufficient to cover a repair or reconstruction, the Board may levy a special assessment to cover the shortfall, subject to the requirements of Section 2 of Article VI above.

Section 3. Individual Insurance. Each Owner shall be responsible for maintaining insurance covering the personal property within his residence and any additional desired liability coverage.

Section 4. Damage by Member. To the extent permitted by law, each Member shall be liable to the Association for any damages to the Common Facilities not fully reimbursed to the Association by insurance, caused by the negligence, willful misconduct or unauthorized or improper use of any Common Facilities or Improvements by the Member, his guests, tenants or invitees. In addition to requiring payment for such damage, the Association, acting through the Board of Directors, shall also have the right to require such Member to pay an amount equal to the increase, if any, of insurance premiums directly attributable to the damage caused by the Member or the person for whom the Member is responsible. Payment to the Association by such Member of the damages and increase in insurance premiums, if applicable, shall be secured by a lien against the Lot owned by such Member and may be collected in the same manner as assessments.

ARTICLE VIII. GENERAL PROVISIONS

Section 1. Notice. Any and all notices or other communications required or permitted by this Declaration or by law to be served on or given to an Owner shall be in writing and shall be deemed duly served and given when personally delivered, or in lieu of such personal service, when deposited in the United States mail, first class, postage prepaid, certified or registered mail, return receipt requested, addressed to the Owner at the address of the Lot he owns or such other address as has been provided to the Association.

Section 2. Duration and Amendment. The covenants, conditions, restrictions, reservations, liens, and charges set forth in this Declaration shall run with the land and shall be binding upon and inure to the benefit of all Owners, their respective legal representatives, heirs, successors and assigns for a term of forty (40) years from the date hereof, after which time said covenants, conditions, restrictions, reservations, liens, and charges shall be automatically extended and renewed for successive periods of ten (10) years each, unless prior to said renewal date an instrument signed and acknowledged by the then Owners of not less than 3/4ths of the total number of Lots, is filed

for record with the County Clerk of Harris County, Texas, altering, rescinding or modifying said covenants and restrictions in whole or in part as of said renewal date. Notwithstanding anything to the contrary herein contained, it is expressly understood and agreed that the Owners of not less than 3/4ths of the total number of Lots shall have the power and authority at any time to amend this Declaration and such Amendment shall become effective on the date an instrument, signed and acknowledged by the then Owners of not less than 3/4ths of the total number of Lots is filed for record in Harris County, Texas, so amending this Declaration.

Section 3. Enforcement. The Association or any Owner at his own sole expense, shall have the right to enforce by proceedings at law or in equity all covenants, restrictions, easements, reservations, liens, charges, and assessments, and all other provisions set out in this Declaration. Failure of the Association or an Owner to take any action upon any breach or default of or in respect to any of the foregoing shall not be deemed a waiver of his right to take enforcement action upon any subsequent breach or default.

Section 4. Interpretation. If this Declaration or any word, clause, sentence, paragraph, provision, or other part hereof shall be susceptible to more than one or conflicting interpretations, then the interpretation which is most nearly in accord with the general purposes and objectives of this Declaration shall govern.

Section 5. Omission. If any punctuation, word, clause, sentence, paragraph, or provision necessary to give meaning, validity or effect shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

Section 6. Severability. Invalidation of any one or more of the covenants, restrictions, conditions, or provisions contained in this Declaration, or any part hereof, shall in no way affect any of the other covenants, restrictions, conditions, or provisions, contained herein, which shall remain in full force and effect.

Section 7. Captions. The article and section headings are intended for convenience only and shall not be given any substantive effect.


IN WITNESS WHEREOF, the undersigned has executed this Declaration to be effective as of the 25th day of JULY, 2003.

DECLARANTS:

BBK Construction Company, a Texas Corporation


Bradley K. Banhagel, President


Bradley K. Banhagel


Melissa Banhagel


William Tervay



Linda Tervay

ACKNOWLEDGEMENT

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 25TH day of JULY, 2003, by Bradley K. Banhagel, individually and as President of BBK Construction Company, Inc., a Texas Corporation, Melissa Banhagel, William Tervay, and Linda Tervay.


Notary Public in and
for the State of Texas

