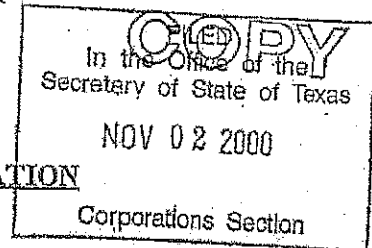


ARTICLES OF INCORPORATION
OF
AVALON TERRACE HOMEOWNERS ASSOCIATION



ARTICLE ONE

The name of the Corporation is Avalon Terrace Homeowners Association, Inc.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The specific and primary purposes for which the Corporation is organized and formed under the laws of the State of Texas are (i) the collection, expenditure and management of maintenance assessments provided for in any Declaration of Covenants, Conditions and Restrictions as amended from time to time ("Declaration"), to which a planned residential development in Harris County, Texas, known as Avalon Terrace is subject, (ii) the enforcement of the declaration, (iii) providing for the maintenance, preservation and architectural control within Avalon Terrace as set forth in the Declaration, (iv) operating, maintaining and improving the Common Area (as defined in the Declaration), and (v) the general overall supervision of all of the affairs of such development and the promotion of the general welfare of the residents within Avalon Terrace.

ARTICLE FIVE

The street address of its initial Registered Office, and the name of its Registered Agent at this address is as follows:

John C. "Jack" Rose
Lin Development, L.L.C.
13101 Northwest Freeway, Suite 312
Houston, Texas 77040

ARTICLE SIX

The number of initial Directors is three (3). The names and addresses of the initial Directors are:

David Orlando
13101 Northwest Freeway, Suite 312
Houston, Texas 77040

Gary Romer
13101 Northwest Freeway, Suite 312
Houston, Texas 77040

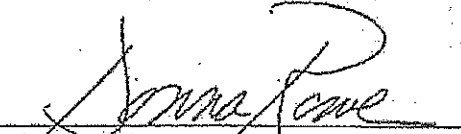
John C. (Jack) Rose
13101 Northwest Freeway, Suite 312
Houston, Texas 77040

ARTICLE SEVEN

The name and address of the incorporator is:

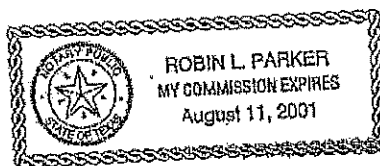
Donna Rowe
13101 Northwest Freeway, Suite 312
Houston, Texas 77040

IN WITNESS WHEREOF, I have hereunto set my hand this 31 day of October, 2000.


DONNA ROWE

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me this 31 day of October, 2000, by DONNA ROWE, to which witness my hand and seal of office.



Notary Public in and for the State of Texas

Alamo Title 28

532-55-1847

OF # 00-40500463

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

U414133

FOR AVALON TERRACE

AFTER RECORDING RETURN TO

Alamo Title Company

Title Agency Division - GALLERIA OFFICE

6251 Westheimer, Ste 200

Houston, Texas 77056

THE STATE OF TEXAS §

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS §

05/30/00 201261880 U414133

055.00

THIS DECLARATION, made on the date hereinafter set forth:

WITNESSETH:

WHEREAS, Lin Development, L.L.C., a Texas limited liability company, is the owner of that certain real property situated in Harris County, Texas, more particularly described as Avalon Terrace, a subdivision of 7 lots consisting of 7 residential units, the map or plat of which is recorded under Film Code No. 436101 in the Map Records of Harris County, Texas; and

WHEREAS, Declarant has caused the Property (as hereinafter defined) to be developed as a planned residential development known as Avalon Terrace; and

WHEREAS, it is the intent of Declarant by this Declaration to provide and adopt a general and uniform plan or scheme of covenants, easements, restrictions and conditions designed to govern and control the development, improvement, sales, use and enjoyment of the Property, and each portion thereof, as a planned Unit residential development and to enhance and protect the value, desirability and attractiveness of the development for residential purposes.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declarant hereby declares, establishes, adopts and reserves the covenants, restrictions, reservations, conditions, easements and liens set forth below (collectively, the "Restrictions"), with respect to the Property, including the use, development, improvement, sale and rental of the Property. The Restrictions shall be appurtenant to the Property and shall constitute covenants running with and binding upon the Property and each portion thereof and upon each person having or acquiring any right, title or interest in and to the Property or any part thereof. Each contract, deed or other instrument hereafter executed and delivered covering the Property, or any portion thereof or any interest therein, shall be held to have been executed, delivered and accepted subject to the Restrictions, regardless of whether or not the Restrictions are referred to or incorporated by reference in said contract, deed or other instrument. Each Owner (hereinafter defined), by virtue of the acceptance or ownership of a Unit (hereinafter defined), assumes and agrees to be bound by the Restrictions as of the time such person becomes an Owner, whether or not such assumption and agreement is set forth in the deed or other title instrument in favor of such Owner.

AFTER RECORDING RETURN TO

Alamo Title Company

Title Agency Division - GALLERIA OFFICE

6251 Westheimer, Ste 200

Houston, Texas 77056

1

ARTICLE I.

DEFINITIONS

Section 1. "Architectural Control Committee" or "Committee" is defined in Article VII.

Section 2. "Association" shall mean the Avalon Terrace Homeowners Association, a Texas non-profit corporation, the Members of which shall be Owners of the Units.

Section 3. "Board" shall mean and refer to the Board of Directors of the Association.

Section 4. "Common Area" shall mean that portion of the Property owned by the Association for the common use and enjoyment of the Members of the Association and shall include, but is not limited to, all trees, landscaping, sprinkler systems, pavements, private streets, pipes, wires, conduits, and other public utility lines situated thereon.

Section 5. "Declarant" shall mean and refer to Lin Development, L.L.C., a Texas limited liability company, its successors and assigns, including, but not limited to, any person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which acquires all or substantially all of the Lots then owned by Declarant (or its subsequent successors in interest), together with their rights hereunder, by conveyance or assignment from Declarant, or by judicial or nonjudicial foreclosure, for the purpose of development and/or construction and/or marketing of the Units.

Section 6. "Driveway Easement" shall mean that reciprocal access easement described in Article XI, Section 3 and as shown on the map or plat recorded under Film Code No. 436101 in the Map Records of Harris County, Texas.

Section 7. "Election Date" shall mean the earliest of the dates when (i) Declarant shall have sold all of its Units; (ii) ten years have lapsed from the date of recordation of these Restrictions; or (iii) Declarant by written notice to the Board notifies the Board of its election to cause the Election Date to occur.

Section 8. "Lienholder" shall mean the holder of a first lien mortgage on any Lot in the development.

Section 9. "Lot" is any parcel of the Property on which there is built or to be built one or two Units, and which if two (2) Units, will be conveyed by metes and bounds to an Owner for his use as a residence.

Section 10. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 11. "Owner" shall mean each person or entity who owns record title to a Unit.

Section 12. "Property" shall mean that certain real property situated in Harris County, Texas, described more particularly as Avalon Terrace, a subdivision of 7 lots consisting of 7 residential units, the map or plat of which is recorded under Film Code No. 436101 in the Map Records of Harris County, Texas.

Section 13. "Unit" shall mean a detached or attached single family residential dwelling constructed on a Lot.

ARTICLE II.

PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) The right of the Association to make, publish and enforce reasonable rules and regulations for the use of the Common Area and any facilities situated thereon, including but not limited to the use and maintenance of the Common Area, and the right of the Association to contract for exclusive services such as water, sanitary sewage, trash collection and landscape maintenance to each Lot.

(b) The right of the Association to suspend the right to use of the facilities owned by the Association, excluding domestic water, by a Member and its tenants, guests, and invitees for any period during which any assessment against his Unit remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its adopted rules and regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless (i) an instrument of agreement to such dedication or transfer, signed by Members holding two-thirds (2/3) of the votes is properly recorded in the Deed Records of Harris County, Texas and (ii) written notice of proposed action under this provision is sent to every Owner and lienholder not less than ten (10) days, nor more than fifty (50) days in advance of said action.

(d) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof and to mortgage said property, and the rights of such mortgagee in said property shall be subordinate and inferior to the rights of the Owners hereunder.

Section 2. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Unit. The Owners hereby covenant that any lease executed on a Unit shall be in writing and contain provisions binding any lessee thereunder to the terms of these Restrictions, the By-Laws of the Association, and the rules and regulations applicable to the Property and further providing that noncompliance with the terms of the lease shall be a default thereunder.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, subject to any encumbrances or other matters then of record which do in fact cover or affect the Property or any part thereof. The Common Area shall remain undivided and shall at all times be owned by the Association or its successors, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Area.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who is an Owner of a Unit, including Declarant and contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership per Unit. Membership shall be appurtenant to and may not be separated from any ownership of any Unit. Ownership of such Unit shall be the sole qualification for membership, and such membership shall automatically terminate when such ownership ceases. Any mortgagee or lienholder who acquires title to any Unit which is a part of the Property, through judicial or non-judicial foreclosure or by deed in lieu of foreclosure, shall be a Member of the Association.

Section 2. Classes of Voting. The Association shall have two classes of voting membership, as follows:

Class A. Class A Members shall be all Owners, with the exception of the Class B Member until the Election Date, and shall be entitled to no votes until the Election Date. From and after the Election Date, each Class A Member shall be entitled to one (1) vote for each Unit owned. If there is more than one (1) Owner of the Unit, then such Owners shall designate one of their number as the Member of the Association, which designation shall be made in writing to the Board. After an owner is so designated, the Board shall have the right to rely on such designation until a written notice revoking such appointment is received by the Board. Any such Owners may designate the Member from among themselves in any manner they deem fit, and in the event that such Owners are unable to agree upon one of their number to be designated as the Member of the Association, then none of such Owners shall have any votes, fractional or otherwise, in the Association.

Class B. The sole Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Unit owned, provided that the Class B membership shall cease and be converted to Class A membership on the Election Date.

Section 3. Suspension. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in excess of thirty (30) days in the payment of any assessment duly established pursuant to Article IV hereof, or is otherwise in default hereunder or under the By-Laws or Rules and Regulations of the Association.

ARTICLE IV.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessment. Each Owner within the Property by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the applicable Unit and shall be secured by a continuing lien upon such Lot against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees, shall be the joint and several personal obligation of the person(s) who was Owner of such Unit at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them; however, except as otherwise provided herein, the lien shall remain in full force and effect as to any amounts owing with respect to such Unit.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement, operation, administration, management, repair and maintenance of the Property, the Common Area and services and facilities relating to the use and enjoyment thereof and the Units situated thereon, and for the enforcement of these Restrictions. Assessments shall include, but are not limited to, funds to cover actual Association costs for repairing and maintaining the Driveway Easements, all taxes, insurance, repair, replacement and maintenance of the Common Area as herein authorized or as may from time to time be authorized by the Board, and the cost of other facilities and service activities including, but not limited to, mowing grass, caring for the walkways, grounds, sprinkler system, landscaping, garbage pickup areas, and other charges required by these Restrictions or that the Declarant or Board shall determine to be necessary to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair and maintenance of the Driveway Easements, and replacement of those elements that must be replaced on a periodic basis, taxes and other charges as specified herein. The judgment of the Declarant or Board in establishing annual assessments, special assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

Section 3. Basis and Maximum of Annual Assessments.

(a) Until January 1, 2001, the maximum annual maintenance assessment for each Unit shall be Two Thousand One Hundred Sixty and No/100 Dollars (\$2,160.00) per annum, payable in equal monthly installments.

(b) From and after January 1, 2001, the maximum annual assessment may be increased, effective January 1 of each year, without a vote of the membership to an amount not to exceed one hundred twenty percent (120%) of the prior year's annual assessment.

(c) From and after January 1, 2001, the maximum annual assessment may be increased above the assessment established in Section 3(b) above, provided that any such change shall have the assent of Members holding two-thirds (2/3) of the votes as a meeting duly called for this purpose. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident of consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) After consideration of current maintenance costs and future needs of the Association, the Board may levy the annual assessments at an amount not in excess of the maximum permitted in subparagraph (c) above.

Section 4. Special Assessments for Working Capital Fund, Nonrecurring Maintenance and Capital Improvements. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to the year only, for the purpose of (i) defraying, in whole or in part, the cost of any nonrecurring maintenance; (ii) the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon the Common Area and Driveway Easements, including the necessary fixtures and personal property related thereto; or (iii) enabling the Board to carry out the functions of the Association hereunder, provided that any such assessment shall have the assent of Members holding two-thirds (2/3) of the votes at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting and shall set forth the purposes of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of the votes of the entire membership shall constitute a quorum. If the required quorum is not present, another meeting may be called from time to time, and not subject to the same notice requirement, and the required quorum shall be more than one-half (1/2) of the required quorum at the preceding meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rates of Assessment. Except as provided herein, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis (i.e. 1/12th of the annual assessment on each Lot each month). Neither the Declarant nor the Association shall be subject to payment of annual or special assessments, except Declarant shall pay one-quarter of the monthly assessment for any Unit owned by Declarant, commencing thirty (30) days after completion of the Unit on such Unit until sold by Declarant.

Notwithstanding the provisions of this Section 6 above, the Declarant may loan to the Association the difference, if any, between the Association's actual operating expenses for the Property and the total assessments due as herein provided until such time as all of the Lots are occupied. Any such loan shall bear interest at a reasonable rate, and be repayable on reasonable terms, all to be determined by the Board.

Section 7. Date of Commencement and Due Date of Annual Assessments. The annual assessments provided for herein shall commence as to all Units no later than the first day of the month following the conveyance of the first Lot sold. The first annual assessment shall be prorated according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Unit in the last calendar quarter of each year. At least thirty (30) days in advance of such annual assessment becoming due, notice of each annual assessment shall be sent to every Owner subject thereto. Assessments shall be due and payable monthly, in advance, on the first day of each calendar month during the year for which such assessment has been assessed, or as otherwise directed by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid.

Section 8. Effective of Nonpayment of Assessment and Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment may bear interest from the due date until paid at the maximum non-usurious rate of interest per annum or at such lesser rate of interest as fixed by the Board. The Association shall have authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by duly adopted resolutions. The Association shall also be entitled to attorneys' fees and other costs of collecting delinquent assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. In order to secure payment of the assessments with respect to each Unit, a vendor's lien and superior title to such Lot shall be and is hereby reserved to the Association. As additional security for payment of the assessments, each Owner of a Unit, by such party's acceptance of a deed thereto, hereby grants the Association a contractual lien on such Lot, which lien may be foreclosed either through appropriate judicial proceeding by the Association or by public sale without judicial proceedings. Without limitation, each Owner, by virtue of acceptance or ownership of a Unit, irrevocably grants to the Association a power of sale so that the lien securing payment of the unpaid sums required to be paid by this Declaration may be foreclosed at public sale upon compliance with Section 51.002 of the Texas Property Code (or any successor statute), as the same may be amended from time to time. Whenever the Association proceeds with non-judicial foreclosure pursuant to the provisions of Section 51.002 of the Texas Property Code (or any successor statute) and said power of sale, it shall designate in writing a nominee or 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 by means of a written instrument executed by the President or any Vice-President of the Association and filed for record (either before or following any action by such trustee) in the Official Public Records of Real Property of Harris County, Texas. If the Association has determined non-judicially to foreclose the lien provided herein pursuant to the provisions of Section 51.002 of the Texas Property Code (or any successor statute) 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 no less than twenty-one (21) days before the date on which said sale is scheduled by posting such notice through the United States Postal Service, postage prepaid, registered or certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. If required by law, the Association or trustee shall cause a copy of the notice of trustee's sale to be recorded in the Official Public Records of Real Property of Harris County, Texas. Out of the proceeds of such sale, there

first shall 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 in default; and third, any remaining balance shall be paid to the person or persons legally entitled thereto. Following any such foreclosure, each occupant of any such Unit 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 lawful means, including a judgment for possession, an action of forcible detainer, and the issuance of a writ of restitution thereunder. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing same. Each Owner, by virtue of acceptance of ownership of a Unit, hereby expressly vests in the Association, and its agents, the right and power to bring all actions against the Owner personally in Harris County, Texas, or elsewhere as the Association may elect, for the collection of unpaid assessments as debt. In addition to the remedy of foreclosure of the lien hereby retained and all other rights and remedies available at law or otherwise, in the event of nonpayment by any Owner of such Owner's Assessment for in excess of thirty (30) days after the due date, the Association may, acting through the Board, pursue any or all of the following remedies:

(a) The Association may, without prior notice or liability to the nonpaying Owner, publish in appropriate newsletters or other publications, information concerning the nonpaying Owner and the amount and time of delinquency; and

(b) The Association may, without prior notice or liability to the nonpaying Owner, notify such Owner's lenders, any credit bureau or other credit sources or any title company, or may file an appropriate claim of public record.

(c) The Association may, without prior notice or liability to the nonpaying Owner, terminate any services provided for such Owner and funded from the annual or special assessments.

Section 9. Subordination of the Lien to Mortgages. The lien securing the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages, with the exception of liens created pursuant to Section 50(a)(6), Article XVI, of the Texas Constitution, granted or created by the Owner of any Unit to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Lot. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to a foreclosure under such purchase money or improvement mortgages, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien for any such assessments due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The Common Area and all properties dedicated to, and accepted by, a local public authority shall be exempt from the assessments created herein, except no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V.

MANAGEMENT AND OPERATION OF PROPERTY

Section 1. Management by Association. The affairs of the Property shall be administered by the Association. The Association shall have the power to provide for the maintenance, repair, replacement, administration, insuring and operating of the Property pursuant to this Declaration, the By-Laws and the rules and regulations applicable to the Property and to perform such other acts as may be reasonably necessary in the operation of the Property so long as such actions are not inconsistent with the terms of this Declaration. Without limiting the generality of the foregoing, the Association, acting with authorization of the Board, shall be entitled: (a) to enter into such agreements concerning the Property as the Board deems reasonably necessary or appropriate to maintain and operate the Property as a viable residential development, including, without limitation, the right to grant utility and other easements with respect to the Property, or portions thereof, for uses the Board shall deem appropriate and the right to enter into agreements for cable television service to the Property; (b) to enter into such agreements with adjoining or nearby land owners, associations or entities representing such landowners or others, with respect to matters of maintenance, trash pick-ups, repair, administration, security, traffic, or other matters of mutual interest; (c) to make rules and regulations relating to parking, flow, on-street parking, traffic and other uses of drives within the Property; (d) to regulate noise within the Property, including, without limitation, the right to require mufflers on engines and to prohibit the use of devices producing excessive noise; and (e) to assume such other obligations and/or responsibilities of the operation and maintenance of the Property as the Association, in its sole discretion, shall so decide. The rights, powers and duties of the Association set forth in this Declaration shall be exercised by the Board or its designees. Any and all management agreements entered into by the Association shall be reviewed on an annual basis.

Section 2. Number and Election of Board. The number, term and election of the Board of Directors shall be as determined in the Articles of Incorporation and By-Laws of the Association.

Section 3. Initial Board of Directors: Election of First Board. As of the date of this Declaration, the initial Board shall be composed of Gary Romer, John C. (Jack) Rose, and David Orlando. The Declarant may fill vacancies on the Board until the Election Date. Such initial Board shall serve until the first Board is elected by the Members. The election of the first Member-elected Board shall be held in accordance with the By-Laws upon the Election Date. After the Election Date, the members of the Board shall be elected as set forth in the By-Laws.

Section 4. Meeting of the Board of Directors. The Board shall meet as set forth in the By-Laws.

Section 5. Powers and Duties of the Board. The Board, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the By-Laws of the Association:

- a. To execute all declarations of ownership for tax assessment purposes with regard to the Common Area on behalf of all Owners.

532-55-1896

- b. To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board sees fit.
- c. To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.
- d. To protect or defend the Common Area from loss or damage by suit or otherwise and to provide adequate reserves for replacements.
- e. To enter into contracts for exclusive services such as water, sanitary sewage, and trash collection.
- f. To make reasonable rules and regulations for the operation of the Common Area and to amend them from time to time. The rules and regulations may provide for limitations on use of common recreational areas during certain periods by youthful persons, visitors or otherwise.
- g. To make available for inspection by Owners within ninety (90) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.
- h. To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost Property. If insurance proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.
- i. To enforce the provisions of these Restrictions and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.
- j. To delegate the duty to collect assessments provided for herein and to pay for such service.

Section 6. Board Actions in Good Faith. Neither the board nor any member or agent thereof shall be or become liable to the Association, its Members or any other party with respect to any action or inaction made or taken in good faith.

ARTICLE VI.

INSURANCE REQUIREMENTS

Section 1. Fire and Extended Coverage. Each Owner shall be required to furnish annually to the Association, and to the complete satisfaction of the Board, proof of insurance coverage on his Unit by a reputable insurance company acceptable to the Association and licensed to do business in the State of Texas, in an amount equal to the full insurable replacement cost of the Unit as determined annually by the Board, affording protection against loss or damage from fire or other hazards covered by the standard extended coverage policy. The ownership of the Units also includes

private ownership of any fence surrounding the lot. The Owner's insurance shall also provide coverage against damage or destruction of any fence appurtenant to such Unit. Should an Owner fail to provide adequate proof of insurance coverage as herein provided, the Association shall have the authority to purchase such coverage. Premiums for any insurance obtained by the Association on individual Units shall not be a part of the common expense but shall be a debt owed by the Owner of said Unit and shall become part of the assessments payable by said Owner and collectible as such as herein provided. Each Owner and the Association agree to and hereby waive all rights or subrogation against the Declarant they may have now or in the future under any property insurance policies.

Section 2. Fire or Casualty: Rebuilding. In the event of a fire or other casualty causing damage or destruction to a Unit, then the Owner of such damaged or destroyed Unit shall thereupon speedily repair or reconstruct the damaged portion of such Unit substantially in accordance with the plans and specifications therefor, or as the Architectural Control Committee may otherwise approve. Such repairs or reconstruction shall be commenced within thirty (30) days after the casualty causing the damage or destruction and shall be pursued diligently until the Unit is repaired or rebuilt in as good a condition as prior to such damage or destruction. In the event such Owner fails or refuses to repair or reconstruct the damaged portion of such Unit as set forth herein, the Association is hereby authorized, but shall have no obligation, to undertake to rebuild or repair the Unit and assess said Owner for the cost of such repair or replacement, plus interest thereon at the maximum non-usurious rate of interest per annum until paid. Such assessment shall become the personal obligation of said Owner and a lien against such Owner's Unit, and shall be enforceable as if it were an annual assessment as herein provided. Each Owner shall be responsible for the reconstruction, repair and replacement of all personal and other property in or a part of such Owner's Unit. Each Owner shall be responsible for any costs not otherwise covered by insurance carried by the Association and caused by or resulting from such Owner's negligence or misuse or by the negligence or misuse of his immediate family, invitees or his agents or employees in the course of their duties, and, to the extent not covered by insurance proceeds collected by the Association, each Owner, by virtue of acceptance or ownership of a Unit, indemnifies the Association and all other Owners against any such costs.

In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association (including insurance on individual Units as provided above), the Board shall, upon receipt of the insurance proceeds contract to rebuild or repair such damaged or destroyed portions of the property as to good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board, or by an agent duly authorized by the Board. The Board may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Board shall levy a special assessment against all Owners of the damaged Units in such proportions as the Board deems fair and equitable in the light of the damage sustained by such Units to make up any deficiency, except that the special assessment shall be levied against all Unit Owners, as provided herein, to make up any deficiency for repair or rebuilding of the

Common Area not a physical part of a Unit. In the event that such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be paid over the respective mortgagees and Owners of the damaged Units in such proportions as the Board deems fair and equitable in the light of the damage sustained by such Units.

Section 3. Mechanical Gate and Perimeter Fence. The Declarant and the Association reserve the right, but are under no obligation, to arrange for the utilization of an unmanned mechanical gate at the entrance to the Property. The Declarant and the Association hope that any such gate and private street concept would discourage undesired and unauthorized vehicular traffic within the Property and foster a higher degree of peace and tranquility. The Declarant and the Association also reserve the right, but are under no obligation, to have the Property encompassed by a perimeter fence that Declarant and the Association hope would restrict pedestrian traffic into, within or out of the Property.

Although the Declarant and the Association reasonably believe that, if utilized, the existence and visibility of controlled access points may discourage the commission of criminal acts (e.g., burglary, theft, etc.) within the Property, nevertheless neither the Declarant nor the Association warrant or guarantee that: (a) any fence and/or gate arrangements would be sufficient and adequate to diminish or eliminate the commission of crimes against persons or property; and (b) such acts will not be attempted or actually occur within the Property. These arrangements would not be designed or intended to replace the conventional police and fire protection and paramedical services available from the City of Houston.

The Association will seek to carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by employees, members or authorized representatives of the Association. The Association will not carry any insurance pertaining to, nor does it assume any liability or responsibility for, the real or personal property of the Owners and Members (and their respective family members and guests).

Each Owner and Member expressly understands, covenants and agrees with the Declarant and the Association that:

- (a) Neither Declarant nor the Association has any responsibility of any kind nor character whatsoever regarding or pertaining to the real or personal property of each Owner and Member;
- (b) Each Owner and Member shall, from time to time and at various times, consult with reputable insurance industry representatives of each Owner and Member's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Owner and Member covering his or her real and personal property;
- (c) Each Owner and Member releases and holds Declarant and the Association harmless from any liability, claims, causes of action or damages of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of any fence or gate system and Driveway Easement within the Property, including without limitation the functioning (whether mis- or non-) or maintenance of any mechanical gate access devices;

(d) Each Owner and Member will cooperate with Declarant and the Association in connection with the establishment, evolution and maintenance of reasonable controls on the pedestrian and vehicular traffic into and within the Property and abide by any and all rules and regulations of the Association, as adopted and promulgated from time to time, related to the entry upon and use of any Driveway Easement and Common Area within the Property.

ARTICLE VII.

ARCHITECTURAL CONTROL

Section 1. Designation of Committee. The Architectural Control Committee shall consist of three (3) members who shall be natural persons appointed by the Board. Any and all members of such Committee may be removed by the Board without cause. Such Committee shall act by majority vote of the members thereof.

Section 2. Function of Architectural Control Committee. No building, fence, wall or other structure or improvement shall be commenced, erected or maintained upon any Unit, or upon the patio or garage used in connection with any Unit, after the purchase of any Unit from Declarant, its successors or assigns, nor shall any exterior addition to or change or alteration thereof be made until the plans and specifications showing the nature, color, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by an Architectural Control Committee.

Section 3. Content of Plans and Specifications. The plans and specifications to be so submitted and approved shall include the following:

- a. A plot plan showing the location of all improvements, structures, walks, driveways, fences and Unit corners and the corners of proposed improvements. Unit drainage provisions shall be indicated as well as cut and fill details if any appreciable change in the lot contours is contemplated;
- b. Exterior elevations;
- c. Exterior materials, colors, textures and shapes;
- d. Structural design;
- e. Landscaping plan, including walkways, fences and walls, elevation changes, sprinkler systems, vegetation and ground cover;
- f. Parking area and driveway plan;
- g. Any screen, including size, location and method;
- h. Any exterior illumination, including location and method;

- i. Fire protection system, if required;
- j. Mailboxes, if any; and
- k. Any additional plans, specifications, or other information requested by the Committee.

Section 4. Basis of Approval. Approval of plans and specifications shall be based, among other things, on adequacy of site dimensions, structural design, conformity and harmony of external design, materials, and location with neighboring structures and sites, relation of finished grades and elevations to neighboring sites, quality of workmanship and materials, and conformity to both the specific and general intent of these Restrictions.

Section 5. Variances. In case of special size or shape of site or condition of terrain or change of circumstances arising from either advances in technology or other unforeseen developments resulting in the need for such action in order to accomplish the original purposes of these Restrictions, the Committee may, in its discretion, permit such variances or exceptions as it deems necessary or desirable.

Section 6. Failure of the Committee to Act. The Committee shall approve or disapprove such plans and specifications or reject them as being inadequate within thirty (30) days after receipt thereof. If plans and specifications are not sufficiently complete or are otherwise inadequate, the Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

Section 7. Limitation of Liability. Neither the Declarant, the Committee nor any of the members of such Committee shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or to disapprove any plans and specifications.

ARTICLE VIII.

EXTERIOR MAINTENANCE

Section 1. Owner's Exterior Maintenance. Each Owner shall maintain and repair the exterior portion of such Owner's Unit in good condition using substantially the same material, paint, stain, color and quality of workmanship as the original construction, unless otherwise approved in writing by the Association. The exterior portion of a Unit includes, without limitation, exterior building surfaces, roofs, gutters, downspouts, enclosed patio areas, outside doors, glass doors, window and door fixtures and hardware, and window panes and any walks or driveways located on the Lot upon which such Unit is constructed and any fence surrounding the Unit. Further, each Owner shall be obligated to maintain the grass, shrubs, trees and other landscaping, if any, located on such Owner's Unit as well as the drainage facilities for such Owner's Unit, or lying between and adjoining such Owner's Unit and the paved section of the street (i.e.: within the City of Houston

right-of-way) and the drainage facilities for such Owner's Unit whether located on such Owner's Unit or within the Common Area.

Section 2. Owner's Utility Line Maintenance. The Owner shall maintain and keep in repair the following equipment and lines located outside the Unit: air conditioning compressor condenser, including pipes and electrical lines connecting same to the Unit, sanitary sewer line connecting the Unit to the sanitary sewer, electric, natural gas, and/or telephone services lines located on the Lot but not maintained by the electric, gas and/or telephone companies; provided, however, that any lines, pipes, wire, conduits or systems running through a Unit which serve one or more Units and which are not maintained by any utility company, shall be operated, repaired and maintained by the Association, and shall not be distributed or relocated by an Owner without the written consent and approval of Declarant or the Board. An Owner shall do no act nor any work that will impair the structural soundness or integrity of any Unit or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners.

Section 3. Association's Maintenance. Except when caused by the acts or omissions of an Owner, the Association shall be obligated to maintain the Driveway Easements, landscaping within the Common Area and all facilities located within the Common Area, except drainage facilities. Other than as specifically set forth in these Restrictions, the Association shall have no duty or obligation to maintain, repair or insure any portion of the Property or otherwise expend funds for the benefit of the Owners of Units.

Section 4. Neglect of Owner. In the event that the necessity of maintenance or repair is caused by a negligent act of the Owner, his family, or guests, invitees, employees or agents, the cost of such maintenance or repair shall be added to and become a part of the assessment of the offending Owner to which such Unit is subject.

Section 5. Authority of Association. In the event an Owner shall fail to maintain the premises and improvements situated on such Owner's Unit in a manner satisfactory to the Board, the Association shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Unit and any improvements erected thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Unit is subject.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Units upon the Property and placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply hereto. If a wall which is intended as a party wall is situated entirely or partly on one Unit building Lot instead of on the dividing line between Unit building Lots, due to error in construction, such wall shall nevertheless be deemed to be on the dividing line

and shall constitute a party wall for the purpose of this Article. Reciprocal easements shall exist upon and in favor of the adjoining Unit building Lots for the maintenance, repair and reconstruction of the party walls. The principles of this Article shall also apply to party fences separating adjoining Lots.

Section 2. Sharing of Repair and Maintenance. Cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall equally.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such constructing Owner to call for a larger contribution from the others under any rule regarding liability for negligent or willful acts or omissions.

Section 4. Right to Contribution Runs With Land. The right of contribution referred to under this Article shall be a burden upon and appurtenant to the Property and shall pass to such Lot Owner's successors in title.

Section 5. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all three arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor, the Board shall select an arbitrator for the refusing party or parties.

ARTICLE X.

USE RESTRICTIONS

Section 1. Residential Use. Except for Common Area facilities, the Property is hereby restricted to residential dwellings for residential use only. Only one family may reside in each Unit. Except as provided herein, the Common Area shall not be used for any commercial purposes. All buildings or structures erected upon said Property, except for the Common Areas shall be of on-site construction and no buildings or structures shall be moved from other locations onto said Property and no subsequent buildings or structures other than Units shall be constructed. No structures of a temporary character, including trailers, motor vehicles, tents, shacks, or other out-buildings may be used on any portion of said Property at any time as a residence, either temporarily or permanently.

Section 2. Freehold Estate. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof.

Section 3. Use by Declarant. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant or the builder of said Units to maintain, during the period of construction and sale of said Units, upon such portion of the Property as Declarant deems necessary, such facilities as in the sole opinion of the Declarant may be reasonably

required, convenient or incidental to the construction and sale of said Units, including, but without limitation, a business office, storage area, construction yards, model units and sales office.

Section 4. Animals. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any of said Units, except that a total of two (2) dogs, cats or other common household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes.

Section 5. Signs. No advertising signs (except not more than one (1) five square foot "for rent" or "for sale" signs per Lot), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on said Property, nor shall said Property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Unit or any resident thereof. Declarant, however, shall have the sole right to place identifying signs of any size at each entrance to the Property. The Board reserves the right to approve the design and wording of all signs, and reserves the right to enter in and upon any Unit for the purpose of removing any sign being maintained thereon which has not been approved and shall not be liable to any person or persons for any damages of whatever nature in doing so in a reasonable manner. No business activities of any kind whatsoever, whether part time or full time, shall be conducted in any Unit or in any portion of said Property; provided, however, the foregoing covenants shall not apply to the business activities, signs, and billboards, or the construction and maintenance of buildings, if any, of Declarant, its agents and assigns during the construction and sale period, or of the Association as incorporated or to be incorporated under the laws of the State of Texas, its successors and assigns, in furtherance of its powers and purposes as herein set forth, and further provided that an Owner may use his Unit for professional or other home occupations so long as there is no external evidence thereof (such as consultation in person with clients or customers at the Unit).

Section 6. Garbage. All rubbish, trash, and garbage shall be kept in clean and sanitary containers within the areas designated by the Association for collection purposes. Other than on the day of trash pick-up, no trash cans or garbage cans shall at any time be permitted to remain on the street or where same can be seen from the street. No Unit shall be used or maintained as a dumping ground for trash.

Section 7. Landscaping. No planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said Property except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Architectural Control Committee. Except for the right of ingress and egress, the Owners of the Units are hereby prohibited and restricted from using any of said Property outside their respective Units, except as herein provided or as may be allowed by the Board. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners of Units in the Property and is necessary for the protection of said Owners.

Section 8. Antennas. Without prior written approval of the Board, no exterior television or radio antennas or satellite dishes more than one meter in diameter shall be placed, allowed or maintained upon any portion of the Property, other than an aerial for a master antenna system for the Property, should any such master system or systems be utilized by the Association and require any such exterior antenna. The Association and/or the Committee shall have the right to designate the location of all satellite antenna or dishes.

Section 9. Storage of Vehicles. No outdoor parking space on the Property shall, without written permission of the Association, be used for storage of campers, boats, trailers, unused or inoperable automobiles or any other items which the Association deems unsightly or inappropriate, and all outdoor parking spaces shall be used by Owners subject to the rules and regulations of the Association.

Section 10. Nuisance. No noxious or offensive activity shall be carried on upon any Unit or the Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other Owners. No repair work, dismantling or assembling of motor vehicles or any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street, or in the Common Area.

Section 11. No Further Subdivision. No Lot shall be further subdivided and separated into smaller lots, and no portion less than all of any Unit shall be transferred or conveyed.

Section 12. Leasing. Units may be leased solely for residential purposes and only for periods in excess of thirty (30) days. Every lease shall provide that the tenant shall be bound by and subject to this Declaration. The Owner making such lease shall not be relieved from any of such obligations.

ARTICLE XI.

EASEMENTS

Section 1. Minor Encroachments. Each Unit and the Property included in the Common Area shall be subject to an easement for minor encroachments created by construction, settling, overhangs, brick ledges, balconies, fences, air conditioning equipment, or other protrusions designed or constructed by Declarant and for the maintenance (if any) of same, so long as it stands, and shall and does exist. In the event any Unit is partially or totally destroyed and then rebuilt, the Owners agree that minor encroachments onto parts of the Unit Lots adjacent to the Unit so affected or Common Areas due to construction or repairs shall be permitted and that a valid easement for such encroachment and the maintenance thereof shall exist.

Section 2. Blanket Easement. There is hereby created a blanket easement upon, across, over and under the Property for ingress, egress, installation, examination, replacing, repairing, providing, and maintaining all utilities servicing the Property, including but not limited to water, sewer, gas, telephone and electrical, a master/cable television antenna system, and HVAC units. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on said Property and to affix and maintain electrical, cable and/or telephone wires, circuits, meters, and conduits on, above, across and under the roofs and exterior walls of said Units. An easement is, in addition, specifically granted to the United States Post Office Services, its agents and employees to enter upon the Common Area and Lots in the performance of mail delivery or any other United States Post Office services. An easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the Common Area and Units in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company duly selected by the

Association, to enter in or to cross over the Common Area and/or any Unit to perform the duties of maintenance and repair of the Unit or Driveway Easement or Common Area provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Property except as initially planned, programmed and approved by the Declarant owning the portion of said Property affected by said utility installation or location unless thereafter approved by said Declarant or the Board. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant or the Board shall have the right to grant such easement on the portion of the Property owned by it without conflicting with the terms hereof. The easements provided for in this Article XI shall in no way affect any other recorded easement on said premises.

Section 3. Reciprocal Access Easements. Each of the Owners of the Units designated on the the map or plat recorded under Film Code No. 436101 in the Map Records of Harris County, Texas, grants to the Association and all other Owners of the Units ("Easement Grantees"), for the benefit of each of the Easement Grantees, their tenants, successors and assigns, a perpetual non-exclusive access easement allowing free and unobstructed access, including ingress and egress over the portion of the granting Owner's Unit contained with the area of the Property designated as a 28 foot wide Permanent Access Easement (the "Driveway Easement") on the map or plat recorded under Film Code No. 436101 in the Map Records of Harris County, Texas.

The Driveway Easement is appurtenant to and runs with each of the Units. In no event shall any Owner park any vehicle or place another item in such a position as to impede use of the Driveway Easement. The Association is authorized to remove any vehicle or other item which may impede use of the Driveway Easement and assess the Owner responsible therefor for the cost of such removal.

Section 4. Electrical Service. An above ground electronic distribution system will be installed in the Property, which service area embraces all of the Units. This electrical distribution system shall consist of overhead primary feeder circuits constructed on wood or steel poles, single or three phase, as well as primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make electrical service available. In the event that there are constructed within the Property structures containing multiple dwelling units such as duplexes, then the service area embraces all of the dwelling units involved. The Owner of each Unit shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the service cable and appurtenances from the point of electrical 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 Unit. 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 of the Property or by separate instrument or within this Declaration 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 Owner's owned, and installed service wires. In addition, the Owner of

each Unit containing a single dwelling unit shall, at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. The electric service to each dwelling unit shall be uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current. Easements for the electric service may be crossed by driveways, walkways, and patio areas, provided the Declarant or builder makes prior arrangements with the utility company furnishing such service. Such easements for the electrical service shall be kept clear of all buildings and neither Declarant nor the utility company using the easement shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers, driveways, walkways or other improvements of the Owner located on the Property covered by said easements. The Owner will repair damage to driveways and walkways caused by the utility company in connection with its use of the easement.

Section 5. Water Service. A water service and distribution system will be installed in the Property, which service area embraces all of the Units. This water distribution system shall consist of water meters and water lines, and such other appurtenances as shall be necessary to make water service available. In the event that there are constructed within the Property structures containing multiple dwelling units such as duplexes, then the service area embraces all of the dwelling units involved. The Owner of each Unit shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities) the water service lines and appurtenances from the structure to Lot boundary of each Unit. The City of Houston - Water Department's (Water Department) furnishing service shall make the necessary connections at said point of attachment to the meter on the Property. Declarant has either by designation on the plat of the Property or by separate instrument or within this Declaration granted necessary easements to the Water Department providing for the installation, maintenance and operation of its water distribution system and has also granted to the various Owners reciprocal easements providing for access to the area occupied by and centered on the water service lines of the various Owner's owned, and installed service lines. Easements for the water service may be crossed by driveways, walkways, and patio areas, provided the Declarant or builder makes prior arrangements with the Water Department furnishing such service. Such easements for the water service shall be kept clear of all buildings and neither Declarant nor the Water Department using the easement shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers, driveways, walkways or other improvements of the Owner located on the Property covered by said easements. The Owner will repair damage to driveways and walkways caused by the Water Department in connection with its use of the easement.

Section 6. Entrance Gate Easement. Declarant or the Association shall have the right, but no obligation, at its sole option to construct an access gate or facility for monitoring entry into the Property, in which event the Association shall maintain such access gate or facility. Accordingly, there is hereby created in favor of the Declarant and the Association an easement upon, across, over and under the Lots, Common Area and Driveway Easement for ingress and egress, installation, construction, replacing, repairing and maintaining such access gate or facility.

Section 7. Drainage Easement. A drainage system will be constructed upon the Property to provide drainage for the Units. No drainage facilities shall be installed or relocated on the

Property except as initially constructed by Declarant unless approved by the Declarant or the Board. There is hereby created a blanket easement upon, across, over and under the Property for ingress, egress, installation, examination, replacing, repairing, providing, and maintaining such drainage system and the storm sewer facilities.

ARTICLE XII.

GENERAL PROVISIONS

Section 1. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than they otherwise might be. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY, HOWEVER, AND NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY UNITS, TENANTS, GUESTS, AND INVITEES OF ANY OWNERS, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE ARCHITECTURAL CONTROL COMMITTEE DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE ARCHITECTURAL CONTROL COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED; 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 PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY UNIT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, THE ARCHITECTURAL CONTROL COMMITTEE, DECLARANT OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER ASSUMES ALL RISKS FOR LOSS OF DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, THE ARCHITECTURAL CONTROL COMMITTEE, 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, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Section 2. Enforcement. The Association or any Owner shall have the right to enforce, by and proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, or abate, prevent or enjoin any violation or attempted violation hereof, or recover monetary damages caused by such violation or attempted violation. Failure or delay by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or by court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 4. Duration. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Unit subject to this Declaration, their respective legal representatives, heirs, successors, and assigns for a term of twenty (20) years from the date of this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless at the end of the original term or any extension thereof, a document signed by the Owners of not less than ninety percent (90%) of the Units evidencing their desire not to extend is properly recorded in the Real Property Records of Harris County, Texas.

Section 5. Amendment. Declarant reserves, and shall have the continuing right until the Election Date, without the joinder of any Owner, or any other person or entity to amend these Restrictions for the purpose of clarifying or resolving any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors or admissions herein, or to meet any requirements specified by the Veterans Administration, the Federal Housing Administration, the Federal National Mortgage Association, or any other similar secured or guaranteed mortgage agency or authority with an interest in any loan relating to any Unit within the Property.

These Restrictions may also be amended as follows:

- (1) So long as Declarant is a Class B Member of the Association, then the Declarant may amend this document without the approval of any additional Owners or lienholder; or
- (2) By an instrument signed by the Owners of not less than seventy-five percent (75%) of the Units within the Property.

Any amendment must be properly recorded in the Real Property Records of Harris County, Texas. All first lienholders shall be given written notice of (i) any proposed termination of these Restrictions or (ii) any amendment of these Restrictions, or (iii) any proposed election not to extend these Restrictions as herein provided, or (iv) any amendments which would allow the Members to alienate the Common Area without the consent of all the lienholders, or (v) any amendment to change the ratio of assessments against the Owners as herein provided.

Section 6. Lienholder. Anything to the contrary contained herein notwithstanding, all Lienholders have the right to (a) inspect the books and records of the Association during normal

working hours, and (h) receive notice of abandonment or termination of the Association. Approval of Lienholder shall be in accordance with the By-Laws of the Association.

Section 7. Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 8. Extension Beyond Building Lines. In the original construction of Units upon the Property, Declarant expressly reserves the right, in order to facilitate construction and to avoid monotony of design, to extend front, back, or side walls of buildings across building lines, as reflected on the recorded plat, and Declarant reserves the right to convey in fee simple such areas to the Owner of any Unit which extends beyond said building lines.

Section 9. Notice of Condemnation or Eminent Domain. If all or any part of the Common Area or a Unit is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association shall be entitled to participate in proceedings incident to its interest at its expense. The Association shall give timely written notice of the existence of such proceedings to all first mortgagees known to the Association to have an interest in any affected Unit. The expense of participation in such proceedings by the Association shall be paid out of the maintenance assessments. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid it or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association. In no event shall the Association make any pro-rata disbursements to any Owners of such award, without the prior written consent of the first mortgagees. The Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto; or to convey such Common Area to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not for each Owner's interest therein. The Association, if it deems advisable, may call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible the Common Area so taken or damaged.

Section 10. Rules and Regulations. The rules and regulations with respect to the day-to-day maintenance, operation and enjoyment of the Property may be amended from time to time by the Board or seventy-five percent (75%) of the voting Members. The rules and regulations are of equal dignity with, and shall be enforceable in the same manner as, the provisions of this Declaration, but in the event of a conflict, this Declaration shall control. Each Owner, by accepting conveyance or ownership of a Unit, agrees to comply with and abide by the rules and regulations, as the same may be amended from time to time.

Section 11. Result of Conflicting Regulations. These Restrictions shall not permit any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictive covenants of record. In the event of any conflict, the most restrictive provisions of such laws, rules, regulations, restrictive covenants of record, or

these Restrictions shall govern and control. Notwithstanding this section, or anything else contained in these Restrictions to the contrary, in the event that any provision of the Restrictions conflicts with a provision contained in the changed Restrictions, the provision contained in the Changed Restrictions controls.

Section 12. Alternative Dispute Resolution Procedure. The parties agree to mediate in good faith to resolve any dispute under this instrument before filing a suit for damages. Following mediation, all unresolved issues shall be resolved by binding arbitration. Absent an agreement to use other rules, the arbitration will be controlled by the American Arbitration Association's Commercial Arbitration Rules.

Section 13. Attorneys' Fees. Any party subject to this instrument who is the prevailing party in any proceeding, whether it is in negotiation, mediation, arbitration or litigation, against any other party brought under or in connection with this instrument or the subject matter hereof, shall be additionally entitled to recover all costs and reasonable attorneys' fees, and all other related expenses, including deposition costs, arbitrator and mediator fees, travel and expert witness fees from the non-prevailing party.

Section 14. Binding Effect. This instrument shall be binding upon and inure to the benefit of the Declarant, the Association, any Owner or any tenant, invitee, or guest of any Owner and their respective heirs, executors, representatives, successors and assigns where permitted by this instrument.

Section 15. Choice of Law. This instrument shall be subject to and governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this instrument to the laws of another state. Each party hereby submits to the jurisdiction of the state and federal courts in the State of Texas and to venue in Harris County, Texas.

Section 16. Notices. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail, and addressed to the intended recipient at the last known address according to the records of the party delivering the notice. Notice given in any other manner shall be effective only if and when received by the addressee. Any address for notice may be changed by written notice delivered as provided herein.

Section 17. Time. Time is of the essence. Unless otherwise specified, all references to "days" shall mean and refer to calendar days. Business days shall exclude all Saturdays, Sundays, and Texas legal banking holidays. In the event the date for performance of any obligation hereunder shall fall on a Saturday, Sunday, or Texas legal banking holiday, then that obligation shall be performable on the next following regular business day.

Executed this 25 day of May, 2000.

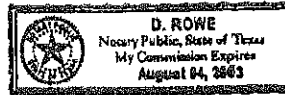
Lin Development, L.L.C.

By: David Orlando
Name: David Orlando
Title: President

This instrument was acknowledged before me on the 25 day of May, 2000, by David A. Orlando, President of Lin Development, L.L.C., a Texas limited liability company, on behalf of said entity.

Notary Public in and for the State of Texas

~~En Development, L.L.C.
13101 Northwest Freeway, Suite 312
Houston, Texas 77040
(713) 460-0264~~



AFTER RECORDING RETURN TO
 Alamo Title Company
 Title Agency Division - GALLERIA OFFICE
 8361 Westheimer, Ste 200
 Houston, Texas 77060

ANY PERSONS WHOSE NAMES APPEAR ON THE ROLL HEREIN, IN CASE OF THE DISCOVERED ROLL, FURNISHING EVIDENCE OF GOLD OR SILVER IN RUDDY AND UNEXPLORED UNDER FEDERAL LAW

THE STATE OF TEXAS }
COUNTY OF HARRIS }

I hereby certify that the material was FILED in the County of Harris on the 14th day of May, 1900, at 10:00 o'clock, A.M., and was duly recorded, in the Official Public Records of said Property of Harris County, Texas on

MAY 30 2000



George A. Hefner
COUNTY CLERK
HARRIS COUNTY TEXAS

FILED
2000 MAY 30 AM 11:06
County Clerk
HARRIS COUNTY
TEXAS