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**DECLARATION OF AMENDED COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

for

GREENBRIAR TOWNHOMES

A HARRIS COUNTY SUBDIVISION

1/11



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DECLARATION OF AMENDED COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
for
GREENBRIAR TOWNHOMES, A HARRIS COUNTY SUBDIVISION

THE STATE OF TEXAS *
 * KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF HARRIS *

WHEREAS, RAYMOND H. KURZON and RONETTE K. KURZON were the sole owners of certain real property in what is now known as Greenbriar Townhomes, a Harris County Subdivision, according to the map or plat thereof recorded under Harris County Clerk's File No. R100947 and Film Code No. 362011 of the Map Records of Harris County, Texas, being a partial replat of Lots 19 through 28 and the northerly 18.50 feet of Lot 29, Block 6, and all of Lots 1 through 4 in Block 7 of Greenbriar Colony Townhouses, a Harris County subdivision according to the map or plat thereof recorded in Volume 295, Page 79 in the Map Records of Harris County, Texas (the "Subdivision"); and

WHEREAS, by that certain instrument entitled "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS" filed of record in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File No. K908562 and Film Code No. 069-67-2474, et seq. (the "Prior Restrictions"), RAYMOND H. KURZON and RONETTE K. KURZON imposed on the Subdivision, all those certain covenants, conditions, restrictions, easements, charges and liens therein set forth; and

WHEREAS, Article X, Section 3 of the Declaration provides the terms of the Declaration can be amended by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Townhouse Tracts in the Subdivision which said instrument must be filed of record in the Official Public Records of Real Property of Harris County, Texas; and

WHEREAS, CHASE LODGE CORPORATION, a Texas corporation (the "Declarant"), the sole owner of all the Subdivision wishes to amend the Prior Restrictions by deleting and replacing same with covenants, conditions, restrictions, easements, changes and liens contained in this instrument, thereby establishing a uniform plan for the further development, improvement and sale of the Subdivision, and thereby ensuring the preservation of such uniform plan for the benefit of both the present and future owners of property within the Subdivision in order to protect and enhance the quality, value, desirability, and attractiveness of the Subdivision.

NOW, THEREFORE, the Declarant hereby amends the Prior Restrictions by deleting the Prior Restrictions in their entirety and replacing same with the following covenants, conditions, restrictions, easements, charges and liens, as follows:

ARTICLE I
DEFINITIONS

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

SECTION 1.1. ANNUAL ASSESSMENT - The assessments levied pursuant to Article IX hereof for managing, maintaining, operating, repairing, and insuring the Common Area, if any, and other purposes set out in this Declaration.

SECTION 1.2. ARTICLES OF INCORPORATION - The Articles of Incorporation of the Association.

SECTION 1.3. ASSOCIATION - TOWNHOUSE ASSOCIATION NO. 2 OF GREENBRIAR COLONY, a Texas non-profit corporation, its successors and/or assigns.

SECTION 1.4. ASSESSMENT OR ASSESSMENTS - An Annual Assessment, a Special Assessment, or a Reimbursement Assessment.

SECTION 1.5. BOARD OR BOARD OF DIRECTORS - The Board of Directors of the Association as elected in accordance with the Articles of Incorporation and the Bylaws.

SECTION 1.6. BYLAWS - The Bylaws of the Association, as same may be amended from time to time.

SECTION 1.7. COMMON AREA - Real property, if any, owned or leased by the Association for the benefit of and for the common use and enjoyment of the Owners of Lots in the Subdivision.

SECTION 1.8. DECLARANT - Shall mean and refer to CHASE LODGE CORPORATION, its successors and assigns so designated in writing by CHASE LODGE CORPORATION. No person or entity merely providing loans to or purchasing one or more Lots from CHASE LODGE CORPORATION shall be considered a "Declarant".

SECTION 1.9. DECLARATION - The covenants, conditions, restrictions, easements, reservations and stipulations that shall be applicable to and govern the improvement, use, occupancy, and conveyance of all the Lots in the Subdivision set out in this instrument or any amendment thereto.

SECTION 1.10. DWELLING UNIT - A residential unit designed for, limited and restricted to, occupancy by a single family on a Lot.

SECTION 1.11. ELECTION DATE - The earliest of the dates when (a) Declarant shall have sold all of its interests in all of the Lots in the Subdivision; (b) ten (10) years have lapsed from the date of recordation of this Declaration; or (c) Declarant by written notice to the

Board notifies the Board of its election to cause the Election Date to occur.

SECTION 1.12. LOTS - Each of the Lots shown on the Plat of the Subdivision.

SECTION 1.13. MAINTENANCE FUND - Any accumulation of the Assessments collected by the Association in accordance with the provisions of this Declaration and interest, penalties, assessments and other sums and revenues collected by the Association pursuant to the provisions of this Declaration.

SECTION 1.14. MAXIMUM ANNUAL ASSESSMENTS - The maximum rate allowed for the Annual Assessment in any given year as provided in Section 9.3.

SECTION 1.15. MEMBER OR MEMBERS - All Owners of Lots who are members of the Association as provided in Article III of this Declaration.

SECTION 1.16. MORTGAGE - A security interest, mortgage, deed of trust, or lien instrument voluntarily granted by an Owner of a Lot to secure the payment of a loan made to such Owner, duly recorded in the Official Public Records of Real Property of Harris County, Texas, and creating a lien or security interest encumbering a Lot and some or all improvements thereon.

SECTION 1.17. MORTGAGEE - A mortgagee under a Mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of any such mortgagee or beneficiary.

SECTION 1.18. NOTICE AND HEARING - A written notice and a public hearing before the Board of Directors or a tribunal appointed by the Board in the manner provided in this Declaration, the Bylaws, or the Rules and Regulations.

SECTION 1.19. OWNER - Any Person, firm, corporation or other entity, including Declarant or any combination thereof that is the record owner of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as a security for the performance of an obligation.

SECTION 1.20. PERSON - A natural person, a corporation, a partnership, or any other legal entity.

SECTION 1.21. PLAT - The official plat of Greenbriar Townhomes, a Harris County Subdivision, according to the map or plat thereof recorded under Harris County Clerk's File No. R100947 and Film Code No. 362011 of the Map Records of Harris County, Texas.

SECTION 1.22. PROPERTY - All that certain real property described in the Plat.

SECTION 1.23. RECREATIONAL FACILITIES - Those facilities made available to the Owners through the Greenbriar Colony Tennis and Swim Association, Inc., which was established pursuant to that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions" recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File No. G705640 and Film Code No. 168-87-2334, et seq.

SECTION 1.24. REIMBURSEMENT ASSESSMENT - A charge against a particular Owner and its Lot for the purpose of reimbursing the Association for expenditures and other costs of the Association incurred in curing any violation, directly attributable to the Owner, of this Declaration or the Rules and Regulations, pursuant to Section 9.8 hereof.

SECTION 1.25. RULES AND REGULATIONS - Such rules and regulations as the Association may promulgate from time to time with respect to the Subdivision, which may include reasonable provisions for fines for violation of such Rules and Regulations.

SECTION 1.26. SPECIAL ASSESSMENT - A charge against each Owner and his Lot representing a portion of the cost to the Association for the purpose of funding major capital repairs, maintenance, and replacement of improvements, imposed pursuant to Section 9.4 hereof.

SECTION 1.27. SUBDIVISION - Greenbriar Townhomes, a Harris County Subdivision, according to the map or plat thereof recorded under Harris County Clerk's File No. R100947 and Film Code No. 362011 of the Map Records of Harris County, Texas, being a partial replat of Lots 19 through 28 and the northerly 18.50 feet of Lot 29, Block 6, and all of Lots 1 through 4 in Block 7 of Greenbriar Colony Townhouses, a Harris County subdivision according to the map or plat thereof recorded in Volume 295, Page 79 in the Map Records of Harris County, Texas.

ARTICLE II

ESTABLISHMENT OF GENERAL PLAN

Section 2.1. GENERAL PLAN AND DECLARATION - This Declaration hereby is established pursuant to and in furtherance of a common and general plan for the and sale of Lots within the Subdivision and for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Subdivision. Declarant, for itself, its successors, and assigns, hereby declares that the Subdivision and each part thereof shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration, for the duration thereof.

Section 2.2. EQUITABLE SERVITUDES - The covenants, conditions, restrictions, limitations, reservations, and easements, of this Declaration hereby are imposed as equitable servitudes upon each Lot, and the Common Areas within the Subdivision, if any, as a servient estate, for the benefit of each and every other Lot within the Subdivision, as the dominant estate.

Section 2.3. COVENANTS APPURTENANT - The covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration shall run with, and shall inure to the benefit of and shall be binding upon, all of the Subdivision, each Lot and the Common Area, if any, and shall be binding upon and inure to the benefit of: (a) the Subdivision; (b) Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all Persons having, or hereafter acquiring, any right, title, or interest in all or any portion of the Subdivision and their heirs, executors, successors, and assigns.

ARTICLE III

MANAGEMENT AND OPERATION OF THE SUBDIVISION

SECTION 3.1. MANAGEMENT BY ASSOCIATION - The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power and obligation to provide for the management, acquisition, construction, maintenance, repair, replacement, administration, and operation of the Subdivision as herein provided for and as provided for in the Articles of Incorporation, Bylaws, and the Rules and Regulations. In the event of a conflict between the Articles of Incorporation, Bylaws and Rules and Regulations and the provisions of the Declaration, the provisions of the Declaration shall control. In the event of any conflict between the Articles of Incorporation, Bylaws, and Rules and Regulations, the Articles of Incorporation shall control. In the event of any conflict between the Bylaws and the Rules and Regulations, the Bylaws shall control. The business and affairs of the Association shall be managed by its Board of Directors, unless otherwise reserved to the Members of the Association by law, the terms of the Declaration, Articles of Incorporation, or the Bylaws. It shall be the responsibility of each Owner or occupant of a Dwelling Unit to obtain copies of and become familiar with the terms of the Declaration, Articles of Incorporation, Bylaws, and Rules and Regulations.

The Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision in accordance with the Declaration, including without limitation, the right to grant utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, courtesy patrol, operation of recreational facilities, or other matters of mutual interest. In addition to other powers granted the Board of Directors herein or in the Articles of Incorporation, the Board of Directors of the Association shall also have the power to create procedures for resolving disputes between Owners or occupants of Dwelling Units, including appointment of committees to consider or reconsider resolutions of any disputes.

SECTION 3.2. BOARD OF DIRECTORS - The number, term, and qualifications of the members of the Board of Directors shall be governed by the Articles of Incorporation and the Bylaws.

SECTION 3.3. MEMBERSHIP IN ASSOCIATION - Each Owner, whether one Person or more of a Lot shall, upon and by virtue of becoming such Owner, automatically become and shall remain a Member of the Association until ownership of the Lot ceases for any reason, at which time the membership in the Association shall also automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership. Provided, however, prior to changing the name of the Owner of any Lot on the membership rolls of the Association, the Association or its managing agent (if authorized by the Board of Directors) may charge a transfer fee or processing fee when ownership to any Lot changes or the Mortgage on the Lot is refinanced.

SECTION 3.4. VOTING OF MEMBERS - The Association shall have two classes of membership.

Class A. Class A Members shall be all those Owners as defined in Section 3.3, with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership in Section 3.3. When more than one person holds interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be Declarant, its successors and assigns. The Class B Member shall be entitled to five (5) votes for each Lot in which it holds the interest required for membership by Section 3.3; provided, however, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following event, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or
- (b) January 1, 2008.

SECTION 3.5. POWER TO ADOPT RULES AND REGULATIONS - The Association, through its Board of Directors, may adopt, amend, repeal, and enforce Rules and Regulations, fines, levies, and enforcement provisions as it deems necessary or desirable with respect to the interpretation and implementation of the Declaration, the operation of the Association, the use and enjoyment of the Common Areas, if any, and the use of any other property within the Subdivision, including Lots. Any such Rules and Regulations shall be reasonable and uniformly applied to all Members and their family, tenants, and guests. Such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. Notice of the adoption, amendment, or repeal of any Rule and Regulation shall be

given by depositing in the mail to each Member a copy of such Rule or Regulation and copies of the currently effective Rules and Regulations shall be made available to each Member upon request and payment of the reasonable expense of copying the same. Each Member shall comply with such Rules and Regulations and shall see that Persons claiming through such Member comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration.

SECTION 3.6. POWER TO ENFORCE DECLARATION AND RULES AND REGULATIONS - The Association shall have the power to enforce the provisions of this Declaration and any Rules and Regulations and shall take such action as the Board deems necessary or desirable to cause compliance by each Member and each Member's family, guests, or tenants. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations of the Association by any one or more of the following means: (a) by entry upon any Lot within the Subdivision after Notice and Hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice [written or oral] to the Owner, but in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use, or enjoyment of the improvements situated thereon by the Owner or any other Person), without liability by the Association to the Owner thereof, for the purpose of enforcement of this Declaration or Rules and Regulations, as more particularly described in Section 13.6 hereof; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration or the Rules and Regulations; (d) by exclusion, after Notice and Hearing, of any Member or Member's family, guests, or tenants from use of the Recreation Facilities or any part of the Common Area, if any, during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests, or tenants, unless the breach is a continuing breach in which case, such exclusion shall continue for so long as such breach continues; (e) by suspension, after Notice and Hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or Members's family, guests, or tenants, of this Declaration or such Rules and Regulations unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after Notice and Hearing, a Reimbursement Assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests, or tenants; and (g) by levying and collecting, after Notice and Hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Member's family, guests, or tenants, for breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests, or tenants.

SECTION 3.7. RECREATIONAL FACILITIES - The Association, acting by and through its Board of Directors shall have the right to collect any assessments due Greenbriar Colony Tennis and Swim Association, Inc., by the Owners which if unpaid shall become a part

of the lien established in Section 9.1.

SECTION 3.8. BOARD ACTIONS IN GOOD FAITH - Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its members or any other party.

SECTION 3.9. POWER TO GRANT EASEMENTS - The Association shall have the power to grant access, utility, drainage, water facility, cable television, and other such easements in, on, over, and under Lots provided that such easements do not unreasonably interfere with the rights of the Owner of such Lots.

SECTION 3.10. MANAGEMENT AGREEMENTS - Each Owner of a Lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be cancelled with thirty (30) days written notice. In no event shall such management agreement be cancelled prior to the negotiation by the Association or its Board of Directors of a new management agreement with a party or parties, which new management agreement will become operative immediately upon the termination date of the preceding management agreement. It shall be the duty of the Association or its Board of Directors to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be for a term not to exceed one year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type.

ARTICLE IV **INSURANCE REQUIREMENTS**

SECTION 4.1. OWNER RESPONSIBILITY - Each Owner shall be required to purchase insurance affording protection against loss or damage from fire or other hazards covered by the standard extended coverage endorsement, from a reputable insurance company licensed to do business in the State of Texas in an amount equal to the replacement cost of the improvements on the Lot. Such insurance must be in a form approved annually by the Board of Directors, to its complete satisfaction, and must name the Association as an additional insured. Should an Owner fail to provide adequate proof of insurance coverage as herein provided, the Association shall have the authority to purchase such coverage, and such assessment shall become the personal obligation of said Owner and secured by the lien established in Section 9.1. At its option, the Board may purchase the multi-peril insurance discussed above on behalf of all Owners of Lots and pay the premiums out of the Maintenance Fund. In the event of damage or destruction of any improvement on the Lot, the Owner thereof shall repair or rebuild such improvements on the Lot, in as good a condition as formerly. In the event said Owner fails or refuses to do so, the Association is hereby authorized to undertake to rebuild or repair the improvements to the Lot and assess said Owner for the cost of such

repair or replacement; such assessment shall become the personal obligation of said Owner and shall be secured by the lien in Section 9.1. Liability and personal property insurance for each Lot and the contents of Dwelling Units shall also be the responsibility of and the expense of each individual Owner.

SECTION 4.2. INSURANCE PROCURED BY ASSOCIATION - The Association, through the Board of Directors, shall have the authority but not the obligation, to obtain the following types of insurance policies covering the Common Area, if any, and covering all damage or injury caused by the negligence of the Association or any of its agents;

- (a) property insurance in an amount equal to the full replacement value of real or personal property, if any, owned by the Association;
- (b) a comprehensive policy of public liability insurance;
- (c) a policy of fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle, or are responsible for handling funds of the Association;
- (d) directors and officers liability insurance; and
- (e) any such other insurance the Board deems necessary to protect the Subdivision or the Association.

Premiums for all such insurance purchased pursuant to this Section 4.2 shall be a common expense payable from the Maintenance Fund.

SECTION 4.3. ADMINISTRATION OF INSURANCE PROCEEDS - 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, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. Each Owner irrevocably designates the Association, as Attorney-in-Fact, to administer and distribute the proceeds from insurance coverage or insurance proceeds as is provided for in this Declaration, except for Owners individual liability and personal property insurance. 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 two (2) members of the Board of Directors, or by an agent duly authorized by the Board of Directors. In the event the insurance proceeds are insufficient to pay all costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors shall levy a special assessment against all irs, as herein provided, to make up any deficiency.

SECTION 4.4. WAIVER OF SUBROGATION - Any insurance obtained by the Association or an Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Owners, Association or their respective servants, agents or guests.

ARTICLE V **ARCHITECTURAL CONTROL**

No building, fence, wall, landscaping, structure or other improvement shall be commenced, erected, or maintained upon any Lot, or the patio or carport or garages used in connection with any Lot after the purchase of any Lot from Declarant, its successors and assigns, nor shall any exterior addition to or change or alteration to any improvement on a Lot, including the Dwelling Unit be made until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Approval once given, shall be irrevocable. In reviewing any matter, the Board shall not be responsible for reviewing, nor shall its approval of any improvement to a Lot be deemed an approval of the improvement to the Lot from the standpoint of safety, whether structural or otherwise, or conformance with building codes, or other governmental laws or regulations. Approval of any improvements by the Board shall not require the Board to approve similar improvements in the future and the denial of similar improvements shall not be considered arbitrary, capricious or discriminatory.

ARTICLE VI **EXTERIOR MAINTENANCE**

SECTION 6.1. OWNER MAINTENANCE - Owners shall maintain and keep in repair the interior of their Dwelling Units as well as all glass surfaces; enclosed patio areas; landscaping inside the patio areas; the fences; windows and door fixtures and hardware; air conditioning equipment; utility company meters; circuit breakers and switch panels; sanitary sewer; gas and electric power service lines. All fixtures and equipment installed on the Lot, commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Lot, shall also be maintained and kept in repair by the Owner thereof.

In the event an Owner is responsible for certain exterior maintenance and such Owner shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and any improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the Assessments to which such Lot is subject.

SECTION 6.2. ASSOCIATION MAINTENANCE - In addition to maintenance upon the Common Area, if any, the Association shall provide exterior maintenance upon each Dwelling Unit, as follows: paint; repair; replacement (but not in the event of fire or other casualty loss normally covered by insurance on the premises) of exterior surfaces including care of shingles; gutters; and downspouts. The Association shall not be responsible for any alterations made to the Dwelling Unit or Lot by the Owner. The Association shall also be responsible for the maintenance of trees, shrubs, grass, walks, and other exterior improvements on the Lot. Such exterior maintenance provided by the Association shall not include all those items defined as Owner Maintenance in Section 6.1. The Association is granted an easement over, across and under all areas between the street right of way and the front wall of each Dwelling Unit and the alley right of way and the rear wall of each Dwelling Unit for the purpose of maintaining the grounds and other site improvements. In this connection the Association is hereby granted the right to use a reasonable amount of water from each Owner to maintain those areas of the Subdivision it has responsibility to maintain, including the landscaping.

In the event that the need for maintenance or repair of a Lot or the improvements thereon is caused through the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invitee of the owner of the Lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the Assessments to which such Lot is subject.

ARTICLE VII **PARTY WALLS**

SECTION 7.1. GENERAL RULES OF LAW TO APPLY - Each wall which is built as a part of the original construction of the Dwelling Units upon the Subdivision and placed on the dividing line between the Lots 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 thereto.

SECTION 7.2. SHARING OF REPAIR AND MAINTENANCE - The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

SECTION 7.3. 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 Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omission. In the event of a casualty and a party wall(s) is damaged and the Owners thereof are unable to agree to the terms of repair of such party wall(s) within thirty (30) days following such casualty then the Association shall have the right to negotiate the repair thereof with the Insurance Company and Contractors and all Owners shall be bound by the settlement made by the Association.

SECTION 7.4. WATERPROOFING - Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

SECTION 7.5. RIGHT TO CONTRIBUTION RUNS WITH LAND - The right of any Owner to contribution from any other be under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

SECTION 7.6. 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 the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefore, the Board of Directors of the Association shall select an arbitrator for the refusing party.

ARTICLE VIII **USE RESTRICTIONS**

SECTION 8.1. GENERAL - No Owner shall use the Common Area, if any, or use or permit such Owner's Lot or Dwelling Unit to be used for any purpose that would (a) void any insurance in force with respect to the Subdivision; (b) make it impossible to obtain any insurance required by this Declaration; (c) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (d) constitute a violation of the Declaration or any applicable law or (e) unreasonably interfere with the use and occupancy of the Subdivision by other Owners.

SECTION 8.2. SINGLE FAMILY RESIDENTIAL USE - Each Owner shall use his Lot and the Dwelling Unit on his Lot, if any, for single family residential purposes only. As used herein, the term "single family residential purposes" shall be deemed to specifically prohibit, by way of illustration but without limitation, the use of any Lot for any business, educational, church, professional or other commercial activity of any type, except that an Owner may use his residence as a personal office for a profession or occupation, provided: (a) the public is not invited, permitted, or allowed to enter the Dwelling Unit or any structure or improvement upon such Lot and conduct business therein; (b) no signs advertising such profession or business are permitted; (c) no on-site employees are permitted; (d) no offensive activity or condition, noise and/or odor are permitted; and (e) such use in all respects complies with the laws of the State of Texas, the ordinances of the City of Houston, and the laws, rules, and regulations of any regulatory body or governmental agency having authority and jurisdiction over such matters. The term "single family residential purposes" shall also be defined as: (a) one or more persons related by blood, marriage, or adoption, which may include only parents, their children (including foster children and wards), their dependent brothers and sisters, their dependent parents, their dependent grandparents, and their domestic servants; (b) no more than two unrelated persons living together as a single housekeeping unit and their children (including foster children and wards), their dependent brothers or sisters, their dependent parents, their

dependent grandparents, and their domestic servants; and (c) in no event, shall any Dwelling Unit be occupied by more persons than the product of the total number of bedrooms contained in the Dwelling Unit as originally constructed multiplied by two (2).

SECTION 8.3. CARE-GIVING FACILITIES - No Lot shall be used for the operation of a boarding or rooming house, a residence for transients, a group home, family home, community home, half-way house, personal care facility, custodial care facility, day-care center, rehabilitation center, treatment facility, or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, day or night care of children or adults, rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicaps or illness, or other similar matters, unless any such facility is otherwise allowed by the terms of any law specifically negating the provisions of restrictive covenants prohibiting same. Provided, however, informal baby-sitting arrangements for one (1) to three (3) children on an occasional or non-scheduled basis and baby-sitting or care-giving performed by residents of the Lot for those related to the resident by blood, marriage, or adoption are excepted herefrom.

SECTION 8.4. ANIMALS - No animals of any kind shall be raised, bred, or kept on a Lot, except as hereinafter provided. A total of two (2) dogs, cats, or other household pets may be kept on a Lot (except for fish of a type customarily kept within normal home aquariums, with respect to which there shall be no limitation on amount) provided that: (a) they are not kept, bred, or maintained for commercial purposes; (b) they do not make objectionable noises, create any objectionable odor, or otherwise constitute an unreasonable nuisance to other Owners; (c) they are kept within the Dwelling Unit, an enclosed patio on the Lot occupied by the Owner of such pets, or on a leash being held by a Person capable of controlling the animal; and (d) they are not in violation of any other provision of this Declaration and such other limitations as may be set forth in the Rules and Regulations. The Association, acting through the Board, shall have the right to prohibit maintenance of any animal that, in the sole opinion of the Board, is not being maintained in accordance with the foregoing restrictions. Each Owner, tenant or guest of an Owner shall have the absolute duty and responsibility to clean up after such animals to the extent they have used any portion of the Lot of another Owner or any Common Area.

SECTION 8.5. SIGNS AND BILLBOARDS - No sign of any kind shall be displayed to public view on any Lot, except a sign(s) of not more than six (6) square feet area which is used to: (a) advertise the Lot for sale or lease; (b) promote a political candidate, party or issue for a two (2) week period starting no earlier than two (2) weeks prior to the date of the election or referendum and which must be removed no later than the day after the date of the election or referendum.

SECTION 8.6. ANTENNAE - Without prior written approval and the authorization of the Board of Directors, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements on a Lot nor upon any Lot in the Subdivision other than an aerial for a master antenna system, should any such master system or

systems be utilized and require any such exterior antenna.

SECTION 8.7. VISIBLE STORAGE - All clotheslines, equipment, service yards, or storage piles shall be kept within the patio areas or other screened areas so as to conceal them from view of neighboring Lots and streets.

SECTION 8.8. RESTRICTIONS ON GARBAGE AND TRASH - No refuse, garbage, trash, refuse, or debris of any kind shall be kept, stored, or allowed to accumulate on any Lot except within an enclosed container. All rubbish, trash, and garbage shall be kept in containers within the areas provided with each one or more Dwelling Units and designated by the Association for collection purposes.

SECTION 8.9. NO NOXIOUS OR OFFENSIVE ACTIVITY - No noxious or offensive activity shall be carried on upon any Lot within the Subdivision nor shall anything be done or placed thereon that is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to others.

SECTION 8.10. NO HAZARDOUS ACTIVITIES - No activity shall be conducted on any Lot that is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon a the Subdivision and no open fires shall be lighted or permitted on any Lot except in a contained barbecue unit a safe distance from the Dwelling Unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

SECTION 8.11. LEASING - Lots may only be leased for single family residential purposes as defined in this Declaration. No Owner shall be permitted to lease his Lot for hotel or transient purposes, which for purposes of this Section 8.12 is defined as a period of less than thirty (30) days. No Owner shall be permitted to lease less than the entire Lot. Every such lease shall be in writing. Every such lease shall provide that the tenant shall be bound by and subject to all of the obligations of the Owner under this Declaration. The Owner making such lease shall not be relieved from any of such obligations.

SECTION 8.12. WINDOW TREATMENT - No window in any Dwelling Unit or other improvement that is visible from any other Lot or a street may be covered with aluminum foil or any other reflective material. Window treatments must be shades of white or beige, unless otherwise approved by the Board.

SECTION 8.13. PARKING - No streets in, along or adjacent to the Subdivision nor any Lot shall, without express permission of the Association, be used for storage of boats, trailers, campers, unused or inoperable automobiles or any other items which the Association deems unsightly or inappropriate. Parking on streets in, along, adjacent to the Subdivision and on the Lot, shall be subject to further restrictions in the Rules and Regulations.

SECTION 8.14. DECLARANT EXEMPTIONS - Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant to maintain, during the period of sale of said Lot upon such portion of the premises as Declarant deems necessary, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the sale of said Lot, including, but without limitation, a business office, storage area, construction yards, model units, sales offices and advertising signs of any size.

ARTICLE IX **COVENANTS FOR ASSESSMENTS**

SECTION 9.1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS - The Declarant, for each Lot owned within the Subdivision, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) Annual Assessments;
- (b) Special Assessments; and
- (c) Reimbursement Assessments.

The Annual, Special, and Reimbursement Assessments (the "Assessments"), together with interest, costs and reasonable attorney's fees, shall also be a charge on the land and shall be a continuing lien upon the Lot against which the Assessments are made. The Assessments, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the Assessments fell due. The personal obligation for delinquent Assessments shall not pass to his successors in title unless expressly assumed by them.

SECTION 9.2. PURPOSE OF ANNUAL ASSESSMENTS - Each Lot in the Subdivision is hereby subjected to an Annual Assessment for the purpose of creating a fund to be designated and known as the "Maintenance Fund", which Annual Assessment will be paid by the Owner or Owners of each Lot within the Subdivision to the Association in equal monthly installments commencing on a date and in a manner to be promulgated by the Board of Directors of the Association. The rate at which each Lot will be assessed will be determined annually and may be adjusted from year to year by the Association, as hereinafter provided as the needs for the Subdivision may, in the judgment of the Association, require. Such assessment will be uniform. The Association shall use the proceeds of said Maintenance Fund for the use and benefit of all residents of the Subdivision, as well as any other property brought within the jurisdiction of the Association; provided, however, that other property to be entitled to the benefit of this Maintenance Fund must be impressed with and subjected to the Annual Assessment on a uniform, per Lot basis, equivalent to the Annual Assessment imposed hereby. The uses and benefits to be provided by the Association may include at the Board's option, any

or all of the following: payment of taxes, insurance, repair and maintenance of those areas of the Subdivision and the exterior of the Dwelling Units for which the Association has responsibility over as approved by the Board, constructing and maintaining paths, parks, landscape reserves, parkways, easements, esplanades, fences, cul-de-sac and street medians, payment of fees due for use of the Recreational Facilities, payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions and conditions affecting the Subdivision to which the Maintenance Fund applies, payment of all reasonable and necessary expenses in connection with the collection and administration of the Assessments, employing courtesy patrol, lifeguards, instructors, and operators, garbage collection, and doing other things necessary or desirable, in the opinion of the Association, to keep the Subdivision neat and in good order or which is considered of general benefit to the Owners or occupants of the Subdivision. It is understood that the judgment of the Board in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation that any of the above will, in fact, be provided by the Association.

SECTION 9.3. MAXIMUM ANNUAL ASSESSMENT - Until January 1 of the year immediately following the conveyance of the first Lot by Declarant to another Owner, the Maximum Annual Assessment shall be \$1,560.00 per Lot per year.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot by Declarant to another Owner, the Maximum Annual Assessment may be increased each year not more than fifteen percent (15%) above the Annual Assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Maximum Annual Assessment may be increased above fifteen percent (15%) by a vote of two-thirds (2/3) of the Members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the Annual Assessment at an amount not to exceed the Maximum Annual Assessment.

SECTION 9.4. SPECIAL ASSESSMENTS - In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any use or benefit provided for herein in Section 9.2. Provided, however, any such assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 9.5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 9.3. AND 9.4. - Written notice of any meeting called for the purpose of taking any action authorized under Sections 9.3 or 9.4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement and the required quorum as the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 9.6. UNIFORM RATE OF ASSESSMENT - Both Annual and Special Assessments must be fixed at a uniform rate for all Lots; provided, however, Lots which are owned by a Declarant, as defined herein, shall be assessed at the rate of one-half (1/2) of any Annual Assessment or Special Assessment currently assessed.

SECTION 9.7. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENTS - The Annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot from Declarant to an Owner. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due dates for the Assessments shall be established by the Board of Directors.

SECTION 9.8. REIMBURSEMENT ASSESSMENTS - The Board of Directors, subject to the provisions hereof, may levy a Reimbursement Assessment against any Member if the failure of the Member or the Member's family, guests, or tenants to comply with this Declaration, the Articles of Incorporation, the Bylaws, or the Rules and Regulations shall have resulted in the expenditure of funds or the determination that funds will be expended by the Association to cause such compliance. The amount of the Reimbursement Assessment shall be due and payable to the Association ten (10) days after notice to the Member of the decision of the Board of Directors that the Reimbursement Assessment is owing.

SECTION 9.9. ESTOPPEL CERTIFICATES - 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 Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

SECTION 9.10. ATTRIBUTION OF PAYMENTS - If any Owner's payment of an Assessment payment is less than the amount assessed and the payment does not specify whether it should be applied against a Annual Assessment, Special Assessment, or Reimbursement

Assessment, the payment received by the Association from the Owner shall be credited in the following order of priority: (a) Reimbursement Assessment until the Reimbursement Assessment has been satisfied; (b) Special Assessment until the Special Assessment has been satisfied; and (c) Annual Assessment until the Annual Assessment has been satisfied. In each of the foregoing cases, payments received shall be credited first to interest, attorney's fees, and other costs of collection, and next to principal reduction, satisfying the oldest obligations first, followed by more current obligations, in accordance with the foregoing order of priority.

SECTION 9.11. EFFECT OF NONPAYMENT OF ASSESSMENTS - Any assessments not paid within thirty (30) days after the due date shall be delinquent and shall be subject to the following:

- (a) late charges as set by the Board, interest at the rate of eighteen percent (18%) per annum from the due date, and all costs of collection, including reasonable attorney's fees; and
- (b) all rights of the Owner as a Member of the Association shall be automatically suspended until all Assessments and related costs are paid in full, including usage of the Recreational Facility (if the Association pays the dues for same) and the Common Area, if any, and during such suspension, such Owner shall not be entitled to vote upon any matters coming before the membership. 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.

The Association may bring an action at law against the Owner personally obligated to pay same or foreclose the Association's lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale, and each Owner expressly grants to the Association a power of sale in connection with the non-judicial foreclosure of the Association's lien and the right to appoint trustees to exercise said power of sale. Non-judicial foreclosure shall be conducted by notice and posting of sale in accordance with the then applicable laws of the State of Texas; and the Board of Directors of the Association is expressly empowered hereby to designate a trustee in writing from time to time to post or cause to be posted any required notices and to conduct any such non-judicial foreclosure sale. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale, and to acquire, hold, lease, mortgage, or convey the same.

SECTION 9.12. NO OFFSETS - The Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration, the Articles of Incorporation, Bylaws or the Rules and Regulations or claim by the Owner of non-use of the

Common Area, if any, or the Recreational Facility, abandonment of his Lot or claim by the Owner of inconvenience or discomfort arising from the making of repairs or improvements to the Lot or from any action taken to comply with any law or any determination of the Board of Directors or for any other reason.

SECTION 9.13. SUBORDINATION OF THE LIEN TO MORTGAGES - The lien of the Assessments provided for herein shall be subordinate to the liens of any Mortgagee. Sale or transfer of any Lot shall not affect the lien of the Assessment; however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of the Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for the Assessments thereafter becoming due or from the lien thereof.

SECTION 9.14. REIMBURSEMENT OF DECLARANT - Recognizing that the initial cost of administration and maintenance of the Subdivision, the Association may have to be subsidized by Declarant, the Directors (whether the Directors are same as the Declarant, his agents, servants, or employees and without being liable for any claim made by any Member of the Association that the Directors' fiduciary duty to the other Members of the Association has been breached due to a conflict of interest) may execute promissory notes and/or other instruments evidencing any debt the Association owes the Declarant for monies expended by the Declarant or loaned to the Association by Declarant for and on behalf of the Association.

ARTICLE X

UTILITIES AND EASEMENTS

SECTION 10.1. UNDERGROUND ELECTRIC SERVICE - Underground single phase electric service is available to all Lots. The utility company or entity furnishing the service shall have a two foot wide easement along and centered on the underground electric power service conductors installed from the utility company's easement to the designated point of service on the Lot or Dwelling Unit for service and maintenance of its conductors and metering equipment. For so long as such underground service is maintained, the electric service to each Lot shall be uniform and exclusively of the type known as single phase, 120/140 volt, 3 wire, 60 cycle alternating current. Such easements for the underground service shall be kept clear of all buildings (except garages) and the utility company using the easement shall not be liable for any damage done by them or their assigns, their agents, employee's, or servants to shrubbery, trees, flowers, or other improvements of the Owner located on the land covered by said easements.

SECTION 10.2. TITLE TO UTILITY LINES - The title conveyed to any Lot within the Subdivision shall be subject to any easement affecting same for utility or other purposes and shall not be held or construed to include the title to the water, gas, electricity, telephone, cable television, security, storm sewer, or sanitary sewer lines, poles, pipes, conduits, or other appurtenances or facilities constructed by the Declarant, the Association, or public or private utility companies upon, under, along, across, or through such utility easements; and the right

(but no obligation) to construct, maintain, repair, and operate such systems, utilities, appurtenances, and facilities is reserved to the Declarant or the Association and their successors and assigns. The Owners of the respective Lots shall not be deemed separately to own pipes, wires, conduits, or other service lines running through the Lot that are used for or serve other Lots, but each Owner shall have an easement for such use and repair of the aforesaid facilities as shall be necessary for the use, maintenance, and enjoyment of his Lot.

SECTION 10.3. ACCESS EASEMENT OF OWNERS - A non-exclusive easement hereby is granted to each Owner in and to Lots for the purpose of reasonable and necessary access to such Owner's Lot for construction, maintenance, and repair of improvements thereon, provided that the Owner using an adjacent Lot for access purposes (the "Easement Site") shall keep such Easement Site free of any trash, rubbish, and any other materials at all times during or after construction. Prior to any exercise of the access easement granted in this Section 10.3, the Owner or Builder of the Lot intending to exercise such easement upon, over, or across the Easement Site shall give notice of such intent to the Owner (or occupant) of the Easement Site. Unless otherwise authorized in writing by the Owner of the Easement Site, this access easement may be used only between the hours, local time, of 7:00 a.m. to 8:00 p.m., Monday through Friday, and 9:00 a.m. to 6:00 p.m., Saturday, and may be used only if the Owner (or occupant) intending to use such access easement gives at least twenty-four (24) hours notice (oral or written) to the Owner (or occupant) of the Easement Site (except in the case of an emergency or if no improvements have been constructed on the Easement Site, in which case no notice need be given). In all events, the Easement Site shall be used in such manner as to avoid any unreasonable or unnecessary interference with the possession, use, or enjoyment of the Easement Site by the Owner (or occupant) of such Easement Site, and the Owner using the Easement Site in all circumstances promptly shall repair any damage to the Easement Site caused by such Owner's use. If the Owner using the Easement Site does not repair any damage to the Easement Site caused by the Owner's use thereof within thirty (30) days after notice to the Owner harming the Easement Site of the damage, then the Association shall have the right, but shall not be obligated to, repair such damage and assess a Reimbursement Assessment against the Lot of the Owner harming the Easement Site. The Owner of the damaged Easement Site also shall be entitled to exercise all available legal and equitable remedies, in the event of the subject Owner's failure to repair any damage to the Easement Site.

SECTION 10.4. ASSOCIATION EASEMENTS - The Association, its agents, servants, and employees shall have all other such easements necessary to perform those duties, tasks or rights as referenced throughout this Declaration.

ARTICLE XI **MORTGAGEES**

SECTION 11.1. NOTICE TO ASSOCIATION - An Owner who mortgages his Lot shall notify the Association giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Townhouses."

SECTION 11.2. NOTICE OF DEFAULT - The Association shall notify a first mortgagee in writing, upon request of such mortgagee, of any default by the mortgagor in the performance of such mortgagor's obligations as set forth in the Declaration which is not cured within thirty (60) days.

SECTION 11.3. EXAMINATION OF BOOKS - The Association shall permit first mortgagees to examine the books and records of the Association during normal business hours.

SECTION 11.4. RESERVE FUND - The Association shall establish an adequate reserve fund for replacement of the areas of maintenance for which it is responsible and fund the same by regular monthly payments rather than by special assessments.

SECTION 11.5. ANNUAL AUDITS - The Association shall furnish each first mortgagee upon request of such mortgagee an annual audited financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association.

SECTION 11.6. NOTICE OF MEETINGS - The Association shall furnish each first mortgagee upon request of such mortgagee, prior written notice of all meetings of the Association and permit the designation of a representative of such mortgagee to attend such meetings, one such request to be deemed to be a request for prior written notice of all subsequent meetings of the Association.

SECTION 11.7. NOTICE OF AMENDMENTS TO DECLARATION, ETC. - The Association shall furnish each first mortgagee prior written notice for the following: (i) abandonment or termination of the Subdivision as a planned unit development) any material amendment to the Declaration, Bylaws or Articles of Incorporation of the Association and (iii) the termination of any professional management contract for the planned unit development.

SECTION 11.8. NOTICE OF DAMAGE OR DESTRUCTION - The Association shall furnish the first mortgagees timely written notice of any substantial damage or destruction of Dwelling Units and any part of the Common Area, if any.

SECTION 11.9. NOTICE OF CONDEMNATION OR EMINENT DOMAIN - The Association shall furnish the first mortgagees timely written notice of any condemnation, or eminent domain proceeding regarding all or any portion of the Lot or of the Common Area, if any, and of any proposed acquisition of all or any part of such properties through condemnation or eminent domain proceedings.

SECTION 11.10. CONSENT OF MORTGAGEES REQUIRED -

(A) Unless all of the first mortgagees of Lots have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, alienate, release,

encumber, hypothecate, sell or transfer, real estate or improvement thereon which are owned, directly or indirectly, by such Association, for the benefit of the owners of Lots in the Subdivision; the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Subdivision shall not be deemed a transfer within the meaning of this clause;

(b) change the ratio of assessment or the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot.

(B) Unless one hundred (100%) percent of the first mortgagees of Lots owned by Owners in the Association have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and planting in the subdivision;

(b) fail to maintain fire and extended coverage on insurable Common Area, if any, on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(c) use hazard insurance proceeds for losses to any Common Area property for other than the repair, replacement or reconstruction of such improvements.

SECTION 11.11. DELEGATIONS OF OWNER'S USE OF COMMON AREA - Regarding an Owner's delegation of his rights of enjoyment to the Common Area, if any, and facilities as provided in this Declaration, no such delegation shall work a severance of the rights of enjoyment of the Common Area, if any, and facilities from the ownership of a Lot, and any such delegation by any Owner shall automatically terminate upon conveyance of legal title to such Lot by said Owner.

SECTION 11.12. INSURANCE PROCEEDS - With respect to substantial damage to or destruction of any Lot or any part of the Common Area, and facilities, if any, nothing herein or in any other document establishing the Association will entitle the owner of a Lot or other party to priority over a lienholder (an institutional holder of any first mortgage lien or equivalent security interest on a Lot) with respect to any distribution to such Owner of any insurance proceeds.

SECTION 11.13. FHLMC AND FNMA REGULATIONS - Notwithstanding anything in this Declaration to the contrary, Declarant may amend this Declaration to conform with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National

Mortgage Association or any similar duly constituted governmental authority, by written instrument executed by Declarant only and duly recorded in the records of the Official Public Records of Real Property of Harris County, Texas.

ARTICLE XII
AMENDMENT TO DECLARATION AND DURATION OF RESTRICTIONS

SECTION 12.1. AMENDMENT BY OWNERS - The terms of this Declaration may be amended at any time by an instrument signed by those Owners owning at least two-thirds (2/3rds) of the Lots within the Subdivision. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Official Public Records of Real Property of Harris County, Texas.

SECTION 12.2. DURATION - This Declaration shall remain in full force and effect until April 15, 2005, and shall be extended automatically for successive ten (10) year periods; provided however, that this Declaration may be amended at any time, as set forth in Sections 12.1. and 12.2.

ARTICLE XIII
MISCELLANEOUS

SECTION 13.1. SEVERABILITY - In the event of the invalidity or partial invalidity or partial unenforceability of any provision in this Declaration, the remainder of the Declaration shall remain in full force and effect.

SECTION 13.2. NUMBER AND GENDER - Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities and associations of every kind and character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

SECTION 13.3. DELAY IN ENFORCEMENT - No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time.

SECTION 13.4. ENFORCEABILITY - This Declaration shall run with the Subdivision and shall be binding upon and inure to the benefit of and be enforceable by the Association and each Owner of a Lot in the Subdivision, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. In the event any action to enforce this Declaration is initiated against an Owner or occupant of a Lot by the Association, the Association or other Owner, as the case may be, shall be entitled to recover reasonable attorney's fees from the Owner or occupant of a Lot who violated this Declaration.

SECTION 13.5. REMEDIES - In the event any Person shall violate or attempt to violate any of the provisions of the Declaration, the Association, each Owner of a Lot within the Subdivision, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

SECTION 13.6. RIGHT OF ENTRY; ENFORCEMENT BY SELF HELP - The Association shall have the right, in addition to and not in limitation of all the rights it may have under this Declaration, to enter upon any Lot, including the Dwelling Unit located thereon, for emergency, security, maintenance, repair, or safety purposes, which right may be exercised by the Association's Board, officers, agents, employees, managers, and all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or occupant of the Lot or improvements. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon any improvements or any portion of a Lot to abate or remove, using such force as reasonably may be necessary, any improvement to Subdivision, other structure, or thing or condition that violates this Declaration, the Bylaws, the Rules and Regulations, or any use restrictions. Unless an emergency situation exists, such self-help shall be preceded by written notice. All costs of self-help, including reasonable attorney's fees actually incurred, should be assessed against the violating Owner and shall be collected as provided for herein for the collection of the Assessments. All such entries shall be made with as little inconvenience to the Owner as is practicable in the judgment of the Association and any damages caused thereby (as distinguished from repairs with respect to which the Association is entitled to a Reimbursement Assessment) shall be borne by the Maintenance Fund of the Association.

SECTION 13.7. VIOLATIONS OF LAW - Any violation of any federal, state, municipal, or local law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Subdivision hereby is declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

SECTION 13.8. REMEDIES CUMULATIVE - Each remedy provided under this Declaration is cumulative and not exclusive.

SECTION 13.9. NO REPRESENTATIONS OR WARRANTIES - No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Subdivision, or any improvement thereon, its or their physical condition, compliance with applicable laws, fitness for intended use, or in connection with the Subdivision, sale, operation, maintenance, cost of maintenance, taxes, or regulation thereof, unless and except as specifically shall be set forth in writing.

502-29-0120

SECTION-13.10. LIMITATION ON LIABILITY - Neither the Association, the Board, Declarant, or any officer, agent, or employee of any of the same acting within the scope of their respective duties described in this Declaration shall be liable to any Person for any reason or for any failure to act if the action or failure to act was in good faith and without malice.

SECTION 13.11. CAPTIONS FOR CONVENIENCE - The titles, headings, captions, article and section numbers used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration. Unless the context otherwise requires, references herein to articles and sections are to articles and sections of this Declaration.

SECTION 13.12. GOVERNING LAW - This Declaration shall be construed and governed under the laws of the State of Texas.

ARTICLE XIV
ANNEXATION OF ADDITIONAL LAND

SECTION 14.1 ADDITIONAL LAND - Additional residential property and Common Areas outside of the Subdivision that are adjacent to or in the proximity of the Subdivision, at any time and from time to time, may be annexed by the Declarant into the Subdivision, without the consent of the Owners or any other parties; provided, however, that such additional property is made subject to similar terms and conditions as set forth in this Declaration and that such annexed property is impressed with and subject to at least the Assessments imposed pursuant to this Declaration. Such additional property may be annexed into the Subdivision by a written instrument executed by the Declarant and recorded in the Official Public Records of Real Property of Harris County, Texas.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed the foregoing instrument on this 2nd day of November, 1994.

CHASE LODGE CORPORATION

By: _____

Dwain Evans, Vice President

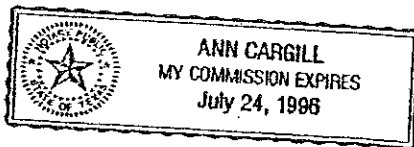
502-29-0121

STATE OF TEXAS *
 *
COUNTY OF HARRIS *

Before me, a notary public, on this day personally appeared Dwain Evans, known to me to be the person whose name is subscribed to the foregoing instrument and, being by me first duly sworn and declared that he executed same in the capacity and consideration therein expressed.

Given under my hand and seal of office this the 21st day of December, 1994.

#23848



Ann Cargill
NOTARY PUBLIC - STATE OF TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS }
COUNTY OF HARRIS }
I hereby certify that this instrument was FILED in File Number
Sequence on the date and at the time stamped hereon by me; and was
duly RECORDED, in the Official Public Records of Real Property of
Harris County, Texas on

DEC 29 1994



Beaulieu B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

FILED
DEC 29 1994
COUNTY CLERK
HARRIS COUNTY, TEXAS