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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS :

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS :

THIS DECLARATION, made on the date hereinafter set forth by LORENZO CONSTRUCTION COMPANY, hereinafter referred to as "Declarant."

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in the County of Harris, State of Texas, known as Lot Eight (8) through Lot Twenty-Four (24), Block Eleven (11) and Lots Fifty-Nine (59) through Seventy-Seven (77), inclusive, Block Eleven (11) and a part of Lot One Hundred Thirty Five (135) and Lot One Hundred Thirty Six (136) through One Hundred Forty (140), inclusive, Block Eleven (11), Greenbriar Colony Townhouses, according to the map or plat thereof recorded at Volume 295, Page 79 of the Map Records of Harris County, Texas.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions and conditions shall run with the real property and be binding on all parties having or acquiring any right, title or interest in the above described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to GREENBRIAR COLONY TOWNHOUSE ASSOCIATION NO. 1, INC., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any tract which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any mortgagee or lienholder who acquires fee simple title to any townhouse tract which is a part of the property, through judicial or non-judicial foreclosure.

Section 3. "Property" shall mean and refer to that certain real property hereinabove described, and such additions as may hereafter be brought within the jurisdiction of the Association.

Section 4.a. "General Common Area" shall mean that portion of the property owned by the Association for the common use and enjoyment of the members

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of the Association which property is conveyed to the Association by the Declarant or otherwise obtained, and which property shall include, but is not limited to, community facilities, pavements, pipes, wires, conduits, and other utility lines situated thereon. The "General Common Area" shall mean and refer to all of the property SAVE AND EXCEPT (a) 61 Townhouse tracts, each of which is described by metes and bounds upon Exhibit "A" attached hereto and upon each of which there is or will be constructed a single family townhouse; (b) the public streets and alleys and (c) any encroachments of units into common area, either general or limited, made necessary in the original construction of the units by the Declarant in order to avoid monotony of design as additionally provided in Article IX, Section 2 hereof; and (d) Limited Common Area, as hereinafter defined.

Section 4b. Limited Common Area shall mean that portion of the property owned by the Association for the use and enjoyment of one Owner to the exclusion of the general membership of the Association, such areas being (1) the storage space designated for each Owner and at least one carport assigned by the Declarant at the time of conveyance to each Owner. All other property owned by the Association shall be General Common Area.

Section 4c. "Recreational facilities" shall mean those facilities made available through the Greenbriar Colony Tennis and Swim Association, Inc., which was established pursuant to the Declaration of Covenants, Conditions and Restrictions recorded under Harris County Clerk's File No. 9-2-14. Greenbriar Colony Townhouse Association No. 1, Inc. shall have the authority to collect the maintenance fees due the Tennis and Swim Association, Inc. and pay same to such Association.

Section 5. "Lot" shall mean and refer to any of the numbered plots of land shown on the recorded subdivision map or plat of the Property as a portion of Lots Eight (8) through Twenty-Four (24), Block Eleven (11) and Lots Fifty-Nine (59) through Seventy-Seven (77), inclusive, Block Eleven (11) and a part of Lots One Hundred Thirty Five (135) and Lot One Hundred Thirty Six (136) through One Hundred Forty (140), inclusive, Block Eleven (11), Greenbriar Colony Townhouses, Harris County, Texas. Declarant shall designate all or part of a Lot or all or part of two or more lots to comprise a townhouse tract upon which townhouse units will be constructed.

Section 6. "Townhouse" shall mean a single family residence unit constructed on a townhouse tract.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

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

Section 9. "Declarant" shall mean and refer to Lorenzo Construction Company, its successors and assigns if such successors and assigns should acquire more than one undeveloped lot or townhouse tract from the Declarant.

Section 10. "Townhouse Tract" shall mean and refer to any of _____ 61 _____ tracts of land composed of all or a part of a lot or part or all of two or more lots upon which a townhouse is or will be constructed, and which is more particularly described by a metes and bounds description on Exhibit "A" hereto.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment of General Common Area:

Every Owner shall have a right and easement of enjoyment in and to the General Common Area and such easement shall be appurtenant to and shall pass with the title to every townhouse tract, subject to the following provisions:

(a) the right of the Association to suspend the voting rights and right to use of the Association facilities owned or operated by the Association by a Member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days from any infraction of its published rules and regulations;

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority for utility purposes provided however any easement for any other purpose shall not be effected, unless (i) an instrument of agreement to such dedication or transfer, signed by two thirds (2/3) of each class of Members entitled to vote 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 thirty (30) days, nor more than sixty (60) days in advance of said action.

(c) 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, with the consent of all Lienholders to mortgage said property, and the rights of such mortgagee in said properties shall be subordinate and inferior to the rights of the Owners hereunder;

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(d) the right of the Association to designate excess parking as "guest" parking for the exclusive use of bona fide guests of Owners;

(e) the right of the Association to make rules and regulations relating to traffic flow, on street parking and other uses of the streets and drives on the Property.

Section 2. Owners Easement of Enjoyment to Limited Common Areas:

(a) The Association shall designate at least one covered parking space for each townhouse provided however a portion of at least one of such spaces must adjoin the owners tract to whom the spaces are assigned;

(b) The Association shall designate one storage space per townhouse.

Section 3. Recreation Facilities. The Association, acting by and through its Board of Directors shall have the right to collect assessments due the tennis and swim association and pay same to it.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the General or Limited Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property. The Owners hereby covenant that any lease executed on a townhouse tract shall be in writing and contain provisions binding any lessee thereunder to the terms of these Restrictions, By-Laws and Articles of Incorporation and rules and regulations applicable to the property and further providing that non-compliance with the terms of the lease shall be a default thereunder.

Section 5. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the General and Limited Common Areas to the Association, free and clear of all liens. The General and Limited Common Areas 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. Declarant shall convey title of the common area to the Association prior to the sale of the first townhouse.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every person or entity who is a record owner of a fee or undivided fee interest in any townhouse tract which is subject, by covenants or record, to assessment by the Association, including contract sellers, shall

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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. Ownership of such townhouse tract shall be the sole qualification for membership. Any mortgagee or lienholder who acquires title to any townhouse tract which is a part of the Property, through judicial or non-judicial foreclosures, shall be a member of the Association. Transfer of a townhouse automatically transfers membership in the Association and all rights of the transferor with respect to the common areas and facilities to which ownership of such unit relates. The right of an Owner to sell, transfer, or otherwise convey his townhouse will not be subject to any right of first refusal or any similar restriction in favor of the Association.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each townhouse tract owned. When more than one person holds such interest in any townhouse tract, all such persons shall be Members. The vote for such townhouse tract shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any townhouse tract.

Class B. The Class B member(s) shall be the Declarant, and its successors, and shall be entitled to five (5) votes for each townhouse tract owned, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership including all votes in annexed areas, equal the total votes outstanding in the Class B membership, or

(b) five (5) years from the filing date hereof in the Deed Records of Harris County, Texas.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each townhouse tract Owned within the Property, hereby covenants, and each Owner of any townhouse tract by acceptance of a deed therefor,

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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 of the land and shall be secured by a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such 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 assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of the Property, the Common Area and services and facilities relating to the use and enjoyment thereof and of the Townhouses situated thereon. Assessments shall include, but are not limited to, funds to cover actual Association costs for all taxes, insurance, repair, replacement and maintenance of the Common Area, both general and limited, and the Recreation facilities, and of the maintenance of the exteriors of the townhouse tracts or townhouses as herein authorized or as may from time to time be authorized by the Board of Directors; and the cost of other facilities and service activities including, but not limited to, mowing grass, caring for the grounds, sprinkler systems, if any, landscaping, equipment, roofs and exterior walls of the Townhouses, carports and storage facilities, including roofs, garbage pickup areas, water and sewage service furnished to the Common Area by the Association, and other charges required by this Declaration of Covenants, Conditions, and Restrictions or that the Board of Directors of the Association shall determine to be necessary to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes, and other charges as specified herein.

Section 3. Basis and Maximum of Monthly Assessments. Until January 1 of the year immediately following the conveyance of the first townhouse tract

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to an Owner, the maximum monthly assessment shall be \$46.00 per townhouse tract. From the \$46.00 the sum of \$8.50 shall be paid to the Greenbriar Colony Townhouse Association No. 1, Inc.

(a) From and after January 1 of the year immediately following the conveyance of the first townhouse tract to an Owner, the maximum monthly assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

(b) From and after January 1 of the year immediately following the conveyance of the first townhouse tract to an Owner, the maximum monthly assessment may be increased above that established by the Consumer Price Index formula only by the written approval of the Owners entitled to cast two-thirds (2/3) of the votes of the Association.

(c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the monthly assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessment 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 construction, reconstruction, or unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereon, provided that any such assessment shall have the written approval of the Owners entitled to cast two-thirds (2/3) of the votes of the Association.

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 Section 3 or 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 the first such meeting called, the presence of members or of proxies entitled to cast seventy-five per cent (75%) of all the votes entitled to be cast by the Members of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice and quorum requirements. In lieu of a meeting, a door to door canvass may be used

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to get the written consent of Members certified to case two-thirds (2/3) of the votes of the Association.

Section 6. Rates of Assessment. Both monthly and special assessments on all townhouse tracts, whether owned by the Declarant or an Owner, must be fixed at uniform rates as follows:

(a) Occupied and completed townhouses being provided maintenance and other services as herein provided, shall be assessed the full assessment as set by the Association;

(b) Vacant townhouse tracts. Those townhouse tracts which are vacant or upon which a townhouse is under construction shall not be assessed but shall be maintained by the Owner or Developer. If such Owner or Developer fails to maintain said Townhouse Tract the Association is hereby authorized to do so and any expense the Association incurs thereby shall become a lien on the townhouse tract.

(c) Notwithstanding the provisions of this Section 6 above, the Declarant shall make up the difference, if any, between the cost of maintenance and the total assessments due as herein provided until such time as seventy-five percent (75%) of the townhouse tracts are sold. Thereafter, the Declarant's obligations under this provision shall be extinguished with respect to Declarant and become a liability of Declarant's successors and assigns in proportion to their ownership interest in the Property.

Section 7. Date of Commencement of Monthly Assessments: Due Dates.
The monthly assessments provided for herein shall commence as to each townhouse tract on the first day of the month following the conveyance of each townhouse tract to each owner. The Board of Directors shall fix the amount of the monthly assessment against each townhouse tract at least thirty (30) days in advance of any change in the amount of the monthly assessment. Written notice of the monthly assessment shall be sent to every Owner subject thereto. Assessments shall be due and payable monthly and as directed by the Board of Directors. 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 townhouse tract have been paid. A properly executed certificate of the Association as to the status of assessments on a townhouse

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tract is binding upon the Association as of the date of its issuance.

Section 8. Effect of Non-Payment of Assessments: 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 past due assessment shall bear interest at the rate of nine and one-half percent (9 1/2%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. Interest costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a townhouse tract, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien foreclosure on real property, including non-judicial foreclosure under Article 3810 VATS, and such Owner expressly grants to the Association a power of sale in connection with said lien. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area either general or limited or abandonment of his townhouse tract. Declarant may, at its election, require any Owner to execute a Deed of Trust upon acquisition of a Townhouse Tract to additionally secure the Association 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 first mortgage. Sale or transfer of any townhouse tract shall not affect the assessment lien. However, the sale or transfer of any townhouse tract which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or by deed or assignment in lieu of foreclosure or any purchaser at a foreclosure sale shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer, except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all townhouses including the mortgaged unit. No sale or transfer shall relieve such townhouse tract from liability for any assessment

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thereafter becoming due according to the terms herein provided.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein, except no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Management Agreements. Each Owner of a townhouse tract 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 cancellation 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.

Section 12. Insurance Requirements. (a) Each Owner shall be required to purchase insurance through the Association and furnish annually to the Association, and to the complete satisfaction of the Board of Directors, proof of insurance coverage of his Townhouse, by a reputable insurance company licensed to do business in the State of Texas, in an amount equal to the replacement cost of the Townhouse, affording protection against loss or damage from fire or other hazards covered by the standard extended coverage endorsement. In the event of damage or destruction of a Townhouse the Owner thereof shall repair or rebuild such Townhouse 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 Townhouse 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 enforceable as if it were a maintenance assessment

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lien which is subordinate to purchase money and/or improvement mortgages. 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 Townhouses shall not be a part of the common expense but shall be a debt owed by the Owner of said Townhouse and shall become part of the assessments payable by said Owner and collectible as such as herein provided.

(b) The Association, through the Board of Directors, or its duly authorized agent, shall have the authority to obtain the following types of insurance policies covering the Common Area and covering all damage or injury caused by the negligence of the Association or any of its agents;

(1) property insurance in an amount equal to the full replacement value of the common facilities owned by the Association (including all building service equipment and the like), "Increased Cost of Construction Endorsement" or the equivalent, affording protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, vandalism, malicious mischief, and water damage (not flood insurance) and any respect to projects similar in construction, location and use;

(2) a comprehensive policy of public liability insurance covering all of the common areas located in the project insuring the Association, with such limits as it may consider acceptable, such coverage to include protection against water damage, liability, liability for non-owned and hired automobiles, liability for property of others and, any other coverage the Association deems prudent and which is customarily carried with respect to projects similar in construction, location and use; and

(3) 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. Such fidelity bonds shall be of a kind and in an amount the Association deems necessary for the protection of the Owners.

Premiums for all such insurance shall be a common expense payable from property assessments. Liability and personal property insurance for townhouses and the contents of townhouses shall be the responsibility of and at the expense of each individual Owner. In the event of damage or destruction by fire or other casualty to any property in the Common Area 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. 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

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only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who may 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 costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors shall levy a special assessment against all Owners, as herein provided, to make up any deficiency.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or landscaping, or other structure shall be commenced, erected, or maintained upon any townhouse tract, or the patio or carport or garages used in connection with any townhouse tract after the purchase of any townhouse tract from Declarant, its successors and assigns, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, 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, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) 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.

ARTICLE VI

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each townhouse which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass sur-

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faces, enclosed patio areas, including the fences, window and door fixtures and hardware, air conditioning equipment and owner landscaping. The Association is granted an easement over, across and under all areas between the street right of way and the front wall of each Townhouse and the alley right of way and the rear wall of each Townhouse 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 the General and Limited Common Areas.

In the event that the need for maintenance or repair of a townhouse tract 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 invitees of the owner of the townhouse tract needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such townhouse tract is subject.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the townhouse tracts 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 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 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

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made by the Association.

Section 4. Weatherproofing. 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 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 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 1. Except for General Common Area facilities, the Property is hereby restricted to single family residential dwellings for residential use only. The General or Limited Common Areas shall not be used for any commercial purposes. All buildings or structures erected upon said Property shall be of new construction and no buildings or structures shall be moved from other locations unto said Property and no subsequent building or structures other than townhouses shall be constructed. No structures of a temporary character, including trailers, motor vehicles, tents, shacks, garages, barns, or other out-buildings, shall be used on any portion of said Property at any time as a residence either temporarily or permanently.

Section 2. Each townhouse tract shall be conveyed as a separately designated and legally described fee simple estate subject to the terms, conditions and provisions hereof.

Section 3. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant or the Builder of said Townhouses to maintain, during the period of construction and sale of said Townhouses,

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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 construction and sale of said Townhouses, including, but without limitation, a business office, storage area, construction yards, model units, sales offices and advertising signs of any size.

Section 4. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of said Lots, except that reasonable numbers, consistent with a residence, of dogs, cats, or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose.

Section 5. No advertising signs (except not more than one, two square foot "for rent" or "for sale" sign per townhouse tract, 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 Townhouse or any resident thereof. Declarant, however, shall have the sole right to erect identifying signs of any size at each entrance to the property. The Board of Directors reserves the right to approve the design and wording of all signs, and reserves the right to enter in and upon any townhouse tract 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 whatever shall be conducted in any building 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.

Section 6. 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 Townhouses and streets. All rubbish, trash, and garbage shall be kept in containers within the areas provided with each one or more Townhouses and designated by the Association for collection purposes.

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Section 7. Except in the individual patio areas appurtenant to a Townhouse, 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 building located thereon or as approved by the Association's Board of Directors or their designated representative. Except for the right of ingress and egress, of each Owner to his Townhouse which is specifically granted and recognized, the Owners of the Lots are hereby prohibited and restricted from using any of said Property outside the exterior building lines, patio and carport areas, except as herein provided or as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners of townhouse tracts in the Langham Creek Colony, Section One, development, and is necessary for the protection of said Owners.

Section 8. All fixtures and equipment installed within a Townhouse, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of a Townhouse, shall be maintained and kept in repair by the Owner thereof. In addition, all exterior as well as interior air conditioning systems will be maintained and kept by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Townhouse or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Townhouses or their Owners.

Section 9. 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 to be located upon the property nor upon any structure situated upon the Property 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 10. No parking space except for private carports on the Property 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.

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Section 11. No action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner or Owners in favor of the other Owners.

ARTICLE IX

EASEMENTS

Section 1. Each Townhouse and the Property included in the common area shall be subject to an easement for minor (three feet or less) encroachments created by construction, setting, overhangs, brick ledges, balconies, fences 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 the multi-family structure containing two or more Townhouses is partially or totally destroyed, and then rebuilt, the owners of the Townhouses so affected agree that minor encroachments (three feet or less) onto parts of the adjacent Townhouse units or Common Areas due to construction or repair shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 2. There is hereby created a blanket easement upon, across, over and under said Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said Townhouses. An easement is, in addition, specifically granted to the United States Post Office, its agents and employees to enter upon the streets, Common Areas and townhouse tracts 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 streets and Common Area 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 (both General and Limited) and/or

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any Townhouse and/or Townhouse tract to perform the duties of maintenance and repair of the Townhouse 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 programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant shall have the right to grant such easement on said Property without conflicting with the terms hereof. The easements provided for in this Article IX shall in no way affect any other recorded easement on said premises.

Section 3. Underground Electric Service. Underground single phase electric service shall be available to all residential Townhouses on the aforesaid townhouse tracts and lots and to the facilities to be constructed on the Common Areas, and the metering equipment shall be located on the exterior surfaces of walls at points to be designated by the utility company. The utility company, Declarant or entity furnishing the service shall have a two (2) 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 Townhouse structure for service and maintenance of its conductors and metering equipment. For so long as such underground service is maintained, the electric service to each Townhouse and the Common Area facility shall be uniform and exclusively of the type known as single phase, 120/140 volt, 3 wire, 60 cycle alternating current. Easements for the underground 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 underground service shall be kept clear of all buildings (except garages) and neither Declarant nor 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, or other improvements of the Owner located on the land covered by said easements.

ARTICLE X

MORTGAGEES

Section 1. Notice to Association. An Owner who mortgages his Townhouse shall notify the Association giving the name and address of his mortgagee. The

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Association shall maintain such information in a book entitled "Mortgagees of Townhouses."

Section 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 (30) days.

Section 3. Taxes and Other Charges on Common Area. The Association shall immediately reimburse first mortgagees who may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area; or who may pay overdue premiums on hazard insurance policies; or who may secure new hazard insurance coverage on the lapse of a policy.

Section 4. Examination of Books. The Association shall permit first mortgagees to examine the books and records of the Association during normal business hours.

Section 5. Reserve Fund. The Association shall establish an adequate reserve fund for replacement of the Common Area property and fund the same by regular monthly payments rather than by special assessments.

Section 6. Annual Audits. The Association shall furnish each first mortgagee an annual audited financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association.

Section 7. 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 8. Notice of Amendments to Declaration, etc. The Association shall furnish each first mortgagee prior written notice for the following: (i) abandonment or termination of Greenbriar Colony Townhouses as a planned unit development; (ii) any material amendment to the Declaration, By-Laws or Articles of Incorporation of the Association; and (iii) the termination of any professional management contract for the planned unit development.

Section 9. Leases. The Association shall require that all leases of any townhouse units must: (i) be in writing, and (ii) provide that such leases

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are specifically subject in all respects to the provisions of the Declaration, Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms and conditions of such documents shall be a default under such leases. Other than the foregoing, there shall be no restriction on the right of any townhouse owner to lease his unit.

Section 10. Notice of Damage or Destruction. The Association shall furnish the first mortgagees timely written notice of any substantial damage or destruction of townhouse units and of any part of the Common Area and facilities.

Section 11. 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 a townhouse unit or of the Common Areas and facilities and of any proposed acquisition of all or any part of such properties through condemnation or eminent domain proceedings.

Section 12. Consent of Mortgagees Required.

(A) Unless all of the first mortgagees of townhouses for the properties described on Exhibit "A" in Greenbriar Colony Townhouses 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 improvements thereon which are owned, directly or indirectly, by such Association, for the benefit of the owners of residential tracts 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 residential tract owner.

(B) Unless one hundred (100%) percent of the first mortgagees of townhouses 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 plantings in the subdivision;

(b) fail to maintain fire and extended coverage on insurable

Common Area property on a current replacement cost basis in an amount not less than one hundred (100%) per cent 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 13. Management Agreements. Any management agreement entered into by the Association will be terminable by the Association for cause upon not more than thirty (30) days' written notice, and the term of such management agreement will not exceed the period of one (1) year, renewable by agreement of the parties to such agreement for successive one (1) year periods.

Section 14. Delegations of Owner's Use of Common Area. Regarding an Owner's delegation of his rights of enjoyment to the Common Areas and facilities as provided in this Declaration, no such delegation shall work a severance of the rights of enjoyment of the Common Areas and facilities from the ownership of a Tract, and any such delegation by any owner shall automatically terminate upon conveyance of legal title to such Tract by said owner.

Section 15. With respect to substantial damage to or destruction of any townhouse or any part of the Common Areas and facilities, nothing herein or in any other document establishing the Association will entitle the owner of a townhouse or other party to priority over a lienholder (an institutional holder of any first mortgage lien or equivalent security interest on a townhouse) with respect to any distribution to such townhouse owner of any insurance proceeds.

Section 16. FHLMC and FHFA 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 County Clerk of Harris County, Texas.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed

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by the provisions of this Declaration. Failure 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 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any townhouse tract subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time by an instrument signed by Owners of not less than seventy-five (75%) percent of the townhouse tracts now in the subdivision or which may hereafter be annexed thereto according to the provisions of these Restrictions. Any amendment must be properly recorded in the Deed Records of Harris County, Texas. However, notwithstanding the above, any amendment to (i) allow the Members to alienate the Common Area without the consent of all lienholders or (ii) to change the ratio of assessments against Owners as herein provided must have the approval of all Lienholders.

Section 4.a. Additional residential property and Common Area may be annexed to the Properties with the consent of the Owners of two-thirds (2/3) of the townhouse tracts, provided, however, additional land within the approximately 48 acre tract of land constituting the remainder of Greenbriar Colony Townhouses, Harris County, Texas, may be annexed in one or more tracts at one or more times by the Declarant or his successors and assigns, without the consent of members, lienholders or anyone else within five (5) years from the date this instrument is recorded. Under no circumstances shall Declarant be obligated to annex such additional residential property and common area. The Declarant hereby agrees that any improvements on property so annexed and submitted to the jurisdiction of the Association will be of comparable quality in the opinion of Declarant in order to preserve the appearance and value of the development.

Section 4.b. In the event of annexation by Declarant (either one

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or more times), as above described, the membership and voting rights described in Article III hereof shall be adjusted so as to reflect additional votes occasioned by the annexations.

Section 5. Recreational Facilities. The Property is subject to that certain Declaration of Covenants, Conditions and Restrictions filed for record under Harris County Clerk's File No. 7-5641. Said Declaration governs the use of the swimming pool, bath house and other recreational facilities constructed, or to be constructed, upon Reserve "F" in Greenbriar Colony Townhouses, for the use and benefit and enjoyment of all owners of residential townhouses located, or to be located, on the Properties, and by the owners of all residential townhouses located, or to be located in all of said Subdivision including new or annexed properties. Said Declaration apportions and assesses all expenses of operation and maintenance of said recreational facilities among the owners of residential townhouses located on the Properties and the said additional properties. Reference is made to said Declaration for a more particular description of the rights and obligations contained therein, and said Declaration is hereby incorporated herein by reference for all purposes.

Section 6. 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.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand and seal this 29th day of Sept., 1980.

LORENZO CONSTRUCTION COMPANY

BY C. Wayne Bardwell
Vice Pres.

THE STATE OF TEXAS :

COUNTY OF HARRIS :

BEFORE ME, the undersigned authority, on this day personally appeared, C. Wayne Bardwell, Vice Pres. of LORENZO CONSTRUCTION COMPANY, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 29th day of Sept., 1980.

My commission expires: 1981

Frank Kyle
Notary Public in and for Harris County, Texas
Name

168-27-2377

JOINDER OF MORTGAGEE

The undersigned, CAPITAL NATIONAL BANK, being the owner and holder of an existing mortgage and lien upon and against the real property described in the foregoing restrictions and defined as the "Property" in said restrictions, as such mortgagee and lienholder, does hereby consent to and join in said Declaration of Covenants, Conditions and Restrictions.

This consent and joinder shall not be construed or operate as a release of said mortgage or liens owned and held by the undersigned, or any part thereof, but the undersigned agrees that its said mortgage and liens shall hereafter be upon and against each and all of the Lots and all appurtenances thereto, and all of the undivided, equitable shares and interests in the Common Area, subject to the restrictions hereby agreed to.

SIGNED AND ATTESTED by the undersigned officers of said CAPITAL NATIONAL BANK hereto authorized, this the 30 day of September, 1980.

CAPITAL NATIONAL BANK

ATTEST:

BY

G. Micheal Thompson
Vice President

THE STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared G. Micheal Thompson, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of CAPITAL NATIONAL BANK, a banking corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30 day of September, 1980.

My commission expires: 6-1-84

[Signature]
Notary Public in and for
Harris County, Texas
Name [Signature]

FILED
OCT 7 9 03 AM 1980
COUNTY CLERK
HARRIS COUNTY, TEXAS

TRANSAMERICA TITLE INSURANCE COMPANY
JULIUS M. LOMONTE, ATTORNEY
P.O. BOX 27324
HOUSTON, TEXAS 77027