S962470

517-99-0403

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR RIATA RANCH, SECTION FOUR

04/15/98 100724221 S962470 $55.00

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

WHEREAS, CYPRESS NORTHWEST ASSOCIATES, LTD., A TEXAS LIMITED PARTNERSHIP, (the "Declarant") is the sole record owner of that certain property known as Riata Ranch, Section Four, a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code Number 398044, of the Map Records of Harris County, Texas, and more particularly described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes (collectively the "Subdivision"); and

WHEREAS, the Declarant desires to establish a uniform plan for the development, improvement and sale of the Lots in the Subdivision, and to ensure the preservation of such uniform plan for the benefit of both the present and future owners of residential lots in the Subdivision in order to protect and enhance the quality, value, desirability, and attractiveness of all Lots in the Subdivision.

NOW, THEREFORE, THE DECLARANT HEREBY DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS

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

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

SECTION 1.2 ARCHITECTURAL CONTROL COMMITTEE - The Architectural Control Committee established and empowered in accordance with Article IV of the Declaration.

SECTION 1.3 ARTICLES OF INCORPORATION - The Articles of Incorporation of the Association.

SECTION 1.4 ASSOCIATION - RIATA RANCH HOMEOWNERS ASSOCIATION, a Texas non-profit corporation, its successors and/or assigns.

SECTION 1.5 ASSESSMENT - An Annual Assessment, a Special Assessment or a Reimbursement Assessment.

SECTION 1.6 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 1.7 BUILDER - Each Owner who is in the construction business or Person who regularly engages in the construction business who is constructing improvements for an Owner.

SECTION 1.8 BYLAWS - The Bylaws of the Association, as same may be amended from time to time.

SECTION 1.9 COMMON AREAS - All of the Subdivision other than the Lots and the unrestricted reserves shown on the Plat, together with any other common areas described on the Plat. The Common Area may be owned by (a) the Association for the benefit of and for the common use and enjoyment of the Owners of Lots in the Subdivision; or (b) Declarant, for the common use and enjoyment by those Owners of Lots in the subdivision entitled to use such Common Area, until such time as Declarant conveys fee simple title to such Common Area to the Association.

SECTION 1.10. DECLARANT - Shall mean and refer to Cypress Northwest Associates, Ltd., its successors and assigns so designated in writing by Cypress Northwest Association, Ltd. No person or entity merely providing loans to or purchasing (in the ordinary course of such purchaser's business) one or more Lots from Cypress Northwest Association, Ltd. shall be considered a "Declarant".

SECTION 1.11. 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 1.12. DWELLING UNIT - A residential building designed for, and limited and restricted to, occupancy by a single family on a Lot, not including an accessory building or garage.

SECTION 1.13. 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 1.14. IMPROVEMENT TO PROPERTY - Includes, without limitation: (a) the construction, installation or erection of any building, structure, fence, or other Improvement, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure, fence, or other Improvements; (c) the grading, excavation, filling, or similar disturbance to the surface of any Lot, including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation or changes to the landscaping on any Lot; and (e) any exterior modification, expansion, change or alteration of any previously approved Improvement to Property, including any change of exterior appearance, color, or texture not expressly permitted by this Declaration, Minimum Construction Standards, or the Rules and Regulations.

SECTION 1.15 . IMPROVEMENTS - All structures and any appurtenances thereto of every type or kind, which are visible on a Lot, including, but not limited to: buildings, outbuildings, swimming pools, spas, hot tubs, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, sidewalks, walkways, sprinkler pipes, garages, roads, driveways, parking areas, fences, screening, walls, retaining walls, stairs, decks, fixtures, windbreaks, poles, signs, exterior tanks, exterior air conditioning fixtures and equipment, water softener fixtures, exterior lighting, recreational equipment or facilities, radio, conventional or cable or television antenna or dish, microwave television antenna, and landscaping that is placed on and/or visible from any Lot.

SECTION 1.16. LOT - Each of the lots shown on the map or plat of the Subdivision.

SECTION 1.17. MAINTENANCE FUND - Any accumulation of the annual maintenance assessments collected by the Association in accordance with the provisions of the Declaration and any Supplementary Declaration annexing additional residential property to the Subdivision and interest and other sums and revenues collected by the Association pursuant to this Declaration and any such Supplementary Declaration.

SECTION 1.18. MEMBER OR MEMBERS - All Owners of Lots who are members of the Association as provided in Article III of this Declaration and any Supplementary Declaration annexing residential property to the Subdivision.

SECTION 1.19 MINIMUM CONSTRUCTION STANDARDS - Minimum Construction Standards are those standards as approved from time to time by the Architectural Control Committee concerning Improvement to the properties.

SECTION 1.20. MORTGAGE - A Deed of Trust or other security instrument given by an Owner to secure payment of a loan duly recorded in the Harris County Clerk's office.

SECTION 1.21. MORTGAGEE - Beneficiary under Mortgage.

SECTION 1.22. OWNER - Any Person, as herein defined and including Declarant, having record fee simple title to a Lot.

SECTION 1.23. PERSON - A natural person, corporation, partnership, or any other legal entity.

SECTION 1.24. PLAT - The official plat of Riata Ranch, Section Four, filed for record in Film Code Number 398044, of the Map Records of Harris County, Texas.

SECTION 1.25. PLANS - The final construction plans and specifications for any dwelling unit or improvement of any kind to be erected, placed, constructed, or planted on any portion of the Property.

SECTION 1.26. PROPERTY - All that certain property known as Riata Ranch, Section Four as per the Plat thereof.

SECTION 1.27. REIMBURSEMENT ASSESSMENT - A charge against an Owner for the purposes of reimbursing the Association for expenditures and costs incurred in curing any violation of these Restrictions or Rules or Regulations, or otherwise pursuant to Section 7.8 hereof.

SECTION 1.28. 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 1.29. 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 7.4 hereof.

SECTION 1.30. SUBDIVISION - All the certain real property located within Harris County, Texas, as reflected on the Plat.

ARTICLE II
ESTABLISHMENT OF GENERAL PLAN

SECTION 2.1. GENERAL PLAN AND DECLARATION - This Declaration is hereby established pursuant to and in furtherance of a common and general plan for the improvement 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. The Lots and Common Area in the Subdivision shall be subject to the jurisdiction of the Association.

SECTION 2.2. EQUITABLE SERVITUDES - The covenants, conditions, restrictions, limitations, reservations, easements, and exceptions of this Declaration hereby are imposed as equitable servitudes upon each Lot, and the Common Area within the Subdivision, as a servient estate, for the benefit of each and every other Lot and parcel of Common Area 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, and each Lot therein, 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 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 any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; and in the event of a conflict between the Articles of Incorporation or the Bylaws and the provisions of the Declaration, the provisions of the Declaration 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, 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, Rules and Regulations and Minimum Construction Standards.

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 enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, operation of recreational facilities, or other matters of mutual interest. In addition to other powers granted by 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 of a Lot, whether one Person or more, 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 inherent 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. Membership in the Association shall not include persons having an investment merely as a security for the performance of an obligation.

SECTION 3.4. VOTING OF MEMBERS - The Association shall have two classes of membership for voting purposes:

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 one Lot.

Class B. The Class B Member shall be Declarant, its successors and assigns. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Section 3.3; provided, however, that in the event any governmental authority requires fewer than five votes per lot by a person holding Declarant's status for issuance of its approvals, Declarant, in its sole discretion, may elect to reduce its votes per Lot to a number acceptable to such governmental authority. Provided further, 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 75% of the total of the lots within the subdivision have been deeded to homeowners; 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, 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 families, tenants, and guests. Such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. Written Notice of the adoption, amendment, or repeal of any Rule and Regulation shall be given by depositing same in the regular mail to each Member at the last known address of such Member according to the records of the Association. 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 as a tenant, guest or otherwise shall 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 a part of this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

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 of 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 (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, 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, of any Member or Member's family, guests or tenants from use of any recreational facilities in the Common Areas 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, guest, 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, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or Member'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, 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, reasonable and uniformly applied fines as established in advance in the Rules and Regulations of the Association, from any Member, and such Member's family, guests, or tenants, for the breach of this Declaration or such Rules and Regulations.

SECTION 3.8 POWER TO GRANT EASEMENTS - Declarant, while Declarant owns the Common Area and thereafter the Association, shall have the power to grant access, utility, drainage, water, facility, cable television, and other such easements in, on, over, or under the Common Areas.

ARTICLE IV
ARCHITECTURAL APPROVAL

SECTION 4.1. ARCHITECTURAL CONTROL COMMITTEE. As used in this Declaration, the term "Architectural Control Committee" shall mean a committee of three (3) members, all of whom shall be appointed by Declarant, except as otherwise set forth herein. Declarant shall have the continuing right to appoint all three (3) members until the earlier of (a) the date the last Lot owned by Declarant is sold (except in connection with a conveyance to another party that is a successor as Declarant); or (b) such date as the Declarant elects to discontinue such right of appointment by written notice to the Board. Thereafter, the Board shall have the right to appoint all members. Members of the Architectural Control Committee may, but need not be, Members of the Association. Members of the Architectural Control Committee appointed by Declarant may be removed at any time and shall serve until resignation or removal by Declarant. The initial Members of the Architectural Control Committee are N. M. Brown, Robert M. Allen, and Kenneth Kolkhorst. Members of the Architectural Control Committee appointed by the Board may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board. The Architectural Control Committee shall have the right to designate a Committee Representative by recordation or a notice of appointment in the Official Public Records of Real Property of Harris County, Texas, which notice must contain the name, address, and telephone number of the Committee Representative. All third parties shall be entitled conclusively to rely upon such person's actions as the actions of the Architectural Control Committee itself until such time as the Architectural Control Committee shall record a notice of revocation of such appointment in the Official Public Records of Real property of Harris County, Texas.

SECTION 4.2. APPROVAL OF IMPROVEMENTS REQUIRED - The approval of a majority of the members of the Architectural Control Committee or the approval of the "Committee Representative" shall be required for any Improvement to Property before commencement of construction of such Improvement to Property, other than an Improvement to Property made by Declarant.

SECTION 4.3. ADDRESS OF COMMITTEE - The address of the Architectural Control Committee shall be at the principal office of the Association.

SECTION 4.4. SUBMISSION OF PLANS - Before commencement of work to accomplish any proposed Improvements to Property, the Applicant proposing to make such Improvement to Property shall submit to the Architectural Control Committee at its offices copies of such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications, and samples of materials and colors as the Architectural Control Committee reasonably shall request, showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to Property, as may be more particularly described from time to time in any Minimum Construction Standards adopted by the Architectural Control Committee. The Architectural Control Committee may require submission of additional plans, specifications, or other information before approving or disapproving the proposed Improvement to Property. Until receipt by the Architectural Control Committee of all required materials in connection with the proposed Improvement to Property, the Architectural Control Committee may postpone review of any materials submitted for approval.

SECTION 4.5. CRITERIA FOR APPROVAL - The Architectural Control Committee shall approve any proposed Improvement to Property only if it determines in its reasonable discretion that the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Subdivision as a whole; that the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Subdivision, including, without limitation, quality and color of materials and location with respect to topography and finished grade elevation; that the Improvement to Property will comply with the provisions of this Declaration and any applicable plat, ordinance, governmental rule, or regulation; that the Improvements to Property will not detract from the beauty and attractiveness of the Subdivision or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the Association. The Architectural Control Committee is specifically granted the authority to disapprove proposed Improvements because of the unique characteristics or configuration of the Lot on which the proposed Improvement would otherwise be constructed, even though the same or a similar type of Improvement might or would be approved for construction on another Lot. The Architectural Control Committee may condition its approval of any proposed Improvement to Property upon the making of such changes thereto as the Architectural Control Committee may deem appropriate.

SECTION 4.6. MINIMUM CONSTRUCTION STANDARDS - The Architectural Control Committee from time to time may supplement or amend the Minimum Construction Standards, which provide an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline only and the Architectural Control Committee may impose other requirements in connection with its review of any proposed Improvements.

SECTION 4.7. DECISION OF COMMITTEE - The decision of the Architectural Control Committee shall be made within thirty (30) days after receipt by the Architectural Control Committee of all materials required by the Architectural Control Committee. The decision shall be in writing and, if the decision is not to approve a proposed Improvement to Property, the reasons therefor shall be stated. The decision of the Architectural Control Committee promptly shall be transmitted to the Applicant at the address furnished by the Applicant to the Architectural Control Committee. Any request for approval of a proposed Improvement to Property shall be deemed approved the Architectural Control Committee unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Architectural Control Committee within thirty (30) days after the date of receipt by the Architectural Control Committee of all required materials; provided, however, that no such deemed approval shall operate to permit any Owner to construct or maintain any Improvement to Property that violates any provision of this Declaration or the Minimum Construction Standards. The Architectural Control Committee shall at all times retain the right to object to any Improvement to Property that violates any provision of this Declaration or the Minimum Construction Standards.

SECTION 4.8. PROSECUTION OF WORK AFTER APPROVAL - After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in strict conformity with the description of the proposed Improvement to Property within nine (9) months after the date of approval or such other period of time as shall have been authorized in writing by the Architectural Control Committee (unless an extension has been granted by the Architectural Control Committee in writing). No Improvement to Property shall be deemed completed until the exterior fascia and trim on the structure has been applied and finished and all construction materials and debris have been cleaned up and removed from the site and all rooms in the Dwelling Unit, other than attics, have been finished. Removal of materials and debris shall not take in excess of thirty (30) days following completion of the exterior. Failure to so prosecute the approved Improvement will negate such approval.

SECTION 4.9. INSPECTION OF WORK - The Architectural Control Committee or its duly authorized representative shall have the right to inspect any Improvement to Property before or after completion.

SECTION 4.10. NOTICE OF NONCOMPLIANCE - If, as a result of inspections or otherwise, the Architectural Control Committee finds that any Improvement to Property has been constructed or undertaken without obtaining the approval of the Architectural Control Committee, or has been completed other than in strict conformity with the description and materials furnished by the Applicant to the Architectural Control Committee, or has not been completed within the required time period after the date of approval by the Architectural Control Committee, the Architectural Control Committee shall notify the Applicant in writing of the noncompliance ("Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Applicant to take such actions as may be necessary to remedy the noncompliance within the reasonable period of time set forth therein.

SECTION 4.11. CORRECTION OF NONCOMPLIANCE - If the Architectural Control Committee determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date of receipt by the Applicant of the determination of the Architectural Control Committee. If the Applicant does not comply with the Architectural Control Committee ruling within such period, the Architectural Control Committee may, at its option but with no obligation to do so, (a) record a Noncompliance against the real property on which the noncompliance exists in the Official Public Records of Real Property of Harris County, Texas; (b) remove the noncomplying Improvement to Property; and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Architectural Control Committee elects to take any action with respect to such violation, the Applicant shall reimburse the Association upon demand for all expenses incurred therewith. If such expenses are not promptly repaid by the Applicant or Owner to the Association, the Architectural Control Committee may levy a Reimbursement Assessment for such costs and expenses against the Owner of the Lot in question. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the Architectural Control Committee to take such Actions) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise.

SECTION 4.12. NO IMPLIED WAIVER OR ESTOPPEL - No action or failure to act by the Architectural Control Committee shall constitute a waiver or estoppel with respect to future action by the Architectural Control Committee, with respect to any Improvement to Property. Specifically, the approval by the Architectural Control Committee of any Improvement to Property shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement to Property by such Person or otherwise.

SECTION 4.13. POWER TO GRANT VARIANCES - The Architectural Control Committee may authorize variances from compliance with any of the provisions of Article V of this Declaration (except for

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

SECTION 4.14.COMPENSATION OF ARCHITECTURAL CONTROL COMMITTEE MEMBERS - The members of the Architectural Control Committee shall be entitled to reimbursement by the Association for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve.

SECTION 4.15. RECORDS OF ACTION - The Architectural Control Committee shall report in writing to the Board of Directors all final action of the Architectural Control Committee and the Board shall keep a permanent record of such reported action.

SECTION 4.16.ESTOPPEL CERTIFICATES - The Board of Directors, upon the reasonable request of any interested party and after confirming any necessary facts with the Architectural Control Committee, shall furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance herewith. Any Person, without actual notice of any falsity or inaccuracy of such a certificate, shall be entitled to rely on such certificate with respect to all matters set forth therein.

SECTION 4.17.NONLIABILITY FOR ARCHITECTURAL CONTROL COMMITTEE ACTION - None of the members of the Architectural Control Committee, any Committee Representative, the Association, any member of the Board of Directors, or Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Architectural Control Committee, except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Committee shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of, the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes, or other governmental laws or regulations. Furthermore, none of the members of the Architectural Control Committee, the Committee Representative, any member of the Board of Directors, or Declarant shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association, or for a tort of another of such individuals, whether such other individuals were acting on behalf of the Association, the Architectural Control Committee, the Board of Directors, or otherwise. Finally, neither Declarant, the Association, the Board, the Architectural Control Committee, or their officers, agents, members, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, Improvements, or portion thereof, or for failure to repair or maintain the same. Notwithstanding the foregoing, the Architectural Control Committee shall have the right to obtain reasonable liability insurance coverage and require the Association to pay the cost of same.

ARTICLE V
ARCHITECTURAL RESTRICTIONS

SECTION 5.1. DWELLING UNIT SIZE - The ground floor area of any one story Dwelling Unit, exclusive of porches and garages, shall contain not less than one thousand six hundred (1600) square feet. The ground floor area of any one and one-half story and two story Dwelling Units, exclusive of porches and garages, shall contain not less than eight hundred (800) square feet, and the total living area of any one and one-half story single family dwelling, exclusive of porches and garages shall contain not more than two thousand seven hundred seventy-five (2,775) square feet.

SECTION 5.2. HEIGHT AND CHARACTER OF DWELLING UNIT - No Dwelling Unit shall be erected, altered, or permitted to remain on any Lot other than one Dwelling Unit used for single family residential purposes only, as provided in Section 6.2, and not to exceed the lesser of two (2) stories or forty-five (45) feet above the level of the street in front of the Lot in question, and a fully enclosed garage as provided in Section 5.5. Provided further that it shall be permissible to have third-level living space in the Dwelling Unit completely under a sloped roof with dormers or gables or additional levels beneath ground level in the Dwelling Unit, garage, so long as the maximum height of the buildings does not exceed forty-five (45) feet.

SECTION 5.3. LOCATION OF DWELLING UNIT - Except as may be authorized in writing by the Architectural Control Committee, no Dwelling Unit or Improvement shall be located nearer to the front Lot line nor nearer to any side or rear Lot line than as permitted by the recorded Plat of the Subdivision. To provide for uniformity and proper utilization of the building area within the Lots, residences or appurtenant structures on a Lot shall not be less than five (5) feet from the residence or appurtenant structure on any contiguous Lot(s). Roofs on the zero setback line, if any, shall be constructed in such a manner as not to drain on to the adjacent Lot. No windows, doors, or other openings may be placed in the first floor wall build on any zero setback line shown on the Plat and no windows, doors or other openings may be placed in the second floor wall built on or parallel to any zero setback line shown on the Plat; provided, however, glass blocks/bricks, as approved by the Architectural Control Committee, are allowed.

SECTION 5.4. USE OF TEMPORARY STRUCTURES - No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn, patio covers, or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided, however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portions of the Subdivision as in its sole discretion may seem necessary or convenient while selling Lots, selling or constructing residences, or constructing other Improvements within the Subdivision. The right to use temporary structures in connection with the construction of Improvements may be assigned from time to time, in whole or in part, by Declarant to Builders. All permitted temporary structures shall be properly maintained.

SECTION 5.5 CARPORTS/GARAGES - No carports shall be constructed on any Lot. All garages shall be: (a) fully operable; (b) capable of housing at least two (2) automobiles; and, (c) enclosed by garage doors which must be kept in the closed position when the garage is not being used by the Owner or occupant. The garage portion of any model home may be used by Builders for sales purposes, storage purposes, and other related purposes. Upon (or before) the sale of any such model home to the first purchaser thereof, the garage portion of the model home shall be converted to a fully enclosed garage with garage doors by the Builder. If the garage portion of the model home is not converted to a fully enclosed garage with garage doors by the Builder upon the sale of such model home, it shall be the obligation of the first purchaser of the model home and each subsequent Owner to the lot (if not done by the first purchaser) to convert the garage portion of the model home to a fully enclosed garage with garage doors.

SECTION 5.6. DRIVEWAYS - Unless the Architectural Control Committee agrees otherwise, each Lot shall have driveway access to the street on which the Dwelling Unit constructed thereon faces. Subject to the foregoing limitations, the Owner of each Lot shall construct and maintain at his expense a driveway

from his garage to an abutting street. All driveways, public walks and entry walks must be "picture framed" or "trial edged". All entry walks run directly to public walks.

SECTION 5.7. ROOFS - All roofs shall be approved by the Architectural Control Committee in writing, but all roofs must have a minimum guaranteed life of 25 years and architectural grade shingles. All chimneys shall be constructed with brick, stucco, or stucco board when visible from the front curb. All chimneys must have chase shrouds using "Hardi Plank" siding.

SECTION 5.8. GRASS, SHRUBBERY AND LANDSCAPING - Prior to sale thereof, each Lot with a residence thereon shall be sodded with grass, and all areas visible from any street shall be landscaped with Shrubbery of types and quantities approved by the Architectural Control Committee. All grass and shrubbery shall be maintained by the Owner of the Lot. Failure by the Owner to maintain a Lot in a reasonable manner shall give a right to the Association to enter the property for purposes of yard maintenance including mowing of grass and trimming of trees and charge the Owner all costs attributable thereto. Each Lot shall have live container grown oak trees every 25' of street frontage of a minimum 1 1/2" caliber when planted. These trees shall be located equal distance from the street curb. Additionally, a minimum of two (2) container grown or machine transplanted trees with a minimum 4" caliber when planted in the front yard of each residence.

SECTION 5.9. ANTENNAS - No electronic antenna or device of any type for transmitting or receiving electronic signals shall be erected, constructed, or placed on the exterior of any Dwelling Unit or Improvement constructed on any Lot in the Subdivision or free standing on any Lot, except for a satellite dish not visible from the street and no larger than 36" in diameter. No radio or television signals or any other form of electromagnetic radiation shall be permitted to originate from any Lot that unreasonably interferes with the reception of television or radio signals upon any other Lot.

SECTION 5.10. FLAGPOLES - No flagpole shall be permanently erected on any Lot. A temporary flagpole approved by the Architectural Control Committee may be erected on a Lot with a model home until such time that the Lot on which the model home is situated is sold.

SECTION 5.11. EXTERIOR LIGHTING - All exterior lighting must first be approved by the Architectural Control Committee.

SECTION 5.12. SOUND DEVICES - No horns, whistles, bells, or other sound devices, except for security systems used exclusively to protect the Dwelling Unit, shall be placed or used on any Lot or Improvements. This paragraph shall not preclude the use of outdoor speakers for hi-fi, stereos, or radios if the sound level is maintained at a reasonably low level with respect to adjoining property. All homes must have security systems.

SECTION 5.13. 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 any aluminum foil or other reflective material. Window coverings must be compatible with the design and color of the Dwelling Unit and the overall appearance of the Subdivision. The Architectural Control Committee shall have the sole authority to determine whether particular window coverings are compatible with the design and color of the Dwelling Unit and the overall appearance of the Subdivision.

SECTION 5.14. AIR CONDITIONERS - No window, roof or wall type air conditioner that is visible from any street or any other Lot, shall be used, placed or maintained on or in any Dwelling Unit, garage or other Improvement.

SECTION 5.15. WALLS AND FENCES - The construction or installation of walls and fences to a maximum of six (6) feet, (including the location thereof) by Owners shall be subject to approval by the Architectural Control Committee in accordance with the provisions of this Declaration and any Minimum

Construction Standards. The Owner shall be responsible for maintaining and repairing all walls and fences installed by an Owner. No chain link or other wire fencing will be allowed. All fences on corner lots shall be six foot (6') with 2" X 6" Cedar Cap. All lots contiguous with Riata Ranch Boulevard or Little Riata Drive must have Architectural Control Committee approval and must conform to fencing plan utilized on Barker Cypress in the front of Riata Ranch subdivision. Maintenance of such fence shall be the responsibility of the Declarant or the Association, whichever is applicable. All other fencing shall be "good neighbor" fencing.

SECTION 5.16. DISPOSAL UNIT REQUIREMENTS - Each kitchen in each residential dwelling or servant's quarters situated on any Lot shall be equipped with a garbage disposal unit, which garbage disposal unit at all times shall be kept in a serviceable condition.

SECTION 5.17. REMOVAL OF TRASH AND DEBRIS DURING CONSTRUCTION - During the construction, repair, and restoration of Improvements, each Builder shall remove and haul from the Lots all tree stumps, tree-limbs, branches, underbrush, and all other trash or rubbish cleared from the Lot to permit construction of the Improvements, including landscaping. No burning of trash or other debris is permitted on any Lot, and no materials or trash hauled from any Lot may be placed elsewhere within the Subdivision, unless approved in writing by the Architectural Control Committee. Additionally, each Owner or Builder, during construction of Improvements, continuously shall keep the Lot in a reasonably clean and organized condition. Papers, rubbish, trash, scrap, and unusable building materials are to be kept,picked up, and hauled from the Lot on a regular basis. No trash, materials, or dirt shall be placed in any street. Any such trash, materials, or dirt inadvertently spilling or getting into the street or street gutter shall be removed, without delay, not less frequently than daily.

SECTION 5.18. EXCAVATION AND TREE REMOVAL - The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as may be necessary in conjunction with the landscaping of or construction on such Lot. No trees shall be cut or removed except to provide room for construction of Improvements or to remove dead or unsightly trees; provided, however, that removal of any other tree in excess of a two inch (2") caliber requires the approval of the Architectural Control Committee.

SECTION 5.19. DRAINAGE - No Owner of a Lot shall be permitted to construct Improvements on such Lot or grade such Lot or permit such Lot to remain in or be placed in such condition that rain water falling on such Lot drains to any other Lot or the Common Area.

SECTION 5.20. PRIVATE UTILITY LINES - All electrical telephone and other utility lines and facilities which are located on a Lot and which are not owned and maintained by a governmental entity or a public utility company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the Architectural Control Committee, and shall be maintained at all times by the Owner of the Lot upon which is located.

SECTION 5.21. WIND GENERATORS - No wind generators shall be erected or maintained on any Lot that are visible from any street, Lot, or Common Area.

SECTION 5.22. SOLAR COLLECTORS - No solar collector shall be installed without the prior written approval of the Architectural Control Committee. Any such installation shall be in harmony with the design of the Dwelling Unit. Solar collectors shall be installed in a location not visible from the public street in front of the Dwelling Unit.

SECTION 5.23. DAMAGE OR DESTRUCTION OR IMPROVEMENTS - Owners are bound and obligated through the purchase of a Lot to maintain the Lot and all Improvements thereon in a neat and habitable manner. In the event of damage to any Improvement, the Owner shall have the shorter of the period permitted by applicable laws or sixty (60) days to begin repairing or demolishing the destroyed or damaged portion, and, once timely commenced, such repairs or demolition must be pursued diligently to completion.

If, however, damage to the Improvements is not covered by insurance, or if the Owner's claim is not approved by the Owner's insurance company, or if the Owner decides not to restore the Improvements at such time, then the Owner may apply for a "hardship" extension to the operation of this restriction to be submitted to the Board within sixty (60) days from the date of such destruction or damage. The Board shall rule on the Owner's Application for a "hardship" extension within thirty (30) days from the date of submission. In no event shall the granting of a "hardship" extension in a particular case be deemed a waiver of the right to enforce this restriction thereafter. If a hardship extension is granted, the Owner thereafter immediately shall cause the damaged or destroyed Improvement to be demolished and the Lot to be suitably landscaped, subject to the approval of the Architectural Control Committee, so as to present a pleasing and attractive appearance. It shall be the duty of the Owner to keep all exterior finishes in good and attractive condition. Should Owner fail to do so, the Association may make such repairs and painting as may be necessary to maintain the overall attractive appearance of the property consistent with the subdivision standards and all charges therefor shall be borne by the Owner.

ARTICLE VI
USE RESTRICTIONS

SECTION 6.1. GENERAL - No Owner shall use the Common Areas 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 6.2. 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 a duplex apartment, a garage apartment or any other apartment or for any multi-family use, or for any business, educational, church, professional, or other commercial activity of any type provided that an Owner may use his residence as a personal office for a profession or occupation, if: (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" 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 grandparents and domestic servants; and (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 grandparents and their domestic servants.

SECTION 6.3. VEHICLES - No motor vehicle or non-motorized vehicle, boat, trailer, marine craft, recreational vehicle, camper rig off of truck, hovercraft, aircraft machinery, or equipment of any kind may be parked or stored on any part of any Lot, easement, right-of-way, unless such vehicle or object is completely concealed from public view inside a garage or enclosure approved by the Architectural Control Committee. Passenger automobiles, passenger vans, motorcycles, or pick-up trucks that: (a) are in operating condition; (b) have current license plates and inspection stickers; (c) are in daily use as motor vehicles on the streets and highways of the State of Texas; (d) which do not exceed six feet six inches (6'6") in height, or eight feet (8') in width, or twenty-four feet (24') in length; and (e) have no commercial advertising located thereon, may be parked in the driveway on a Lot; however, no vehicle shall be parked so as to obstruct or block a sidewalk. No vehicle may be repaired on a Lot unless the vehicle being repaired is concealed from view inside a garage

or other approved enclosure. This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of a house or houses in the immediate vicinity; provided, however, overnight parking of any vehicles in the street is prohibited. Owners or occupants of Lots may seek a temporary variance from this restriction for their guests, however, any such request for a variance must receive the prior approval of the Board of Directors of the Association. The Board of Directors of the Association may adopt additional Rules and Regulations regulating parking on the streets in the Subdivision.

SECTION 6.4. NO NOXIOUS OR OFFENSIVE ACTIVITY - No noxious or offensive activity shall be carried on upon any property 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. Among other noxious or offensive activity, it shall be considered an offensive activity to park a vehicle on any non-paved portion of the Lot.

SECTION 6.5. NO HAZARDOUS ACTIVITIES - No activity shall be conducted on and no Improvements shall be constructed on any property within the Subdivision 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 any property and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior or exterior fireplace.

SECTION 6.6. RESTRICTIONS ON GARBAGE AND TRASH - No refuse, garbage, trash, lumber, firewood, grass, shrub or tree clippings,plant waste,compost, metal, bulk materials, scrap, refuse, or debris of any kind shall be kept, stored, or allowed to accumulate on any Lot except within an enclosed container of a type, size and style approved by the Board and appropriately screened from view.

SECTION 6.7. CLOTHES DRYING - No outside clothesline or other outside facilities for drying shall be erected placed or maintained on any Lot if visible from any other Lot, nor shall clothing or household fabric or any other article be hung, dried, or aired on any Lot in the Subdivision in such a way as to be visible from other Lots/streets or the Common Area.

SECTION 6.8. ANIMALS - No animals of an kind shall be raised, bred, or kept in the Subdivision except as hereinafter provided. A total of two (2) 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 or, or otherwise constitute an unreasonable nuisance to other Owners; (c) they are kept within the Dwelling Unit, an enclosed yard 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 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 Areas.

SECTION 6.9. SIGNS AND BILLBOARDS - No signs, billboards, posters or advertising devices of any character shall be erected, permitted or maintained on any Lot except one (1) sign of not more than nine (9) square feet area which is used to: (a) advertise the property for sale or lease; (b) indicate traffic control or security services; (c) identify the builder or contractor while construction is in progress on such Lot; or (d) 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. Additionally, the right is reserved by Declarant to construct and maintain

signs, billboards, and advertising devices as is customary in connection with the sale of newly constructed Dwelling Units. The Declarant and the Association shall also have the right to erect identifying signs at each entrance to the Subdivision. In no event shall any sign, billboard, poster or advertising device of any character, other than as specifically prescribed in the first sentence of this Section 6.9 be erected, permitted or maintained on any Lot without the express prior written consent of the Architectural Control Committee.

SECTION 6.10. OIL AND MINING OPERATIONS - No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall any walls, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

SECTION 6.11. TREATMENT 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"; day-care center rehabilitation center, treatment facility, or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, 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 otherwise allowed by the terms of any law specifically negating the provisions of restrictive covenants prohibiting same.

SECTION 6.12. 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 6.12 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. Upon the execution of a lease agreement, the Owner shall notify the Association in writing of the Owner's residence address and the name of Owner's Lessee. No Lessee shall be entitled to use the recreational facilities or the Common Area of the Association until the information specified in this Section is provided to the Association in writing and the Owner further notifies the Association in writing that the Lessee has been granted the authority to use the recreational facilities and Common Area of the Association by such Owner.

SECTION 6.13. GARAGE SALES PROHIBITED - No Owner may conduct sales of personal property on a Lot at any time.

ARTICLE VII
COVENANTS FOR ASSESSMENTS

SECTION 7.1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS - The Declarant, for each Lot owned within the Subdivision, hereby covenants, and each Owner agrees and covenants by acceptance of a deed to pay the Association:

(a) Annual Assessments;
(b) Special Assessments; and
(c) Reimbursement Assessments, all as hereinafter defined.

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 property 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 or such property at the time when the Assessments fell due.

SECTION 7.2. 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, on or before January 1 of each year, in advance annual 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, except as hereinafter provided for Declarant and any Builder to whom Declarant sells a Lot. The Association shall use proceeds of said Maintenance Fund for the use and benefit of all residents of the Subdivision, as well as any other subdivision brought within the jurisdiction of the Association; provided, however, that other subdivisions 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 shall include, by way of clarification and not limitation, at its sole option, all costs of Declarant in preparation of this Declaration, formation of the Homeowners Association, and other front end costs in developing Common Areas and amenities, and any and all of the following; constructing and maintaining paths, parks, lakes, landscape reserves,parkways, easements, esplanades, fences, cul-de-sac and street medians, recreational facilities, including swimming pools and tennis courts, play courts, and other common areas, 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 security, lifeguards, instructors, and operators, caring for vacant Lots, 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 Association 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 7.3. MAXIMUM ANNUAL ASSESSMENT - Until January 1 of the year immediately following the conveyance of the first Lot to a resident Owner, the maximum annual Assessment shall be $300.00 per Lot per year.

(a) 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 each year not more than fifteen percent (15%) above the Annual Assessment for the previous year without a vote of the membership. Said 15% shall be compounded annually for each year from the date hereof, meaning that the Annual Assessment may be increased by the accumulated maximum amount.

(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 compounded fifteen percent (15%) by a vote of two-thirds (2/3) of each class of 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 permitted herein.

SECTION 7.4. SPECIAL ASSESSMENTS - In addition to the Annual Assessments authorized above, the Association may levy, any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or n part,the cost of any use or benefit provided for herein in Section 7.2. Provided, however, any such assessment shall have the assent of two-thirds (2/3rd) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 7.5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 7.3 AND 7.4 - Written notice of any meeting called for the purpose of taking any action authorized under Sections 7.3 or 7.4 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 called meeting, 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 at 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 7.6. UNIFORM RATE OF ASSESSMENT - Both Annual and Special Assessments must be fixed at a uniform rate; provided, however, Lots which are owned by a Builder, as defined herein, shall be assessed at the rate of one-half (1/2) of any Annual Assessment or Special Assessment. Provided further, Lots owned by Declarant are exempt from the payment of Annual and Special Assessments until the Class B membership has converted to Class A membership as provided in Section 3.4, and at such time, as long as such Lots do not have Improvements on them, Declarant's Lots shall be assessed at one fourth (1/4) of any Annual or Special Assessment.

SECTION 7.7. 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 to a Owner. The first Annual Assessment shall be adjusted according to the number of days 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 shall be established by the Board of Directors.

SECTION 7.8. 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, Minimum Construction Standards, 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 (10) days after notice to the Member of the decision of the Board of Directors that the Reimbursement Assessment is owing.

SECTION 7.9. 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 7.10. 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 Common 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 satisfied; (b) Special Assessment until satisfied; (c) Annual assessment until satisfied. In each application of funds, payments shall be credited first to interest, attorney's fees, and other costs of collection, and then to principal reduction.

SECTION 7.11. 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, interest at the rate of eighteen percent (18%) per annum from the due date or the maximum rate of interest allowed by law, if less than eighteen percent (18%), 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 common Area, 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, lease, mortgage, or convey same.

SECTION 7.12. 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 the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration or claim by the Owner of non-use of the Common Areas or abandonment of his Lot or claim by the Owner of inconvenience or discomfort arising from the making of repairs or Improvements to Common Areas from any action take to comply with any law or any determination of the Board of Directors or from any other reason.

SECTION 7.13. SUBORDINATION OF THE LIEN TO MORTGAGES - The lien of the Assessments provided for herein shall be subordinate to any purchase money liens or any other validly created lien as against the homestead. Sale or transfer of any Lot shall not affect the lien of the Assessment; however, the sale or transfer of any Lot pursuant to the foreclosure of a purchase money lien 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 7.14. REIMBURSEMENT OF DECLARANT - Recognizing that the initial cost of administration and maintenance of the Common Areas and 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 Director's 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 or on behalf of the Association.

ARTICLE VIII
EASEMENTS AND UTILITIES

SECTION 8.1. 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 proposes 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 their property that are used for or serve other Lots, but each Owner shall have an easement for such use of the aforesaid facilities as shall be necessary for the use, maintenance, and enjoyment of his Lot.

SECTION 8.2. ACCESS EASEMENT FOR 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 8.2, 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 5:00 p.m., Monday through Friday, and 9:00 a.m. to 5:00 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) or such Easement Site, and the Owner using 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 8.3. ASSOCIATION EASEMENTS - The Association, its agents, servants, and employees shall have all other such easements as specifically referenced throughout this Declaration.

ARTICLE IX
ELECTRICAL SERVICE

SECTION 9.1. UNDERGROUND ELECTRICAL DISTRIBUTION - It is contemplated that Declarant will enter into an agreement for the installation of an underground electric distribution system in the Subdivision. The Owner of each Lot shall, at his own cost, maintain his Dwelling Unit in accordance with any such agreement. For so long as underground service is maintained in the Subdivision, the electric service to each Dwelling Unit therein shall be underground, uniform in character, and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

ARTICLE X
INSURANCE

SECTION 10.1 GENERAL PROVISIONS - The Board shall have the authority to determine whether or not to obtain insurance for the Association and upon the Common Areas, if any, and if insurance is

obtained, the amounts thereof. In the event that insurance is obtained, the premiums for such insurance shall be an expense of the Association which shall be paid out of the Maintenance Fund. Notwithstanding the foregoing, the Association shall at all times maintain adequate comprehensive general liability insurance and directors and officers liability insurance.

SECTION 10.2. INDIVIDUAL INSURANCE - Each Owner shall be responsible for insuring his Lot and his Dwelling Units, its contents and furnishings. Each Owner, at his own cost and expense, shall be responsible for insuring against the liability of such Owner.

ARTICLE XI
AMENDMENT TO DECLARATION AND DURATION OF RESTRICTIONS

SECTION 11.1 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 11.2. AMENDMENT BY DECLARANT - Declarant shall have and reserves the right at any time and from time to time before the Election Date, without the consent of other Owners or the representatives of any mortgagee to amend this Declaration for the purpose of: (a) securing to the Owners the benefits from technological advances, such as security, communications, or energy-related devices or equipment that did not exist or were not in common use in similar subdivisions at the time this Declaration was adopted; (b) prohibiting the use of any device or apparatus developed or available for use following the date of this Declaration, if the use of such device or apparatus would adversely affect the Association or the Subdivision or would adversely affect the property values within the Subdivision; or (c) clarifying or resolving any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors, or omissions herein; provided, however, that no such amendment shall change the voting rights of the Declarant or other Members, annexation rights of Declarant, any Owner's proportionate share of Assessments, or the property description of any Owner and such Owner's mortgagee who do not join in the execution of such correction instrument. Any such amendment shall become effective upon the recordation of a written instrument setting forth such amendment in the Official Public Records of Real Property of Harris County, Texas.

SECTION 11.3. DURATION - This Declaration shall remain in full force and effect until November 15, 2020, 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 11.1. and 11.2.

ARTICLE XII
MISCELLANEOUS

SECTION 12.1. 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 12.2. 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 12.3. 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 12.4. 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 12.5. 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, or any portion thereof, within the Subdivision may institute and prosecute a proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation to recover monetary damages caused by such violation or attempted violation.

SECTION 12.6. 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 unoccupied, vacant or abandoned Lot, including any Improvements located thereon, if deemed reasonably necessary by the Board of Directors of the Association, for emergency, health, safety and/or security purposes to make repairs to Improvements, mow and edge grass, trim trees, weed or remove flower beds and any other yard maintenance items, secure the Property, or abate or remove things or conditions which are potentially hazardous or which violate any provisions of this Declaration. Such 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, the Association shall first attempt to provide reasonable notice to the last known Owner of the Lot. All costs of such efforts, including reasonable attorney's fees actually incurred, shall be assessed against the Owner of the Lot and shall be collected as provided for herein for the collection of the Assessments.

SECTION 12.7. 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 as set forth in this Declaration.

SECTION 12.8. REMEDIES CUMULATIVE - Each remedy provided under this Declaration is cumulative and not exclusive.

SECTION 12.9. 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.

SECTION 12.10. VACATING OF PLAT OR CORRECTION OF PLAT BY DECLARANT AND OWNERS - No provisions of this Declaration shall preclude the Declarant or Owners of Lots in the Subdivision from vacating a plat or filing a replat to correct any error in the original platting or replatting of such Lots in the Subdivision, or from otherwise recording a partial replat, provided that such vacating or replatting is done in accordance with applicable Texas statutes.

SECTION 12.11. LIMITATION ON LIABILITY - Neither the Association, the Board, the Architectural Control Committee, 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 12.12. CAPTIONS FOR CONVENIENCE - The titles, heading, captions, and 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 12.13. GOVERNING LAW - This Declaration shall be construed and governed under the laws of the State of Texas.

SECTION 12.14. DISSOLUTION OF THE ASSOCIATION - Should the Homeowners Association ever be dissolved, the assets of the Association shall be conveyed to a nonprofit organization with similar purposes to the purposes set out for this Association or such assets shall be dedicated or transferred to a public body.

SECTION 12.15. APPROVAL BY THE VETERANS ADMINISTRATION (VA) OR THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR CERTAIN ACTS. Notwithstanding anything to the contrary herein, any annexation of additional properties, mergers and/or consolidations with other similar organizations, mortgaging of Common Areas, and dissolution or amendment of Articles will require HUD or VA approval (so long as HUD or VA is empowered to give such approvals) so long as there exists a Class B membership.

SECTION 12.16. COLLECTION OF ASSESSMENTS BY MORTGAGEES. Mortgagees of properties within the Subdivision are not required to collect assessments.

SECTION 12.17. FAILURE TO PAY ASSESSMENTS HEREIN REQUIRED AS AFFECTING VA OR HUD INSURED MORTGAGES. Notwithstanding anything to the contrary herein, it shall not be an event of default under a federally insured mortgage to fail to pay subdivision assessments.

SECTION 12.18. MORTGAGE OR CONVEYANCE OF COMMON AREA. The common area may not be mortgaged or conveyed unless approved by a minimum of 2/3rds of the lot owners, excluding the developer.

SECTION 12.19. ACCESS THROUGH COMMON AREA. If ingress or egress to any residence is through the common area, any conveyance or encumbrance of such area is subject to the lot owner's easement for such access.

SECTION 12.20. NO ABSOLUTE LIABILITY ON LOT OWNER FOR DAMAGE TO COMMON AREA. There shall be no absolute liability on the lot owner for damage to the common area or for damages to other lots in the Planned Unit Development.

ARTICLE XIII
PROPERTY RIGHTS IN COMMON AREAS

SECTION 13.1. CONVEYANCES TO THE ASSOCIATION - Although Declarant may retain the legal title to easements or fee simple parcels designated as Common Areas, or portions thereof, until Declarant conveys legal title to the last Lot in the Subdivision, Declarant, at any time after the date hereof, may convey legal title to all or a portion of such Common Areas to the Association. The Association shall be obligated to accept title to, operate and maintain the Common Areas conveyed to the Association. Declarant hereby covenants that the Common Areas or portions thereof that it may convey to the Association

shall be free and clear of all liens and encumbrances (other than the lien for property taxes not then due and payable).

SECTION 13.2. RIGHTS OF MEMBERS - Every Member of the Association and the Declarant shall have a beneficial interest of nonexclusive use and enjoyment in and to the Common Areas and such Common Areas and such interest shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to publish Rules and Regulations governing the use of the Common Area and to establish penalties for infractions thereof; and

(b) The right of the Association to enter into and execute contracts with any party (including, without limitation, Declarant or its affiliates) for the purpose of providing maintenance or other materials or services consistent with the purposes of the Association and this Declaration.

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 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 this 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 14TH day of APRIL, 1998.

CYPRESS NORTHWEST ASSOCIATES, LTD.,
A Texas Limited Partnership

By: Schulte Development Corporation, General Partner

Its: Vice President