

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
LEISURE COVE**

(a subdivision in Montgomery County, Texas)

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LEISURE COVE**

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

THIS DECLARATION is made on the date hereinafter set forth by Westlake Land Development, LLC, a Texas limited liability company (“Declarant”).

WITNESSETH:

WHEREAS, Declarant is the owner of the following real property located in Montgomery County, Texas (the “Property”);

Leisure Cove, a subdivision in Montgomery County, Texas according to the map or plat thereof recorded in Cabinet Z, Sheet Numbers 395 and 396, of the Map Records of Montgomery County, Texas

and,

WHEREAS, Declarant desires to establish and preserve a general and uniform plan for the improvement, development, sale and use of the Property for the benefit of the present and future Owners of the Lots therein;

NOW, THEREFORE, Declarant does hereby declare that the Property shall be held, transferred, sold, conveyed, occupied and enjoyed subject to the covenants, conditions, easements, charges, liens and restrictions hereinafter set forth.

ARTICLE I
DEFINITIONS

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

- A. ANNUAL MAINTENANCE CHARGE** - The annual assessment made and levied by the Association against each Owner and his Lot in accordance with the provisions of this Declaration.
- B. APPOINTED BOARD** - The Board of Directors of the Association appointed by Declarant pursuant to the provisions of Article II, Section 2.1, of this Declaration.
- C. ARCHITECTURAL REVIEW COMMITTEE** - The Architectural Review Committee established and empowered in accordance with Article VIII of this Declaration.
- D. ASSOCIATION** – Homeowners Association of Leisure Cove on Marina Drive, Inc., a Texas non-profit corporation, its successors and assigns.
- E. BOARD or BOARD OF DIRECTORS** - The Board of Directors of the Association, whether the Appointed Board, the First Elected Board or any subsequent Board.
- F. BYLAWS** - The Bylaws of the Association.

G. CERTIFICATE OF FORMATION - The Certificate of Formation of the Association.

H. COMMON AREA - Any real property and Improvements thereon owned by the Association for the common use and benefit of the Owners.

I. DECLARANT - Westlake Land Development, LLC, a Texas limited liability company, its successors and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant and recorded in the Official Public Records of Real Property of Montgomery County, Texas.

J. FIRST ELECTED BOARD - The Board of Directors of the Association elected at the First Meeting of the Members of the Association.

K. FIRST MEETING - The First Meeting of the Association as provided in Article II, Section 2.4, of this Declaration.

L. IMPROVEMENT - A Residential Dwelling, building, structure, fixture, or fence constructed or to be constructed on a Lot; a transportable structure placed or to be placed on a Lot, whether or not affixed to the land; and an addition to or modification of an existing Residential Dwelling, building, structure, fixture or fence.

M. LOT or LOTS - Each of the Lots shown on the Plat.

N. MAINTENANCE FUND - Any accumulation of the Annual Maintenance Charges collected by the Association in accordance with the provisions of this Declaration and interest, penalties, assessments and other sums and revenues collected by the Association pursuant to the provisions of this Declaration.

O. MEMBER or MEMBERS - All Lot Owners who are members of the Association as provided in Article II hereof.

P. MEMBER IN GOOD STANDING - The Declarant and (a) a Class A Member who is not delinquent in the payment of any Annual Maintenance Charge or Special Assessment levied by the Association against his Lot, or any interest, late charges, costs, or reasonable attorney's fees added to such assessment under the provisions of the Declaration or as provided by law, (b) a Class A Member who does not have any condition of his Lot which violates any provision of the Declaration, the Architectural Guidelines, or the Rules and Regulations which has progressed to the stage of a certified demand for compliance by the Association, or beyond, and which remains unresolved as of the date of determination of the Class A Member's standing, and (c) a Class A Member who has not failed to comply with all terms of a judgment obtained against him by the Association, including the payment of all sums due to the Association by virtue of such judgment. A Member who is not in good standing is not entitled to vote at any meeting of the Members of the Association. No formal action by the Board of Directors to suspend the voting rights of a Member who is not in good standing is required.

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

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

S. PLAT - The plat for Leisure Cove recorded in Cabinet Z, Sheet Numbers 395 and 396, of the Map Records of Montgomery County, Texas; the plat for any other property duly annexed and subjected to the provisions of this Declaration; and any replat thereof.

T. PLANS - The final construction plans and specifications (including a related site plan) of any Residential Dwelling or other Improvement of any kind to be erected, placed, constructed, maintained or altered on any Lot.

U. PROPERTY - All of Leisure Cove, a subdivision in Montgomery County, Texas, according to the plat thereof recorded in Cabinet Z, Sheet Numbers 395 and 396, of the Map Records of Montgomery County, Texas, and any other property that may be subjected to the provisions of this Declaration by annexation document duly executed by Declarant and recorded in the Official Public Records of Real Property of Montgomery County, Texas.

V. RESIDENTIAL DWELLING - The single family residence and appurtenances constructed on a Lot.

W. RULES AND REGULATIONS - Rules and Regulations adopted from time to time by the Board concerning the management and administration of the Subdivision for the use, benefit and enjoyment of the Owners, including Rules and Regulations governing the use of any Common Area.

X. SPECIAL ASSESSMENT - Any Special Assessment as provided in Article IV, Section 4.5, of this Declaration.

Y. SUBDIVISION - The Property, together with all Improvements now or hereafter situated thereon and all rights and appurtenances thereto.

Z. UTILITY COMPANY or UTILITY COMPANIES - Any public entity, utility district, governmental entity (including without limitation, districts created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution) or one or more private entities that regulate, provide or maintain utilities and drainage.

ARTICLE II

MANAGEMENT AND OPERATION OF SUBDIVISION

SECTION 2.1. 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, administration, and operation of the Subdivision as herein provided for and as provided for in the Certificate of Formation, the Bylaws and Rules and Regulations. The business and affairs of the Association shall be managed by its Board of Directors. The Declarant shall determine the number of Directors and appoint, dismiss and reappoint all of the members of the Board until the First Meeting of the Members of the Association is held in accordance with the provisions of Section 2.4 of this Declaration and a Board of Directors is elected (the Board of Directors appointed by Declarant, at any given time, being referred to herein as the "Appointed Board"). The Appointed Board may engage the Declarant or any entity, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the management, administration and operation of the Subdivision. 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 provisions of this

Declaration, including without limitation, the right to grant utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, patrol services, traffic, operation of recreational facilities, or other matters of mutual interest.

SECTION 2.2. MEMBERSHIP IN ASSOCIATION. Each Owner of a Lot, whether one or more persons or entities, shall upon and by virtue of becoming such Owner, automatically become and shall remain a Member of the Association until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership.

SECTION 2.3. VOTING OF MEMBERS. Each Member other than Declarant shall be a Class A Member entitled to one (1) vote per Lot owned on each matter submitted to a vote of the Members. Declarant shall be a Class B Member having ten (10) votes for each Lot owned. No Owner other than Declarant shall be entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Lot in the Subdivision to the Secretary of the Association. In the event that ownership interests in a Lot are owned by more than one Class A Member of the Association, such Class A Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one (1) vote be cast for each Lot. Such Class A Members shall appoint one of them as the Class A Member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Class A Member of the Association, and no single Class A Member is designated to vote on behalf of the Class A Members having an ownership interest in such Lot, then the Class A Member exercising the vote for the Lot shall be deemed to be designated to vote on behalf of the Class A Members having an ownership interest in the Lot. All Members of the Association may attend meetings of the Association and all Members in Good Standing may exercise their vote at such meetings either in person or proxy. Any person who occupies a Residential Dwelling on a Lot in the Subdivision but is not an Owner may attend meetings of the Association and serve on committees (other than the Architectural Review Committee after the election of the First Elected Board) and, if authorized by the Bylaws, serve on the Board of Directors of the Association. Fractional votes and split votes shall not be permitted. Cumulative voting shall not be permitted.

Class B membership in the Association shall cease and be converted to Class A membership at the conclusion of the meeting at which the First Elected Board is elected, as provided in Section 2.4 of this Declaration, or on any earlier date selected by Declarant and evidenced by a written notice recorded in the Official Public Records of Real Property of Montgomery County, Texas.

SECTION 2.4. MEETINGS OF THE MEMBERS. The first meeting of the Members of the Association ("First Meeting") shall be held when called by the Appointed Board upon no less than ten (10) and no more than fifty (50) days prior written notice to the Members. Such written notice may be given at any time but must be given not later than ninety (90) days after all of the Lots subject to this Declaration have been sold by Declarant as evidenced by a deed recorded in the Official Public Records of Real Property of Montgomery County, Texas for each Lot. The First Elected Board shall be elected at the First Meeting of the Members of the

Association. Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified or provided in the Bylaws.

SECTION 2.5. PROFESSIONAL MANAGEMENT. The Board shall have the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association and to provide for the management, administration and operation of the Subdivision as provided for herein and as provided for in this Declaration in the Bylaws.

SECTION 2.6. BOARD ACTIONS IN GOOD FAITH. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.

SECTION 2.7. IMPLIED RIGHTS; BOARD AUTHORITY. The Association may exercise any right or privilege given to it expressly by the provisions of this Declaration or its Certificate of Formation or Bylaws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board of Directors without a vote of the membership except where any provision in this Declaration, the Certificate of Formation, the Bylaws or applicable law specifically requires a vote of the membership.

The Board may institute, defend, settle or intervene on behalf of the Association in litigation, administrative proceedings, binding or non-binding arbitration or mediation in matters pertaining to (a) Common Areas or other areas in which the Association has or assumes responsibility pursuant to the provisions of this Declaration, (b) enforcement of this Declaration, the Bylaws, the Rules and Regulations and the Architectural Guidelines or (c) any other civil claim or action. However, no provision in this Declaration or the Certificate of Formation or Bylaws shall be construed to create any independent legal duty to institute litigation on behalf of or in the name of the Association.

SECTION 2.8. STANDARD OF CONDUCT. The Board of Directors, the officers of the Association, and the Association shall have the duty to represent the interests of the Owners in a fair and just manner. Any act or thing done by any Director, officer or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the Declaration, Certificate of Formation, ByLaws and the laws of the State of Texas, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing shall not be a breach of duty on the part of the Director, officer or committee member if taken or done within the exercise of their discretion and judgment. The Business Judgment Rule means that a court shall not substitute its judgment for that of the Director, officer or committee member. A court shall not re-examine the decisions made by a Director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith and in what the Director, officer, or committee member believed to be in the best interest of the Association.

ARTICLE III

COMMON AREA; BOAT SLIPS

SECTION 3.1 COMMON AREA. The Common Area is reserved for the common use, benefit and enjoyment of the Owners, subject to such reasonable Rules and Regulations governing the use thereof as may be promulgated by the Association. An Owner's right to use

the Common Area (as limited by the Rules and Regulations and subject to the maintenance of the Owner's status as a Member in Good Standing) is appurtenant to title to a Lot. The Association shall have the right to charge a reasonable fee for the use of any facility situated on Common Area. Each Owner shall observe and comply with all reasonable Rules and Regulations promulgated and published by the Association relating to the Common Area and shall be deemed to acknowledge and agree that all such Rules and Regulations, if any, are for the mutual and common benefit of all Owners. The Common Area shall be conveyed by Declarant to the Association free and clear of all liens. All Common Area shall be maintained by the Association.

SECTION 3.2 BOAT SLIPS. Declarant has constructed or will construct boat slips for the use of the Owners of the Residential Dwellings. The boat slips were/will be constructed on underwater lands leased from the state and/or on Common Area. Declarant has or will assign the usage rights to the Owners of the Residential Dwellings. An Owner's right to use a boat slip is subject to the lease from the state. Neither Declarant nor the Association guarantees or makes any representations concerning the continuation of the terms of the lease with the state. An Owner is obligated to maintain and repair the boat slip assigned to his Lot, including but limited to, the slip, pier, and lifts. An Owner is responsible for paying annual fees to the state or the San Jacinto River Authority, whichever, if either, is required.

ARTICLE IV

ANNUAL MAINTENANCE CHARGE AND MAINTENANCE FUND

SECTION 4.1. MAINTENANCE FUND. All Annual Maintenance Charges collected by the Association and all interest, penalties, assessments and other sums and revenues collected by the Association shall constitute the Maintenance Fund. The Maintenance Fund shall be held, managed, invested and expended by the Board, at its discretion, for the benefit of the Subdivision and the Owners of Lots therein. The Board shall, by way of illustration and not by way of limitation, expend the Maintenance Fund for the administration, management, and operation of the Subdivision; for the maintenance, repair and improvement of the Common Area; for the maintenance of any easements granted to the Association; for the enforcement of the provisions of this Declaration by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees; and for all other purposes that are, in the discretion of the Board, desirable in order to maintain the character and value of the Subdivision and the Lots therein. The Board and its individual members shall not be liable to any person as a result of actions taken by the Board with respect to the Maintenance Fund, except for willful neglect or intentional wrongdoings.

SECTION 4.2. COVENANTS FOR ANNUAL MAINTENANCE CHARGES AND ASSESSMENTS. Subject to Article IV, Section 4.7, below, each and every Lot in the Subdivision is hereby severally subjected to and impressed with an Annual Maintenance Charge or assessment in an amount to be determined annually by the Board, which Annual Maintenance Charge shall run with the land. Each Owner of a Lot, by accepting a deed to the Lot, whether or not it shall be so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the Annual Maintenance Charges and assessments levied against his Lot and/or assessed against him by virtue of his ownership thereof, as the same shall become due and payable, without demand. The Annual Maintenance Charges and assessments herein provided for shall be a charge and a continuing lien upon each Lot, together with all Improvements thereon, as hereinafter more particularly stated. Each Annual Maintenance Charge or assessment, together with interest, late

charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such Annual Maintenance Charge or assessment accrued, but no Member shall be personally liable for the payment of any Annual Maintenance Charge or assessment made or becoming due and payable after his ownership ceases. No Member shall be exempt or excused from paying any such Annual Maintenance Charge or assessment by waiver of the use or enjoyment of the Common Area, or any part thereof, or by abandonment of his Lot or his interest therein.

SECTION 4.3. BASIS AND MAXIMUM ANNUAL MAINTENANCE CHARGE.

Until January 1 of the year immediately following the conveyance of the first Lot from Declarant to an Owner, the maximum Annual Maintenance Charge or assessment shall be \$2,220.00 per Lot. From and after January 1 of the year immediately following the conveyance of the first Lot from Declarant to an Owner, the maximum Annual Maintenance Charge or assessment may be automatically increased, effective January 1 of each year, by an amount equal to a ten percent (10%) increase over the prior year's maximum Annual Maintenance Charge or assessment without a vote of the Members of the Association. From and after January 1 of the year immediately following the conveyance of the first Lot by Declarant to an Owner, the maximum Annual Maintenance Charge or assessment may be increased above ten percent (10%) only if approved in writing by a majority of the Members in Good Standing or by the vote of not less than two-thirds (2/3) of the Members in Good Standing present and voting, in person or by proxy, at a meeting of the Members called for that purpose at which a quorum is present. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the Annual Maintenance Charge or assessment at an amount not in excess of the maximum amount established pursuant to this Section. Except as provided in Section 4.7, the Annual Maintenance Charge or assessment levied against each Lot shall be uniform.

SECTION 4.4. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL MAINTENANCE CHARGE. The initial maximum Annual Maintenance Charge or assessment provided for herein shall be established as to all Lots on the date this Declaration is recorded in the Official Public Records of Real Property of Montgomery County, Texas. However, the Annual Maintenance Charge or assessment shall commence as to each Lot on the date of the conveyance of the Lot by the Declarant and shall be prorated according to the number of days remaining in the calendar year. On or before the 30th day of November in each year, the Board of Directors of the Association shall fix the amount of the Annual Maintenance Charge or assessment to be levied against each Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the Annual Maintenance Charge or assessment shall be sent to every Owner. Provided that, the failure to fix the amount of an Annual Maintenance Charge or assessment or to send written notice thereof to all Owners shall not affect the authority of the Association to levy Annual Maintenance Charges or assessments or to increase Annual Maintenance Charges or assessments as provided in this Declaration.

SECTION 4.5. SPECIAL ASSESSMENTS. If the Board at any time, or from time to time, determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for the continued operation of the Subdivision or any other purposes contemplated by this Declaration, the Board shall have the authority to levy a special assessment ("Special Assessment") as it shall deem necessary to provide for such continued maintenance and operation of the Subdivision. No Special Assessment shall be effective until the same is approved in writing by at least a majority of the Members in Good Standing, or by the vote of not less than two-thirds (2/3) of the Members in Good Standing present and voting, in person or by proxy, at meeting of the

Members called for that purpose at which a quorum is present. A Special Assessment shall be payable in the manner determined by the Board and the payment thereof shall be subject to interest, late charges, costs and attorney's fees, shall be secured by the continuing lien established in this Article, and may be enforced in the manner herein specified for the payment of the Annual Maintenance Charges.

SECTION 4.6. ENFORCEMENT OF ANNUAL MAINTENANCE CHARGE/ SUBORDINATION OF LIEN. The Annual Maintenance Charge assessed against each Lot shall be due and payable, in advance, on the date of the sale of such Lot by Declarant for that portion of the calendar year remaining, and on the first (1st) day of each January thereafter. Any Annual Maintenance Charge which is not paid and received by the Association by the thirty-first (31st) day of each January thereafter shall be deemed to be delinquent, and, without notice, shall bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the date originally due until paid. Provided that, the Board of Directors shall have the right, but not the obligation, to allow Annual Maintenance Charges to be paid on a monthly or quarterly basis. Further, the Board of Directors of the Association shall have the authority to impose a monthly late charge on any delinquent Annual Maintenance Charge. The monthly late charge, if imposed, shall be in addition to interest.

To secure the payment of the Annual Maintenance Charge and Special Assessments levied hereunder and any other sums due hereunder (including, without limitation, interest, costs, late charges, attorney's fees), there is hereby created and fixed a separate and valid and subsisting lien upon and against each Lot and all Improvements thereon for the benefit of the Association, and superior title to each Lot is hereby reserved in and to the Association. The lien described in this Section and the superior title herein reserved shall be deemed subordinate to a Mortgage for the purchase of the Lot and any renewal, extension, rearrangements or refinancing of such purchase money Mortgage. The collection of such Annual Maintenance Charge and other sums due hereunder may, in addition to any other applicable method at law or in equity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, costs and attorney's fees shall be chargeable to and be a personal obligation of the defaulting Owner. Notice of the lien referred to in the preceding paragraph may, but shall not be required to, be given by recording in the Official Public Records of Real Property of Montgomery County, Texas an affidavit, duly executed, and acknowledged by a duly authorized representative of the Association, setting forth the amount owned, the name of the Owner or Owners of the affected Lot, according to the books and records of the Association, and the legal description of such Lot. Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Association the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Annual Maintenance Charge, Special Assessments and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including both judicial and non-judicial foreclosure pursuant to Chapter 51 of the Texas Property Code (as same may be amended or revised from time to time hereafter) and in addition to and in connection therewith, by acceptance of the deed to his Lot, each Owner expressly grants, bargains, sells and conveys to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, Special Assessments and other sums due hereunder remaining unpaid hereunder by such Owner from time to time and grants to such trustee a power of sale. The trustee herein designated may be changed any time and from time to time by execution of

an instrument in writing signed by the President or Vice President of the Association and filed in the Official Public Records of Real Property of Montgomery County, Texas. In the event of the election by the Board to foreclose the lien herein provided for nonpayment of sums secured by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, to enforce the lien and to sell such Lot, and all rights appurtenant thereto, in accordance with the provisions of Chapter 51 of the Texas Property Code as same may hereafter be amended. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer.

SECTION 4.7. PAYMENT OF ANNUAL MAINTENANCE CHARGE BY DECLARANT. Improved Lots owned by Declarant are not exempt from assessment by the Association. Unimproved Lots which are owned by Declarant shall be assessed at the rate of one-half (1/2) of the Annual Maintenance Charge. As used herein, the term "improved Lot" means a Lot on which a Residential Dwelling has been constructed and is ready for occupancy.

SECTION 4.8. NOTICE OF SUMS OWING. Upon the written request of an Owner, the Association shall provide to such Owner a written statement setting out the then current total of all Annual Maintenance Charges, Special Assessments, and other sums, if any, owing by such Owner with respect to his Lot. In addition to such Owner, the written statement from the Association so advising the Owner may also be addressed to and be for the benefit of a prospective lender or purchaser of the Lot, as same may be identified by said Owner to the Association in the written request for such information. The Association shall be entitled to charge the Owner a reasonable fee for such statement.

SECTION 4.9. FORECLOSURE OF MORTGAGE. In the event of a foreclosure of a Mortgage on a Lot that is superior to the continuing lien created for the benefit of the Association pursuant to this Article, the purchaser at the foreclosure sale shall not be responsible for Annual Maintenance Charges, Special Assessments, or other sums, if any, which accrued and were payable to the Association by the prior Owner of the Lot, but said purchaser and its successors shall be responsible for Annual Maintenance Charges, Special Assessments, and other sums, if any, becoming due and owing to the Association with respect to said Lot after the date of foreclosure.

SECTION 4.10. TRANSFER FEES/RESALE CERTIFICATES. The Board of Directors of the Association shall establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing information in connection with the sale of a Lot in the Subdivision and changing the ownership records of the Association ("Transfer Fee"). A Transfer Fee shall be paid to the Association or the managing agent of the Association, if agreed to by the Association, upon each transfer of title to a Lot. The Transfer Fee shall be paid by the purchaser of the Lot, unless otherwise agreed by the seller and purchaser of the Lot. The Association shall also have the authority to establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing a Resale Certificate in connection with the sale of a Lot. The fee for a Resale Certificate shall be paid to the Association or the managing agent of the Association, if agreed to by the Association. The fee for a Resale Certificate shall be in addition to, not in lieu of, the Transfer Fee.

SECTION 4.11. RESERVE FUND. The Board of Directors shall annually prepare a budget based upon the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. To assist in the preparation of such a budget, the Board of Directors may obtain an independent reserve study providing recommended reserve items and recommended funding as often as deemed necessary by the Board of Directors. The Board of Directors shall set the capital contribution to the reserve fund each year in an amount deemed by it to be sufficient to permit the Association to meet its projected capital needs. However, recognizing that, among other factors, the expected life of each asset varies and the need to repair or replace assets will occur at different items, the capital contribution to the reserve fund may be more or less than the amount determined by the Board or recommended in an independent reserve study to cause the reserve fund to be one hundred percent (100%) funded at the end of any given budget year. There shall be no limit on the amount that may be contributed to the reserve fund in any year and no limit on the increase in the amount contributed to the reserve fund from one (1) year to the next. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

ARTICLE V **INSURANCE**

SECTION 5.1. GENERAL PROVISIONS. To the extent reasonably available, the Board shall obtain insurance (the premiums for which shall be paid from the Maintenance Fund) for the Subdivision as follows (such insurance shall be in amounts designated by the Board unless any such amount is specified in this Declaration):

(a) Insurance on the buildings within the Subdivision against loss or damage by fire or by any and all other risks insured by standard extended coverage policies in use in the State of Texas with such endorsements as the Board deems advisable, in amounts sufficient to prevent the Association from being a co-insurer within the terms of such policies, but in any event in an amount not less than the full insurable replacement cost thereof. The full insurable replacement cost of the buildings within the Subdivision shall be determined annually by the Board, who may obtain an appraisal in making such determination, the cost of which shall be paid from the Maintenance Fund.

(b) Comprehensive general liability insurance against claims for bodily injury or death (minimum coverage of \$300,000) and property damage (minimum coverage of \$100,000) suffered by the public or any Owner, the family, agent, employee or invitee of any Owner, occurring in, on or about the Subdivision or upon, in, or about the driveways, roadways, walkways, and passageways, on or adjoining the Subdivision, and at least \$1,000,000.00 in "umbrella" coverage. Any policy obtained pursuant to this subsection (b) shall contain a cross-liability endorsement whereby the rights of or actions against another named insured, and shall contain a "severability of interest" type of endorsement precluding the insurer from denying a claim of an Owner or the Association because of the negligent acts of other Owners or the Association.

(c) Such other insurance in such reasonable amounts as the Board shall deem desirable, including without limitation, director's and officer's liability insurance for the Directors and officers of the Association against any liability asserted against any such party, or incurred by such

party in such capacity, or arising out of such party's status as Director or officer; and fidelity bonds for any management company retained by the Board.

SECTION 5.2. POLICIES. All insurance provided for in this Article shall be effected with responsible insurers authorized to do business in the State of Texas. All such policies of insurance shall name as insured the Association, as trustee for each Owner, and all mortgagees, all as their respective interests may appear. All such policies shall be without contribution with regard to any other policies if insurance carried individually by an Owner, and shall provide that such policy shall not be terminated for any cause without at least thirty (30) days prior written notice to the Association. If possible, all policies of insurance of the character described in this Article shall contain an endorsement extending coverage to include the payment of Annual Maintenance Charges with respect to Residential Dwellings damaged during the period of reconstruction thereof. Any proceeds paid in respect of any insurance policy obtained by the Board pursuant to this Article shall be held and disbursed by the Board in accordance with this Declaration.

SECTION 5.3. FUTURE LAWS AND SUBROGATION. In the event that an insurance policy specifically designed to meet the insurance needs of townhouse subdivisions hereafter becomes available in Texas, the Board shall be authorized to obtain such a policy provided that the coverage afforded thereby at least equals the coverage provided by the policies enumerated in this Article. Each Owner and the Association agree to and hereby waive all rights of subrogation against Declarant that they may have now or in the future under any property insurance policies.

SECTION 5.4. INDIVIDUAL INSURANCE. Each Owner shall be responsible for insuring the contents and furnishings of his Residential Dwelling and for insuring the Owner's Improvements, alterations, additions and fixtures not covered by the blanket policy to be purchased by the Association. All policies of casualty insurance carried by each Owner shall be without contribution with respect to the policies of casualty insurance obtained by the Board for the benefit of all of the Owners as above provided. Each Owner, at his own cost and expense, is responsible for carrying an individual policy of liability insurance insuring against the liability of such Owner.

ARTICLE VI

FIRE OR CASUALTY; REBUILDING

SECTION 6.1. REBUILDING.

(a) In the event of a fire or other casualty causing damage or destruction to a Residential Dwelling, all proceeds of insurance policies carried by the Association with respect to such fire or casualty shall be paid and held in accordance with the provisions of Section 6.2 of this Article VI. The Owner of such damaged or destroyed Residential Dwelling shall thereupon contract to repair or reconstruct the damaged portion of such Residential Dwelling in accordance with the original Plans therefor, or as the Board may otherwise approve, and the funds held pursuant to Section 6.2 of this Article VI shall be used for this purpose and disbursed in accordance with the terms of Section 6.2.

(b) In the event that such insurance proceeds are insufficient to provide for such repair, restoration or rebuilding, those costs in excess of the insurance proceeds shall be paid by such Owner. The Association shall have the power to assess such Owner for same and shall have the

remedies to collect same as are given the Association for the collection of the Annual Maintenance Charges.

SECTION 6.2. PAYMENT OF INSURANCE PROCEEDS. All insurance proceeds and other funds received by the Association pursuant to this Declaration as a result of fire or other casualty loss causing damage or destruction to a Residential Dwelling shall be applied toward the cost of repair, restoration or rebuilding of the damaged Residential Dwelling in accordance with the contract or contracts entered into by the Owner of such Residential Dwelling pursuant to Section 6.1 of this Article VI. Any funds remaining after the repair, restoration or rebuilding of such damaged Residential Dwelling shall be retained by the Board as part of the Maintenance Fund.

SECTION 6.3. REPAIR OF RESIDENTIAL DWELLINGS. Each Owner shall be responsible for the reconstruction, repair and replacement of all personal and other property in or a part of his Residential Dwelling.

SECTION 6.4. INDEMNITY OF ASSOCIATION. Each Owner shall be responsible for any costs not otherwise covered by insurance carried by the Association and caused by such Owner's negligence or misuse or by the negligence or misuse of his immediate family, or his agents or employees in the course of their duties, and shall, to the extent not covered by insurance proceeds collected by the Association, indemnify the Association and all other Owners against any such costs.

ARTICLE VII

PARTY WALLS, FOUNDATIONS AND PIERS

SECTION 7.1. PARTY WALLS. Each wall which is built as a part of the original construction of a Residential Dwelling and is placed on the dividing line between the Lots shall constitute a "party wall", and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply thereto. The Owner of a Residential Dwelling shall not cut through or make any penetration through a party wall for any purpose whatsoever. Notwithstanding any other provisions of this Article, to the extent that damage to a Residential Dwelling is not covered and paid for by applicable insurance, an Owner who by his negligent or willful act causes damage to a Residential Dwelling by causing a party wall to be exposed to the elements shall be liable for such damage.

SECTION 7.2. PIERS. Each pier which is built in conjunction with the construction of a boat slip and located between two (2) boat slips shall constitute a "shared pier". It shall be the equal responsibility of the two (2) Owners who have the right to use the boat slip on either side of a shared pier to maintain and repair the shared pier. In the event that an Owner who is responsible for the maintenance and/or repair of a shared pier fails to maintain the shared pier in a reasonable manner and such failure continues after ten (10) days written notice from the Association, the Association may, at its option, cause the shared pier to be maintained or repaired and may charge such Owner for the costs of the work. The Board of Directors shall have the exclusive authority to determine whether an Owner is maintaining a shared pier in a reasonable manner and in accordance with the standards of the Subdivision and the Board of Directors' reasonable, good faith determination shall be conclusive and binding on all parties. The Owner agrees by the purchase of a Lot to pay the costs of such work, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of a statement therefor. Payment of such charges shall

be secured by the lien created in Article IV of this Declaration. Interest thereon at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, shall begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner. Each Owner shall have an equal right to use the shared pier.

SECTION 7.3. FOUNDATIONS. Each foundation of a Residential Dwelling which is a part of a larger foundation for the Residential Dwellings in a single building shall constitute a "shared foundation", 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 omission shall apply thereto.

SECTION 7.4. WALLS, FOUNDATIONS AND PIERS / SHARING OF REPAIR AND MAINTENANCE. The cost of reasonable repair and maintenance of a party wall, shared foundation or a shared pier shall be shared in equal portions by the Owners who make use of the party wall, shared foundation or the shared pier. The Association, acting through the Board, shall have the right, but not the obligation, to coordinate the repair of a shared foundation. However, in no event shall the Association be responsible for the repair of a shared foundation or any costs associated with the repair of a shared foundation.

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

SECTION 7.6. ARBITRATION. In the event of any dispute arising between Owners and concerning a party wall, shared foundation or a shared pier, the parties shall submit the matter for binding arbitration through the American Arbitration Association.

ARTICLE VIII

ARCHITECTURAL APPROVAL

SECTION 8.1. ARCHITECTURAL REVIEW COMMITTEE. As long as Declarant has the authority to appoint members of the Architectural Review Committee, the Architectural Review Committee shall consist of three (3) members; thereafter, the Architectural Review Committee shall consist of not less than three (3) and not more than five (5) members, as determined to be appropriate by the Board of Directors. Declarant shall have the continuing right to appoint all three (3) members of the Architectural Review Committee 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 Declarant), or (b) the date 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. As long as Declarant has the authority to appoint members of the Architectural Review Committee, members of the Architectural Review Committee may, but need not be, Members of the Association. After Declarant's authority to appoint members of the Architectural Review Committee ceases, members of the Architectural Review Committee must be Members in Good Standing of the Association. Members of the Architectural Review Committee appointed by Declarant may be removed at any time and shall serve until resignation or removal by Declarant. Members of the Architectural Review 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.

SECTION 8.2. APPROVAL OF IMPROVEMENTS REQUIRED. In order to

preserve the architectural and aesthetic appearance and the natural setting and beauty of the development, to establish and preserve a harmonious design for the development and to protect and promote the value of the Property, the Lots and Residential Dwellings and all Improvements thereon, no Improvement of any nature shall be commenced, erected, installed, placed, moved onto, altered, replaced, relocated, permitted to remain on or maintained on a Lot by an Owner, other than Declarant, which affect the exterior appearance of a Lot or the Residential Dwelling or other Improvement on a Lot unless Plans therefor have been submitted to and approved by the Architectural Review Committee in accordance with the terms and provisions of this Article. Without limiting the foregoing, the construction and/or installation of a Residential Dwelling, sidewalk, driveway, deck, boat slip, boat dock pier, landscaping, awning, wall, fence, exterior light, or any other Improvement, shall not be undertaken, nor shall any exterior addition to or change or alteration be made (including, without limitation, painting or staining of any exterior surface) to a Residential Dwelling or other Improvement, unless the Plans for the same have been submitted to and approved by the Architectural Review Committee in accordance with the terms and provisions of this Article. The Architectural Review Committee is hereby authorized and empowered to approve all Plans for the construction of a Residential Dwelling or other Improvement on a Lot.

The Architectural Review Committee shall have the right to disapprove Plans upon any ground which is consistent with the objectives and purposes of this Declaration, including purely aesthetic considerations; failure to comply with any of the provisions of this Declaration or the Architectural Guidelines; failure to provide requested information; objection to exterior design, appearance or materials; objection on the ground of incompatibility of any such proposed Improvement with the scheme of development proposed for the Subdivision; objection to the location of any proposed Improvements; objection to the landscaping plan for such Lot; objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of the Residential Dwelling or other Improvement; or any other matter which, in the sole judgment of the Architectural Review Committee, would render the proposed Residential Dwelling or other Improvement inharmonious with the general plan of development contemplated for the Subdivision. The Architectural Review Committee shall have the right to approve any submitted Plans with conditions or stipulations by which the Owner of such Lot shall be obligated to comply and must be incorporated into the Plans for such Residential Dwelling or other Improvement. Approval of Plans by the Architectural Review Committee for Improvements on a particular Lot shall not be deemed an approval or otherwise obligate the Architectural Review Committee to approve similar Plans of any of the features or elements of proposed Improvements on any other Lot within the Subdivision.

Any revisions, modifications or changes in any Plans previously approved by the Architectural Review Committee must be approved by the Architectural Review Committee in the same manner specified above.

If construction of a Residential Dwelling or other Improvement has not substantially commenced within ninety (90) days of approval by the Architectural Review Committee of the Plans for such Residential Dwelling or other Improvement, then no construction may be commenced (or continued) on such Lot and the Owner of such Lot shall be required to resubmit all Plans for any Residential Dwelling or other Improvement to be constructed on the Lot to the Architectural Review Committee for approval in the same manner specified above.

SECTION 8.3. ADDRESS OF COMMITTEE. The address of the Architectural Review Committee shall be at the principal office of the Association.

SECTION 8.4. ARCHITECTURAL GUIDELINES. The Architectural Review Committee, with the approval of the Board of Directors after the Board acquires the authority to appoint the members of the Architectural Review Committee, may from time to time promulgate, supplement or amend the Architectural Guidelines, which provide an outline of minimum acceptable standards for proposed Improvements; provided, however, that such outline will serve as a minimum guideline only and the Architectural Review Committee may impose other requirements in connection with its review of any proposed Improvements. If the recorded Architectural Guidelines impose requirements that are more stringent than the provisions of this Declaration, without directly conflicting with the provisions of the Declaration, the provisions of the recorded Architectural Guidelines shall control, it being the intent of Declarant to allow the Architectural Guidelines to supplement the Declaration on matters generally relating to architectural control and the discretionary authority vested in the Architectural Review Committee.

SECTION 8.5. FAILURE OF COMMITTEE TO ACT ON PLANS. Any request for approval of a proposed Improvement on a Lot shall be deemed to be approved by the Architectural Review Committee unless disapproval is transmitted to the Owner by the Architectural Review Committee within forty-five (45) days after the date of actual receipt by the Architectural Review Committee of the request at its office. If the Architectural Review Committee requests additional information or materials from an applicant in writing within the specified forty-five (45) day period, the applicant's request shall be deemed to be disapproved, whether so stated in the written communication or not, and a new forty-five (45) day period for review shall not commence until the date of actual receipt by the Architectural Review Committee of the requested information or materials. No approval shall operate to permit an Owner to construct or maintain an Improvement on a Lot that violates any express provision in this Declaration or the Architectural Guidelines, the Architectural Review Committee at all times retaining the right to object to any Improvement on a Lot that violates any express provision in this Declaration or the Architectural Guidelines. After the date that the Board of Directors obtains the authority to appoint the members of the Architectural Review Committee, an applicant shall have the right to appeal an adverse decision of the Architectural Review Committee to the Board of Directors. The Board of Directors shall have the authority to adopt procedures for appeals of decisions of the Architectural Review Committee. In the event of an appeal, the decision of the Board of Directors shall be conclusive and binding on all parties.

SECTION 8.6. PROSECUTION OF WORK AFTER APPROVAL. After approval of a proposed Improvement on a Lot, the proposed Improvement shall be prosecuted diligently and continuously and shall be completed within the time frame approved by the Architectural Review Committee and in strict conformity with the description of the proposed Improvement in the Plans submitted to and approved by the Architectural Review Committee.

SECTION 8.7. NO IMPLIED WAIVER OR ESTOPPEL. No action or failure to act by the Architectural Review Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Architectural Review Committee or the Board of Directors. Specifically, the approval by the Architectural Review Committee of an Improvement on a Lot shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement on another Lot or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement on a Lot.

SECTION 8.8. POWER TO GRANT VARIANCES. The Architectural Review Committee may authorize variances from compliance with any of the provisions 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 Improvements on a Lot, 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 Review Committee. 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 (a) operate to waive any of the provisions of this Declaration or the Architectural Guidelines for any purpose except as to the particular property and particular provision hereof covered by the variance, (b) affect the jurisdiction of the Architectural Review Committee other than with respect to the subject matter of the variance, or (c) affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned.

SECTION 8.9. COMPENSATION OF ARCHITECTURAL REVIEW COMMITTEE MEMBERS. The members of the Architectural Review Committee shall not be compensated for their services but shall be entitled to reimbursement for reasonable expenses actually incurred by them in the performance of their duties, subject to the approval of the Board. Provided, however, if the managing agent of the Association is appointed to serve on the Architectural Review Committee, the managing agent may be compensated for such services, as deemed appropriate by the Board of Directors.

SECTION 8.10. ESTOPPEL CERTIFICATES. The Board of Directors, upon the reasonable request of an interested party and after confirming any necessary facts with the Architectural Review Committee, shall furnish a certificate with respect to the approval or disapproval of an Improvement on a Lot or with respect to whether an Improvement on a Lot was constructed in compliance with the provisions of this Declaration and the Architectural Guidelines. 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 8.11. NONLIABILITY FOR ARCHITECTURAL REVIEW COMMITTEE ACTION. None of the members of the Architectural Review Committee, 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 Review 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 Architectural Review Committee shall not inspect, guarantee or warrant the workmanship of the Improvement, including its design, construction, safety, whether structural or otherwise, conformance with building codes, or other governmental laws or regulations or whether the Improvement is suitable or fit for its intended purpose.

ARTICLE IX EXTERIOR MAINTENANCE

SECTION 9.1. MAINTENANCE AND REPAIR RESPONSIBILITIES OF THE ASSOCIATION. The Association shall have the responsibility to maintain and repair the Common Area, including all Improvements thereon. The Association shall also have the responsibility to maintain and repair:

- (a) the irrigation systems and landscaping on Lots, including the care and replacement of trees, shrubs, and grass; and
- (b) the maintenance, repair and replacement of the roofs, exterior walls, eaves and

soffits of Residential Dwellings (but not the foundations of Residential Dwellings).

SECTION 9.2. MAINTENANCE AND REPAIR RESPONSIBILITIES OF THE OWNERS. The Owner of a Lot shall have the responsibility to maintain and repair:

- (i) the interior of Owner's Residential Dwelling, including structural supports for roofs, walls and balconies, as well as the interiors of chimneys, if any;
- (ii) the foundation of the Residential Dwelling;
- (iii) all air-conditioning equipment serving the Residential Dwelling and any related screening;
- (iv) all glass surfaces and doors, including all related caulking, fixtures, framing, thresholds and hardware;
- (v) ceilings in entranceways, porches and balconies;
- (vi) screens on patios and/or balconies;
- (vii) door bells;
- (viii) replacement of light bulbs in light fixtures under the exclusive control of an Owner;
- (ix) water, sanitary sewer, gas, and electric power service lines and all fixtures, outlets, meters, circuit breakers, switch plates and equipment installed on the Lot for the exclusive use of the Lot, commencing at the point where the utility lines, wires, conduits or systems enter the Lot;
- (x) any boat slip, dock, pier or boat lift owned by an Owner or reserved for an Owner's use; provided, however, the Association may from time to time (as determined by the Board) power wash and seal the pipes;
- (xi) roof damage caused by an Owner's installation of a satellite dish or any other damage caused by an Owner to an area that is otherwise the responsibility of the Association to maintain and repair; and
- (xii) any other items on a Lot not expressly made the responsibility of the Association pursuant to the provisions of this Article.

In the event that an Owner who is responsible for maintenance and/or repair fails to perform required maintenance and/or repair work in a reasonable manner and such failure continues after ten (10) days written notice from the Association, the Association may, at its option, cause the maintenance or repair work to be performed and may charge such Owner for the cost of the work. The Board of Directors shall have the exclusive authority to determine whether an Owner is maintaining his Lot in a reasonable manner and in accordance with the standards of the Subdivision and the Board of Directors' reasonable, good faith determination shall be conclusive and binding on all parties. The Owner agrees by the purchase of a Lot to pay the costs of such work, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of a statement therefor. Payment of such charges shall be secured by the lien created in Article IV of this Declaration. Interest thereon at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, shall begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

ARTICLE X
GENERAL PROVISIONS RELATING TO USE AND OCCUPANCY

SECTION 10.1. GENERAL. The Property shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this Declaration.

SECTION 10.2. SINGLE FAMILY RESIDENTIAL USE. Each Owner shall use his Lot and the Residential Dwelling on his Lot for single family residential purposes only. As used herein, the term "single family residential purposes" shall be deemed to specifically prohibit, 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, professional or other commercial activity of any type, unless such business, professional or commercial activity is unobtrusive and merely incidental to the primary use of the Lot and the Residential Dwelling for residential purposes. As used herein, the term "unobtrusive" means, without limitation, that there is no business, professional, or commercial related sign, logo or symbol displayed on the Lot; there is no business, professional, or commercial related sign, logo or symbol displayed on any vehicle on the Lot; there are no clients, customers, employees or the like who go to the Lot for any business, professional, or commercial related purpose on any regular basis; and the conduct of the business, professional, or commercial activity is not otherwise apparent by reason of noise, odor, vehicle and/or pedestrian traffic and the like.

No Owner shall use or permit such Owner's Lot or Residential Dwelling to be used for any purpose that would (i) void any insurance in force with respect to the Subdivision; (ii) make it impossible to obtain any insurance required by this Declaration; (iii) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (iv) constitute a violation of the provisions of this Declaration or any applicable law or (v) unreasonably interfere with the use and occupancy of any Lot in the Subdivision or Common Area by other Owners.

No Owner shall be permitted to lease his Lot for hotel or transient purposes which, for purposes of this Section, is defined as a period of less than six (6) months. No portion less than the entirety of a Lot shall be leased. Every lease shall provide that the lessee shall be bound by and subject to all the obligations under this Declaration and a failure to comply with the provisions of this Declaration shall be a default under the lease. The Owner making such lease shall not be relieved from any obligation to comply with the provisions of this Declaration.

No Residential Dwelling shall be occupied by more persons than the total number of bedrooms in the Residential Dwelling (as originally designed) multiplied by two and one half (2 ½); provided that, this restriction shall not be applicable to the immediate members of a single family. For purposes of this Section, the immediate members of a single family shall only include the husband, wife and children and one (1) domestic worker, caregiver or nanny residing on the Lot.

No garage sale, rummage sale, estate sale, moving sale or similar type of activity is permitted on a Lot.

SECTION 10.3. PASSENGER VEHICLES. Except as otherwise expressly provided in this Declaration, no Owner, lessee, or occupant of a Lot, including all persons who reside with such Owner, lessee or occupant on the Lot, shall park, keep or store any vehicle on a Lot which is visible from any street in the Subdivision or a neighboring Lot other than a passenger vehicle or pick-up truck and then only if parked on the driveway for a period not exceeding forty-eight (48)

consecutive hours. Provided that, in no event shall more than two (2) passenger vehicles be parked on the driveway of a Lot, it being the express intent of this Section to require each Owner of a Lot to use the garage on the Lot for vehicle parking instead of the driveway. For purposes of this Declaration, the term "passenger vehicle" is limited to any vehicle which displays a passenger vehicle license plate issued by the State of Texas or which, if displaying a license plate issued by another state, would be eligible to obtain a passenger vehicle license plate from the State of Texas, and a sport utility vehicle used as a family vehicle (whether or not the sport utility vehicle displays a passenger or truck vehicle license plate); the term "pick-up truck" is limited to a three-quarter (3/4) ton capacity pick-up truck which has not been adapted or modified for commercial use. No passenger vehicle or pick-up truck owned or used by the Owner or occupant of a Lot shall be parked overnight on a street in the Subdivision. No guest of an Owner, lessee or other occupant of a Lot shall park his/her vehicle on a street in the Subdivision overnight or on the driveway of a Lot for a period longer than forty-eight (48) consecutive hours. No vehicle of any kind shall be parked on any unpaved portion of a Lot for any length of time. The Association shall have the authority to cause any vehicle parked in a private street owned by the Association or on Common Area in violation of the provisions of this Declaration to be towed in accordance with the provisions of the Texas Transportation Code.

No inoperable vehicle of any kind shall be parked, kept or stored on a Lot if visible from a street in the Subdivision or a neighboring Lot. As used herein, a vehicle is deemed to be inoperable if it does not display all required current permits and licenses, it is on a jack or does not have fully inflated tires, or it is not otherwise capable of being legally operated on a public street or right of way.

SECTION 10.4. OTHER VEHICLES. No mobile home trailer, utility trailer, recreational vehicle, boat or the like shall be parked, kept or stored on a street in the Subdivision or on any portion of a Lot if visible from a street in the Subdivision or a neighboring Lot. A mobile home trailer, utility trailer, recreational vehicle, boat or the like may be parked in the garage on a Lot or in some other structure approved by the Architectural Review Committee out of public view; provided that, if parked in the garage, there must be adequate space in the garage for all passenger vehicles used or kept by the Owner, lessee, or occupant of the Lot.

SECTION 10.5. VEHICLE REPAIRS. No passenger vehicle, pick-up truck, mobile home trailer, utility trailer, recreational vehicle, boat or other vehicle of any kind shall be constructed, reconstructed, or repaired on a Lot within the Subdivision if visible from a street in the Subdivision or a neighboring Lot.

SECTION 10.6. SIGNS. No sign shall be erected or maintained on a Lot except:

- (i) During the time of construction of any Residential Dwelling or other Improvement (defined to be from the date that construction commences until the fourteenth day after substantial completion of the Residential Dwelling or other Improvement), one ground mounted job identification sign having a face area not larger than three (3) square feet;
- (ii) One (1) ground mounted "for sale" or "for lease" sign not larger than six (6) square feet and not extending more than four (4) feet above the ground;
- (iii) Ground mounted political signs as permitted by law; provided that, only one (1) sign for each candidate or ballot item shall be displayed on a Lot earlier than the 90th day before the date of the election to which the sign relates or longer than the 10th day after the election date; and

- (iv) Home security signs and/or school spirit signs, if approved by the Architectural Review Committee, but then only in strict accordance with any recorded Architectural Guidelines governing such signs.

No sign shall be displayed in the window of a Residential Dwelling or other Improvement on a Lot. Declarant, as long as Class B membership in the Association exists, and, thereafter, the Association, shall have the authority to go upon a Lot and remove any sign displayed on the Lot in violation of this Section and dispose of the sign without liability in trespass or otherwise.

SECTION 10.7. ANIMALS. No animals other than a maximum of two (2) generally recognized house or yard pets shall be maintained on a Lot and then only if they are kept thereon solely as domestic pets and not for commercial purposes. Provided that, in no event shall a dog that weighs or will weigh more than twenty-five (25) pounds at maturity be permitted on a Lot; and, provided further that, the limitation on the number of pets shall not be applicable to fish, birds and other small animals kept in aquariums or small cages within the Residential Dwelling so long as such pets are otherwise kept in compliance with the provisions of this Section. No exotic animal or breed of animal that is commonly recognized to be inherently aggressive or vicious toward other animals and/or humans is permitted in the Subdivision. No unleashed dog is permitted on a street or on the Common Area. Each dog must be kept either in the Residential Dwelling or other Improvement on the Lot or in a yard fully enclosed by a fence. No animal or bird shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of an animal or bird shall be maintained so as to be visible from a street in the Subdivision or a neighboring Lot at ground level without the written consent of the Architectural Review Committee. The Board shall have the authority to determine, in its sole and absolute discretion, whether, for the purposes of this Section, a particular animal or bird is a generally recognized house or yard pet, an exotic animal, an inherently aggressive or vicious animal, or a nuisance, and its reasonable, good faith determination shall be conclusive and binding on all parties.

SECTION 10.8. NUISANCES. No Lot or Residential Dwelling or other Improvement on a Lot shall have any conspicuous infestation of pests, rodents, insects or other vermin or accumulation of trash, debris or other waste which the Board of Directors, acting reasonably and in good faith, determines to be offensive to surrounding residents or hazardous to the health or well-being of surrounding residents. No condition or activity shall be permitted on a Lot which the Board of Directors, acting reasonably and in good faith, determines to be offensive to surrounding residents by reason of noise, odor, dust, fumes or the like. No nuisance shall be permitted to exist or operate on a Lot. For purposes hereof, a nuisance shall be an activity or condition on a Lot which is reasonably considered to be offensive or an annoyance to surrounding residents of ordinary sensibilities and/or which is reasonably determined to reduce the desirability of any Lot in the Subdivision.

SECTION 10.9. ANTENNAS. Satellite dish antennas which are forty inches or smaller in diameter and antennas designed to receive television broadcast signals may be installed, provided they are installed in the least obtrusive location that allows reception of an acceptable quality signal. All other antennas are prohibited, unless expressly authorized in any recorded Architectural Guidelines.

SECTION 10.10. CLOTHES DRYING; PERSONAL ITEMS; TRASH CONTAINERS. No outside clothesline or other outside facilities for drying or airing clothes shall be erected, placed or maintained on a Lot if visible from a street in the Subdivision or a

neighboring Lot at ground level. No clothes shall be aired or dried outside if visible from a street in the Subdivision or a neighboring Lot at ground level.

No items of personal property, including, without limitation tools, yard equipment, toys and lawn furniture, shall be kept on a Lot in view from a street in the Subdivision or a neighboring Lot at ground level. All items of personal property shall be kept in the Residential Dwelling or garage when not in use. A standard size barbecue grill which is properly maintained may be kept in the rear yard of a Lot; the Board of Directors shall have the authority to determine whether a barbecue grill is a standard size and whether a barbecue grill is being properly maintained and its reasonable, good faith determination shall be conclusive and binding on all parties.

No garage or trash, or garage or trash container, shall be maintained on a Lot so as to be visible from a street in the Subdivision or a neighboring Lot at ground level except to make the same available for collection and then only the shortest time reasonably necessary to effect such collection. Garbage and trash made available for collection shall be placed in tied trash bags or covered containers, or as otherwise provided in a trash disposal contract entered into by the Association.

SECTION 10.11. RESTRICTION ON FURTHER SUBDIVISION. No Lot shall be further subdivided and no portion less than the entirety of a Lot as shown on the Plat shall be conveyed by an Owner to another party.

SECTION 10.12. FENCES, WALLS, LANDSCAPING. No fence, landscaping, hedge, or wall shall be erected or maintained in the Subdivision, except as installed in accordance with the initial construction of a Residential Dwelling or as approved by the Architectural Review Committee.

SECTION 10.13. TEMPORARY STRUCTURES. No building or structure of a temporary character, trailer (with or without wheels and whether or not attached to a foundation), mobile home (with or without wheels and whether or not attached to a foundation), modular or prefabricated home, tent, shack, barn or other building shall be placed on a Lot, either temporarily or permanently, and no residence house, garage or other structure shall be moved onto a Lot from another location. Notwithstanding the foregoing, Declarant reserves the exclusive right to erect, place and maintain such facilities in and upon the Property as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and sale of Residential Dwellings, and construction of other Improvements in the Subdivision. No tree house is permitted on a Lot.

SECTION 10.14. FIREARMS. The discharge of firearms in the Subdivision is prohibited. The term "firearms" shall include but not be limited to: pistols, rifles, "B-B" guns, pellet guns, slingshots and bow and arrows.

SECTION 10.15. DRAINAGE AND SEPTIC SYSTEMS. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No person may obstruct or rechannel the drainage flows, drainage swales, storm sewers, or storm drains. Septic tanks and drain fields, other than those installed with the prior written consent of the Architectural Review Committee, are prohibited.

SECTION 10.16. DISPOSAL OF HAZARDOUS SUBSTANCES. No gasoline, motor oil, paint, paint thinner, pesticide or other product considered to be a contaminant or a hazardous substance under applicable federal or state laws and/or regulations shall be disposed of on a Lot nor shall any such material be deposited into a storm sewer manhole or drain, sanitary sewer manhole, drainage channel, roadside ditches, culverts, lake or detention pond within the

Subdivision; rather, all such materials shall be handled and disposed of in compliance with all applicable laws and regulations and the recommendations of the manufacturer of the applicable product or a governmental entity with jurisdiction. No leaves, grass clippings or the like shall be placed or deposited into a storm sewer manhole or drain, sanitary sewer manhole, drainage channel, roadside ditch, culvert, lake or detention pond within the Subdivision.

SECTION 10.17. WINDOW TREATMENTS AND DOOR. Reflective glass shall not be permitted on the exterior of a Residential Dwelling or other Improvement on a Lot. No foil or other reflective materials shall be installed on windows or used for sunscreens, blinds, shades or other purposes except as approved in writing by the Architectural Review Committee. Burglar bars or doors shall not be permitted on the exterior of any windows or doors. Screen doors shall not be used on the front or side of a Residential Dwelling. No aluminum or metal doors with glass fronts (e.g., storm doors) shall be allowed on the front of a Residential Dwelling.

SECTION 10.18. BOAT LIFTS, BOAT SLIPS, CANOPIES, DOCKS AND PIERS. Overhead boatlifts are prohibited. No portion of a dock, pier, boatlift, boat slip, canopy or other structure shall extend more than three (3) feet above the bulkhead. Provided, however, custom slip canopies in dark green color that are not more than eight (8) feet above the bulkhead and approved in writing by the Architectural Review Committee are acceptable. Leasing a dock, pier, boatlift, boat slip and the like, other than in conjunction with leasing the appurtenant Residential Dwelling (whether for money or any other type of remuneration) is prohibited.

SECTION 10.19. BOAT TYPES. All boats kept at a dock, pier, boatlift or boat slip shall be for the personal, non-commercial use; no such boat shall be used as a residence or for overnight quarters. No toilet or washbasin facility is permitted at a dock, pier, or boat slip. Any boat to be kept at a dock, pier or boat slip which sits out of the water more than eight (8) feet must be approved in writing by the Architectural Review Committee. All boats shall be maintained in a neat, clean and attractive manner, as determined by the Board of Directors.

SECTION 10.20. BOAT COVERS. Boat covers must be maintained in a neat, clean, attractive condition, as determined by the Board of Directors. The use of tarps or other loose fitting materials as boat covers is prohibited.

SECTION 10.21. TREE REMOVAL. No tree with a caliper of more than six (6) inches, measured twelve (12) inches above grade, shall be removed from a Lot without the prior written approval of the Architectural Review Committee, unless the tree is dead. The Board of Directors shall have the authority to require an Owner who removes or causes the removal of a tree from the Owner's Lot in violation of this Section to replace the tree with a type and size of tree determined by the Board of Directors, acting reasonably and in good faith, to be appropriate.

ARTICLE XI **EASEMENTS**

SECTION 11.1. ENCROACHMENTS. Each Lot and the Common Area shall be subject to an easement for encroachments created by construction, settling and overhang of structures constructed by Declarant. A valid easement for said encroachment and for the maintenance of same, so long as they stand, shall and does exist. In the event a building containing two or more Residential Dwellings is partially or totally destroyed and then rebuilt, the Owners of the Residential Dwellings agree that valid easements shall exist for any encroachment resulting therefrom.

SECTION 11.2. UTILITIES. There are hereby reserved blanket easements upon, across, over, and under all of the Subdivision for ingress, egress, installation, replacing, repairing, and maintaining pest control systems, cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewer, meter boxes, telephones, gas, and electricity; provided, the exercise of the easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry into any Lot shall be made only after reasonable notice to the Owner or occupant thereof. Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier, electric company, and natural gas supplier easements across all Lots and Common Areas for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated in the Subdivision, except as may be approved by the Association's Board of Directors. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Subdivision without conflicting with terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement in the Subdivision.

SECTION 11.3. ELECTRIC. Underground single phase electric service shall be available on all Residential Dwellings and to any recreation buildings to be constructed on the Common Area and the metering equipment shall be located on the exterior surfaces of their walls at a point to be designated by the utility company. The utility company furnishing the service shall have a two foot wide easement along and centered on the underground electric power service conductors installed from the utility company's easement to the designated point of service on the Residential Dwelling.

SECTION 11.4. LIABILITY. Neither Declarant nor any utility company using the easement shall be liable for any damage done by any entity, its employees, or agents, to shrubbery, trees, flowers or other Improvements located on the land while furnishing a service covered by said easement.

SECTION 11.5. SERVICE LINES. The Owners of the respective Lots shall not be deemed to separately own pipes, wires, conduits, or other service lines running through their property which are utilized for or serve other Lots, but each Owner shall have an easement in the and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Lot.

SECTION 11.6. RECORDATION. Easements for the installation and maintenance of utilities and drainage facilities may be recorded in the office of the County Clerk of Montgomery County, Texas. Copies of these shall be kept on file in the initial registered office of the Association. No shrubbery, fence or other obstruction shall be placed in any easement or alleyways. Right of use of ingress and egress shall be had at all times over dedicated easement, and for the installation, maintenance operation, repair or removal of any utility, together with the right to remove any obstruction that may be placed in such easement, that would constitute interference with the use, maintenance, operation or installation of such utility.

ARTICLE XII
SECURITY; INDEMNIFICATION

SECTION 12.1. SECURITY. THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS AND ATTORNEYS, ("ASSOCIATION AND RELATED PARTIES") SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. THE ASSOCIATION AND RELATED PARTIES SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. OWNERS, LESSEE AND OCCUPANTS OF ALL LOTS, ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. OWNERS, LESSEES, AND OCCUPANTS OF LOTS ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION AND RELATED PARTIES ARE NOT AN INSURER AND THAT EACH OWNER, LESSEE AND OCCUPANT OF ANY LOT AND ON BEHALF OF THEMSELVES AND THEIR GUESTS AND INVITEES ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO RESIDENTIAL DWELLINGS AND TO THE CONTENTS OF THEIR RESIDENTIAL DWELLING AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR LESSEE ON BEHALF OF THEMSELVES AND THEIR GUESTS OR INVITEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

SECTION 12.2. INDEMNITY OF ASSOCIATION. Each Owner shall be responsible for any costs incurred as a result of such Owner's negligence or the negligence of his family, tenants, guests, invitees, agents, employees, or any resident or occupant of his Residential Dwelling, and by acceptance of a deed to a Lot does hereby indemnify the Association, its officers, directors and agents, and all other Owners against any such costs..

ARTICLE XIII
DURATION, AMENDMENT, ANNEXATION AND MERGER

SECTION 13.1. DURATION. The provisions of this Declaration shall remain in full force and effect until January 1, 2030, and shall be extended automatically for successive ten (10) year periods; provided however, that the provisions of this Declaration may be terminated on January 1, 2030, or on the commencement of any successive ten (10) year period by filing for record in the Official Public Records of Real Property of Montgomery County, Texas, an

instrument in writing signed by Owners representing not less than seventy-five percent (75%) of the Lots in the Subdivision.

SECTION 13.2. AMENDMENT. For a period of five (5) years after the date this Declaration is recorded, Declarant shall have the authority to amend this Declaration, without the joinder or consent of any other party, so long as an amendment does not adversely affect any substantive rights of the Lot Owners. After the expiration of the five (5) year period, Declarant shall have the right to amend this Declaration, without the joinder or consent of any other party, for the purpose of clarifying or resolving any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors, or omissions; provided, however, any such amendment shall be consistent with and in furtherance of the general plan and scheme of development for the Subdivision. In addition, the provisions of this Declaration may be amended at any time by an instrument in writing signed by the Secretary of the Association certifying that Owners representing not less than two-thirds (2/3) of the Lots have approved such amendment, in writing, setting forth the amendments, and duly recorded in the Official Public Records of Real Property of Montgomery County, Texas; provided that, until the First Meeting of the Members of the Association, as provided in Section 2.4 of this Declaration, an amendment of this Declaration must also be approved in writing by Declarant. Provided further that, without the joinder of Declarant, no amendment may diminish the rights of or increase the liability of Declarant under this Declaration. In the event that there are multiple Owners of a Lot, the written approval of an amendment to this Declaration may be reflected by the signature of a single Co-Owner. Any legal challenge to the validity of an amendment to this Declaration must be initiated by filing a suit not later than one (1) year after the date the amendment document is recorded in the Official Public Records of Real Property of Montgomery County, Texas.

SECTION 13.3. ANNEXATION. Additional land may be annexed and subjected to the provisions of this Declaration by Declarant, without the consent of the Members, within five (5) years of the date that this Declaration is recorded in the Official Public Records of Real Property of Montgomery County, Texas. Further, additional land may be annexed and subjected to the provisions of this Declaration with the consent of not less than two-thirds (2/3) of the Members in Good Standing of the Association present and voting, in person or by proxy, at a meeting of the Members called for that purpose at which a quorum is present; provided that, as long as there is Class B membership in the Association, the annexation of additional land shall also require the written consent of Declarant. The annexation of additional land shall be effective upon filing of record an annexation instrument in the Official Public Records of Real Property of Montgomery County, Texas.

SECTION 13.4. MERGER. Upon a merger or consolidation of the Association with another Association, the Association's properties, rights, and obligations may be transferred to another surviving or consolidated Association or, alternatively, the properties, rights, and obligations of another Association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association shall administer the covenants and restrictions applicable to the properties of the merging or consolidating Associations as one scheme. No such merger or consolidation shall effect any revocation, change or addition to the provisions of this Declaration.

ARTICLE XIV
MISCELLANEOUS

SECTION 14.1. 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 14.2. 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 14.3. ARTICLES AND SECTIONS. Article and section headings in this Declaration are for convenience of reference and shall not affect the construction or interpretation of this Declaration. Unless the context otherwise requires references herein to articles and sections are to articles and sections of this Declaration.

SECTION 14.4. 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 14.5. LIMITATION OF LIABILITY. Notwithstanding anything provided herein to the contrary, neither the Declarant, the Architectural Review Committee, the Association, nor any agent, employee, representative, member, shareholder, partner, officer or director thereof, shall have any liability of any nature whatsoever for any damage, loss or prejudice suffered, claimed, paid or incurred by any Owner on account of (a) any defects in any Plans submitted, reviewed, or approved in accordance with the provisions of Article VII above, (b) any defects, structural or otherwise, in any work done according to such Plans, (c) the failure to approve or the disapproval of any Plans submitted by an Owner for approval pursuant to the provisions of Article VIII, (d) the construction or performance of any work related to such Plans, (e) bodily injuries (including death) to any Owner, occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of any such Owner or occupant, or other damage to any Residential Dwelling, Improvements or the personal property of an Owner, occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of such Owner or occupant, which may be caused by, or arise as result of, any defect, structural or otherwise, in any Residential Dwelling or Improvements or the Plans or any past, present or future soil and/or subsurface conditions, known or unknown and (f) any other loss, claim, damage, liability or expense, including court costs and attorney's fees suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of a Lot, Residential Dwelling, or any other Improvements situated thereon.

SECTION 14.6. ENFORCEABILITY. The provisions of this Declaration shall run with the Property and shall be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each Owner and occupant of a Lot in the Subdivision, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. If notice and an opportunity to be heard are given, the Association shall be entitled to impose reasonable fines for violations of the provisions of this Declaration or any Rules and Regulations or the Architectural Guidelines adopted by Declarant, the Association or the Architectural Review Committee pursuant to any authority conferred by any of them by the provisions of this Declaration and to collect

reimbursement of actual attorney's fees and other reasonable costs incurred by it relating to violations of the provisions of this Declaration, the Rules and Regulations and/or the Architectural Guidelines. Such fines, fees and costs may be added to the Owner's assessment account and collected in the manner provided in Article IV of this Declaration. In the event any one or more persons, firms, corporations or other entities shall violate or attempt to violate any of the provisions of this Declaration, Declarant, the Association, each Owner or occupant of a Lot within the Subdivision, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

SECTION 14.7. CONSTRUCTION OF DECLARATION. The provisions of this Declaration shall be liberally construed to give effect to its purposes and intent.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration on this the 21 day of September, 2006, to become effective upon recording in the Official Public Records of Real Property of Montgomery County, Texas.

Westlake Land Development, LLC
a Texas limited liability company

By: [Signature]

Print Name: Mark Windell
Its Manager

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Mark Windell, manager, of Westlake Land Development, LLC, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 21 day of September, 2006.



[Signature]
Notary Public in and for the State of Texas

188-11-1357

Notary Public in and for the State of Texas

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas.

OCT - 2 2006



Mark Turnbull

County Clerk
Montgomery County, Texas

FILED FOR RECORD
06 OCT -2 PM 1:24

Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was
found to be inadequate for the best photogra-
phic reproduction because of illegibility, carbon
or photo copy, discolored paper, etc. All black-
outs, additions and changes were present at the
time the instrument was filed and recorded.