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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COUNTRY LAKE ESTATES

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*Country Lake Estates
12/10/02*

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR COUNTRY LAKE ESTATES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COUNTRY LAKE ESTATES (this "Declaration"), made as of the date hereinafter set forth by KUYKENDAHL DEVELOPMENT, L.P., a Texas limited partnership (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of a tract of land containing approximately 83.868 acres which has been platted as Country Lake Estates, Section One (1) according to the map or plat thereof filed under Clerk's File No. W170645 and recorded under Film Code No. 523260 in the Map Records of Harris County, Texas (the "Subdivision"); and

WHEREAS, it is the desire and intention of Declarant to provide a common plan as to the use, permissible construction, and common amenities of the property in such subdivision and such other property as may hereafter be annexed into the jurisdiction of the Association (as hereinafter defined) and, to this end to subject the Lots (hereinafter defined) within the Subdivision and within any other tracts of land which may hereafter be made subject to this Declaration to the covenants, conditions and restrictions hereinafter set forth for the benefit of all present and future owners thereof;

NOW, THEREFORE, Declarant hereby declares that the Lots within the Subdivision and within any other tracts of land which may hereafter be made subject to this Declaration shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with said Lots and shall be binding upon all parties having any right, title or interest in said Lots or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

The following words, when used in this Declaration, shall have the following meanings:

SECTION 1. "Accessory Building" shall mean and refer to any building or structure constructed or installed on a Lot other than the primary residence, including without limitation, detached garages, guest houses, granny flats, cabanas, and childrens recreational buildings.

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SECTION 2. "Architectural Review Committees" shall mean and refer to the Country Lake Estates New Construction Committee and the Country Lake Estates Modifications Committee created in Article VI hereof.

SECTION 3. "Area of Common Responsibility" shall mean the Common Area, together with those areas, if any, which by contract or agreement become the responsibility of the Association. Road rights-of-ways adjacent to the Properties may be part of the Area of Common Responsibility.

SECTION 4. "Association" shall mean and refer to Community Association of Country Lake Estates, Inc., a Texas non-profit corporation, its successors and assigns.

SECTION 5. "Builder" shall mean and refer to any person or entity undertaking the construction of a residence on a Lot for the purpose of selling same.

SECTION 6. "Class B Control Period" means the period of time ending on the date on which the Class "B" Membership in the Association terminates, during which period the Declarant is entitled to appoint the members of the Board of Directors.

SECTION 7. "Common Area" shall mean and refer to all properties, real or personal, owned, leased or used by the Association for the common use and enjoyment of the Members (hereinafter defined) of the Association.

SECTION 8. "Declarant" shall mean and refer to Kuykendahl Development, L.P., a Texas limited partnership, its successors or assigns, provided that an assign is designated in writing by the Declarant as an assign of all, or part, of the rights of the Declarant under this Declaration.

SECTION 9. "Home Occupation" means a business activity conducted in a Single Family Residence which is incidental to the principal residential use.

SECTION 10. "Homestead Plans" shall mean and refer to any or all of the following, as the same shall be submitted, revised, and/or resubmitted to the applicable Architectural Review Committee for approval:

(a) a "Site Plan" showing the location of the proposed residence and all other proposed improvements (including driveway, fences, swimming pools and patios) as well as proposed utility connections and drainage of the Lot;

(b) an "Exterior Elevations Plan", which shall show the dimensions and gross area of each structure, include drawings and detail of all building exterior elevations, including the roof (showing elevations) and describing the color, quality, and type of all proposed exterior construction materials; and

of the maintenance funds, enforcement of the restrictive covenants contained herein, and architectural control of the Lots.

SECTION 2. BOARD OF DIRECTORS. The Association shall act through a Board of Directors (the "Board") initially having three (3) members. The Board may be increased in size to a maximum of five (5) members at any time by amendment of the By-Laws. The Board shall manage the affairs of the Association as specified in this Declaration and the By-Laws of the Association. The Declarant shall be entitled to appoint and remove all members of the Board during the Class B Control Period and thereafter, members of the Board shall be elected and may be removed by the Members.

SECTION 3. MEMBERSHIP. Every Owner of a Lot, including the Declarant, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. No Owner, whether one (1) or more persons, shall have more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership in the Association may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Board, subject to the provisions of this Declaration and the By-Laws.

SECTION 4. VOTING RIGHTS. The Association shall have two classes of membership, Class "A" and Class "B", as follows:

- (a) CLASS A. Class "A" Members shall be Owners with the exception of the Class "B" Member. Class "A" Members shall be entitled to one (1) vote for each lot of which they are the Owner. In any situation where more than one person holds the interest in a Lot required for membership in the Association, the vote for such Lot shall be exercised as those persons among themselves determine and advise the Secretary of the Association in writing prior to any meeting. In absence of such advise, the vote for such Lot shall be void in the event more than one person seeks to exercise it.
- (b) CLASS B. The Class "B" Member shall be the Declarant who shall be entitled to three (3) votes for each Lot of which it is the Owner.

The Class "B" Membership in the Association shall terminate on the earlier of the following:

- (i) The date the total number of votes of the Class A Members equals the number of votes of the Class B Member; or
- (ii) December 31, 2012 or such earlier date as may be established by Declarant in a written instrument recorded by Declarant in

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(c) a "Lighting Plan", which shall include the type, style, size, and candle power of all proposed exterior lighting fixtures.

SECTION 11. "Lake" shall mean and refer to any body of water within the Properties which is a portion of the Common Area.

SECTION 12. "Lakefront Lot" shall mean and refer to any Lot which is contiguous to a Lake.

SECTION 13. "Lot" shall mean and refer to any portion of the Properties, whether developed or undeveloped, upon which a Single Family Residence has been constructed or it is intended that a Single Family Residence be constructed, including lots created by the platting of a reserve tract or the replatting of a Lot. "Lots" shall mean and refer to each Lot and all of them. In the case of a parcel of land within the Properties which has not been platted into Lots, the parcel shall be deemed to contain the number of Lots designated by the Declarant on the development plan for such parcel of land unless or until a different number of Lots is platted.

SECTION 14. "Member" shall refer to every person or entity which holds a membership in the Association.

SECTION 15. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding any person or entity who holds an interest merely as security for the performance of an obligation or those owning only an easement right, a mineral interest, or a royalty interest.

SECTION 16. "Properties" shall mean and refer to the real property within the jurisdiction of the Association being the Subdivision and any additional property hereafter added to the jurisdiction of the Association as provided herein, if any.

SECTION 17. "Road" shall refer to any private or publicly dedicated street, drive, boulevard, road, alley, lane, avenue, or thoroughfare within or adjacent to the Properties.

SECTION 18. "Supplemental Declaration" shall mean and refer to a separate declaration of covenants, conditions and restrictions which is imposed on a portion of the property within the jurisdiction of the Association and which is administered by and may be enforced by the Association.

ARTICLE II
COMMUNITY ASSOCIATION OF COUNTRY LAKE ESTATES, INC.

SECTION 1. ORGANIZATION. Declarant has caused the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure, and management

the Official Public Records of Real Property of Harris County,
Texas.

SECTION 5. RULES AND REGULATIONS. The Board may adopt, amend, repeal and enforce rules and regulations ("Rules"), fines and levies as may be deemed necessary or desirable with respect to the implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Area, and the use of any other property, facilities or improvements owned or operated by the Association.

SECTION 6. TERMINATION OF MEMBERSHIP. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

ARTICLE III
COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. The Declarant, for each Lot which is subject to this Declaration, hereby covenants and each Owner of any such Lot, by acceptance of a deed therefor, whether or not it shall be expressed in the deed or other evidence of the conveyance, is deemed to covenant and agree to pay the Association the following:

- (i) annual assessments or charges; and
- (ii) special assessments for capital improvements,

such assessments or charges to be fixed, established and collected as hereinafter provided. These assessments and charges, together with interest thereon as hereinafter provided, costs of collection, and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing lien upon the Lot against which such assessments or charges are made. Each such assessment or charge, together with such interest, late charges, costs of collection, and reasonable attorney's fees shall also be and remain the personal obligation of the Owner of the particular Lot at the time the assessment or charge fell due notwithstanding any subsequent transfer of title of such property. The personal obligation for delinquent assessments and charges shall not pass to successors in title unless expressly assumed by them. However, successors in title shall nonetheless acquire title to the land subject to the lien securing the assessments and charges.

SECTION 2. PURPOSE OF ANNUAL ASSESSMENTS. The annual assessments levied by the Association shall be used for carrying out the purposes of the Association as stated in its Articles of Incorporation and this Declaration. The judgment of the Board of Directors of the Association in determining the functions to be performed by the Association, in determining the amount of annual assessments, and in the expenditure of

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funds shall be final and conclusive so long as its judgment is exercised in good faith. Such funds may be used to finance all or any of the following:

- (i) Operation, maintenance, repair, and improvement of the Area of Common Responsibility, including funding of appropriate reserves for future repair, replacement and improvement of same;
- (ii) Payment of taxes and premiums for insurance coverage in connection with the Common Area and for directors and officers liability insurance;
- (iii) Paying the cost of labor, equipment (including expense of leasing any equipment), material, and any associated management or supervisory services and fees required for management and supervision of the Common Area;
- (iv) Paying the cost and fees of a manager or firm retained to carry out the duties of the Association or to manage the affairs and property of the Association;
- (v) Installing, maintaining and replacing landscaping and fencing in the Area of Common Responsibility;
- (vi) Designing, purchasing and installing any improvements to the Area of Common Responsibility;
- (vii) Maintenance of the Area of Common Responsibility including, without limitation, the private roads within the Properties;
- (viii) Contracting for services beneficial to the Properties including, without limitation, street lights and insect and pest control services;
- (ix) Collecting and disposing of trash, garbage, ashes, rubbish and other similar materials or contracting for such services;
- (x) Payment of legal fees and expenses incurred to collect assessments and enforce this Declaration;
- (xi) Employing watchmen and/or a patrol service;
- (xii) Carrying out the duties of the Board of Directors of the Association; and
- (xiii) Carrying out such purposes of the Association as generally benefit the Members of the Association.

As stated hereinabove, the Association shall not be obligated to perform all of the foregoing functions or any particular function listed. The judgment of the Board of Directors of the Association in establishing annual assessments and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

The Board of Directors is specifically authorized to enter into agreements with other homeowners associations whereby the Members will have the right to use recreational facilities owned by such other homeowners associations.

SECTION 3. MAXIMUM LEVEL OF ANNUAL ASSESSMENTS. The amount of the initial annual assessment shall be such amount as may be determined by the Board of Directors. Each year thereafter, the annual assessment may be increased by the Board of Directors of the Association at its sole discretion, by an amount equal to a fifteen percent (15%) increase over the annual assessment for the previous year without a vote of the Members of the Association. The annual assessment may be increased above fifteen percent (15%) with approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy, at a meeting duly called for this purpose. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at any amount not in excess of the maximum.

SECTION 4. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or repair or replacement of improvements located upon the Common Area, including fixtures and personal property related thereto, provided that except as hereinafter specified any such assessment shall have the assent of a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments may be collected on a monthly basis at the Board's election.

SECTION 5. NOTICE AND QUORUM. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 above shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast twenty percent (20%) of each class of the eligible votes of the Association's membership shall constitute a quorum. If the required quorum is not present or represented, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meetings. No subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6. RATES OF ASSESSMENT. Both annual and special assessments on all Lots shall be fixed at uniform rates; provided, however, there shall be no assessments on unplatted Lots. Notwithstanding the foregoing to the contrary, the Declarant may elect on an annual basis to make subsidy payments to the Association in lieu of assessments equal to the difference between the amount of assessments collected on all Lots subject to assessment other than those owned by the Declarant and the amount of the actual expenditures incurred to operate the Association during the fiscal year. The Board is specifically authorized to enter into subsidy agreements with the Declarant. Under no circumstances shall the Declarant be obligated to pay a subsidy in any year unless it elects to do so.

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SECTION 7. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENT. The initial annual assessment shall commence as to all Lots in the Subdivision on the date the plat of the Subdivision was recorded, shall be prorated according to the number of months remaining in the calendar year, and shall be due and payable thirty (30) days after notice of the assessment is sent to every Owner whose Lot is subject to assessment. Thereafter, 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 assessment to be levied against each Lot in the next calendar year. Written notice of the rate at which the Board of Directors of the Association has set the annual assessment shall be sent to every Owner whose Lot is subject to the payment thereof. Each annual assessment shall be due and payable in advance on the first day of January of each calendar year. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer or authorized representative of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a particular Lot is binding upon the Association as of the date of its issuance.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any assessments which are not paid in full by the date specified by the Board shall be delinquent. Any delinquent assessment shall commence to bear interest on the due date (or such later date as the Board may determine) at the rate of 18% per annum or such other interest rate as the Board may from time to time determine not in excess of the maximum lawful rate of interest. If the assessment is not paid when due, the lien herein retained and created against the affected Lot shall secure the assessment due, interest thereon as specified above, all costs of collection, including court costs and attorney's fees, and any other amount provided or permitted by law. In the event that the assessment remains unpaid after ninety (90) days, the Association may, as the Board shall determine, institute suit for collection against the Owner personally obligated to pay the assessment or foreclose the lien created and reserved hereby against the Lot of such Owner.

The Association's lien is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien shall be or is required. By acquiring his Lot, the Owner grants to the Association a power of sale in connection with the Association's lien. By written resolution, the Board of Directors of the Association may appoint, from time to time, an officer, agent, trustee, or attorney of the Association to exercise the power of sale on behalf of the Association. The Association shall exercise its power of sale pursuant to Section 51.002 of the Texas Property Code, and any applicable revision(s), amendment(s), or recodifications thereof in effect at the time of the exercise of such power of sale. The Association has the right to foreclose its lien judicially or by nonjudicial foreclosure pursuant to the power of sale created hereby. Costs of foreclosure may be added to the amount owed by the Owner to the Association. An Owner may not petition a court to set aside a sale solely because the purchase price at the foreclosure sale was insufficient to fully satisfy the Owner's debt. The Association may bid for and purchase the Lot at the foreclosure sale utilizing funds of the Association. The Association may own, lease, encumber, exchange, sell, or convey a Lot. The purchaser at any such foreclosure sale shall be entitled to sue for recovery of possession

of the Lot by an action of forcible detainer without the necessity of giving any notice to the former owner or owners of the Lot sold at foreclosure. Nothing herein shall prohibit the Association from taking a deed in lieu of foreclosure or from filing suit to recover a money judgment for sums that may be secured by the lien. At any time before a nonjudicial foreclosure sale, an Owner of a Lot may avoid foreclosure by paying all amounts due the Association. Foreclosure of a tax lien attaching against a Lot shall not discharge the Association's lien under this paragraph for amounts becoming due to the Association after the date of foreclosure of the tax lien.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein by non-use of Common Area or abandonment of the property owned by such Owner. No diminution or abatement of assessment shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. As herein above provided, the title to each Lot shall be subject to a lien securing the payment of all assessments and charges due the Association, but the lien shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the lien in favor of the Association provided, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien securing such assessment or charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided for hereinabove, the Association, in the sole discretion of its Board of Directors, may subordinate the lien securing any assessment provided for herein to any other mortgage lien or encumbrance, subject to such limitations, if any, as the Board of Directors may determine.

ARTICLE IV RIGHTS IN THE COMMON AREA

SECTION 1. OWNER'S RIGHTS OF ENJOYMENT. Subject to the further provisions hereof, every Member shall have a right of enjoyment in the Common Area, and such right shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights of the Association:

- (a) The Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

- (b) The Association shall have the right, with the approval by two-thirds (2/3rds) vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, to borrow money and to mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred.
- (c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any such mortgage.
- (d) The Association shall have the right to suspend the enjoyment rights of any Member for any period during which any assessment or other amount owed by such Member to the Association remains unpaid in excess of thirty (30) days.
- (e) The Association shall have the right to establish reasonable rules and regulations governing the use and enjoyment of the Common Area, and to suspend the usage rights of any Member for a period not to exceed sixty (60) days for any infraction of such rules and regulations.
- (f) The Association shall have the right, with the approval by two-thirds (2/3rds) vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, to sell or convey all or any part of the Common Area and the right, without the approval of the Members, to grant or dedicate easements in portions of the Common Area to public or private utility companies.
- (g) The Association shall have the right to enter into agreements pursuant to which individuals who are not Members of the Association are granted the right to use the Common Area and the facilities located thereupon.
- (h) The use of a Lake by Members of the Association and their permitted guests shall be subject to such rules and regulations as the Association's Board of Directors may adopt from time to time. Such rules may, among other things, prohibit fishing or permit only catch and release fishing, and prohibit swimming. The Board may also establish hours for the use of such Common Areas.
- (i) The Association shall have the right to establish rules and regulations governing use of the Common Area, and to establish sanctions for any violation or violations of such rules and regulations.
- (j) The Association shall have the right to regulate noise within the Properties, including, without limitation, the right to require mufflers on engines or to prohibit the use of devices producing excessive noise.

- (k) The Association shall have the right to control the visual attractiveness of the Properties, including without limitation, the right to require owners to eliminate objects which are visible from the Common Areas and which, in the Board's judgment, detract from the visual attractiveness of the Properties.

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend his right of enjoyment to the Common Area to the members of his family and to such other persons as may be permitted by the Association. An Owner shall be deemed to have made a delegation of all such rights to the tenant of any leased residence and such Owner shall not have the right to use the Common Area during such tenancy.

ARTICLE V USE RESTRICTIONS

SECTION 1. RESIDENTIAL USE. Each and every Lot subject to this Declaration is hereby restricted to residential uses only. Except as otherwise hereinafter specified, no business, professional, commercial or manufacturing use shall be made of any Lot. No structure other than one (1) single family residence and Accessory Buildings approved by the New Construction Committee shall be constructed, placed on, or permitted to remain on any Lot.

Notwithstanding the foregoing, a residence on a Lot may be used for a Home Occupation provided that:

- (i) no person other than a full time occupant of the residence shall be engaged or employed in the Home Occupation at the residence;
- (ii) there shall be no visible storage or display of occupational materials or products;
- (iii) there shall be no exterior evidence of the conduct of a Home Occupation such as a sign and no Home Occupation shall be conducted on the Lot outside of the residence; and
- (iv) no additional parking shall be provided or required for the Home Occupation.

SECTION 2. ANIMALS AND LIVESTOCK. No animals, livestock, or poultry of any kind shall be raised, bred, or kept for commercial purposes on any Lot. Consistent with its use as a residence, dogs, cats, other common household pets and such other animals as may be specifically approved by the Board may be kept on a Lot, provided, however, there shall not be more than three (3) animals on a Lot. Dogs shall at all times whenever they are outside a single family residence be on a leash or otherwise confined in a manner acceptable to the Board. Without prejudice to the Board's right to remove any such household pets, no household pet that had caused damage or injury may be walked in the

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Properties. Animal control authorities shall be permitted to enter the Properties to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law. All dogs and cats must be of a recognized domestic variety.

SECTION 3. NUISANCES. No noxious or offensive trade or activity shall be carried on upon any Lot nor shall anything be done thereon which in the opinion of the Board may be or become an annoyance or nuisance to residents of the Properties.

SECTION 4. CONSTRUCTION ACTIVITIES. During the course of construction on a Lot, the Builder shall comply with the construction requirements established by the New Construction Committee regarding excavation, enclosure and protection of the construction site, storage of building materials, vehicle parking, temporary buildings, chemical toilets, clean up, signage, dust, noise, construction hours and days, odors and similar conditions. Builders shall take reasonable precautions to minimize interference with traffic and to protect the general public, and residents of Properties in particular, from injury from the movement of vehicular traffic in connection with construction on the Lots. In addition to and without limiting the generality of the foregoing, Builders shall comply with the following requirements:

(i) Storage of Building Materials. Building materials stored to be used to construct a house on a Lot shall be kept in a neat condition so as not to detract from the appearance of the neighborhood and so as to give the visual impression from adjacent streets of a clean, orderly work site;

(ii) Scrap Materials and Trash. Builders shall keep scrap materials and trash produced in connection with the construction of a house on a Lot confined to a particular area of such Lot, preferably to the side or behind the house. Trash will be placed in a wire mesh or solid container within such area at the end of each work day and removed from the Lot frequently enough so that trash does not overflow from such container;

(iii) Clean Roads and Utilities. Builders shall protect pavements, curbs, gutters, swales or drainage courses, landscape areas, sidewalks, walls/fences, Roads, shoulders, utility structures (including, without limitation, fire hydrants, sprinkler systems, manhole covers, valve boxes and second stage inlets) and other property located on or adjacent to a Lot from damage and shall keep pedestrian road rights-of-way clean and clear of equipment, building materials, dirt, debris and similar materials;

(iv) Maintenance. Builders shall keep the interior and exterior of all improvements constructed on a Lot in good working condition and repair. Without limiting the generality of the foregoing, Builders shall promptly replace any glass, paint, roof materials, bricks, stone or other exterior building materials on any house which are damaged; and

(v) Noise. Except in an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the

Association, outside construction work or noisy interior construction work shall be permitted only between the hours of 7:00 A.M. and 7:00 P.M. on Monday through Saturday.

SECTION 5. DISPOSAL OF TRASH. No trash, rubbish, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot be used or maintained as a dumping ground for such materials. All such matter shall be placed in sanitary refuse containers constructed of metal, plastic or masonry materials with tightfitting sanitary covers or lids and placed in an area adequately screened by planting or fencing. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense.

SECTION 6. DISPOSAL OF HAZARDOUS SUBSTANCES. Gasoline, motor oil, paint, paint thinner, pesticides, and other product considered to be a contaminant or a hazardous substance under applicable federal or state laws and regulations shall not be disposed of on any Lot nor shall any such material be deposited into a storm sewer, sanitary sewer manhole, drainage channel or other drainage facility within the Properties, but 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.

SECTION 7. BUILDING MATERIALS. Unless otherwise approved by the Modifications Committee, no Lot shall be used for the storage of any materials whatsoever, except that material used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced. During initial construction of residences by Builders, building materials may be placed or stored outside the property lines. Building materials may remain on Lots for a reasonable time, so long as the construction progresses without undue delay after which time these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. Under no circumstances shall building materials be placed or stored on the Roads.

SECTION 8. MINERAL PRODUCTION. No oil drilling, oil development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

ARTICLE VI ARCHITECTURAL STANDARDS

SECTION 1. PURPOSE. In order to preserve the natural setting and beauty of the Properties, to establish and preserve a harmonious and aesthetically pleasing design for

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the Country Lake Estates project and to protect and promote the value of the Properties, the Lots in the Subdivision and within any other property which may hereafter be made subject to this Declaration shall be subject to the restrictions set forth in this Article VI. Every grantee of any interest in a Lot within the Subdivision and any other property which may hereafter be made subject to this Declaration by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

SECTION 2. ARCHITECTURAL REVIEW COMMITTEES.

(a) New Construction Committee and Modifications Committee. There is hereby established the Country Lake Estates New Construction Committee (herein called the "New Construction Committee"), which shall have exclusive jurisdiction over all original construction on the Lots within the Properties. There is also hereby created the Country Lake Estates Modifications Committee (hereinafter called the "Modifications Committee") (the New Construction Committee and the Modifications Committee being herein collectively referred to as the "Architectural Review Committees") which shall have exclusive jurisdiction over modifications, additions, or alterations made on or to improvements on the Lots within the Properties. Each Architectural Review Committee may (i) adopt such standards and guidelines for the construction or alteration of improvements in the Properties ("Architectural Guidelines") and (ii) establish application procedures for its review of Homestead Plans. The Architectural Review Committees shall make such guidelines available to Owners and Builders who seek to engage in construction or modification of improvements upon a Lot and who shall conduct their operations strictly in accordance therewith. The Architectural Guidelines may impose different requirements for different portions of the Properties.

(b) Members of Architectural Review Committees. The New Construction Committee and the Modifications Committee shall each consist of three (3) members. Until the date on which it has sold and conveyed all of the Lots within the Properties, the Declarant shall have the right to appoint all members of each of the Architectural Review Committees as well as the right to remove any member. There shall be no surrender of this right prior to that time, except by a written instrument executed by Declarant and recorded in the real property records of Harris County, Texas. Upon the expiration of such right, the Board of Directors shall have the power to appoint and remove the members of the Architectural Review Committees. The Architectural Review Committees are authorized, but not obligated, to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist them in performing their respective functions set forth herein.

SECTION 3. ARCHITECTURAL APPROVAL. To preserve the architectural and aesthetic appearance of the Country Lake Estates project, no construction of improvements, or modifications, additions, or alterations to existing improvements, shall be commenced or maintained by an Owner on a Lot in the Properties, including, without limitation, the construction or installation of sidewalks, driveways, parking areas, drainage facilities, mail boxes, decks, patios, courtyards, swimming pools, greenhouses, playhouses, awnings, walls, fences, exterior lights, garages, guest or servants' quarters, or other Accessory Buildings, nor shall any exterior addition to or change or alteration be made to

any improvements (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the Homestead Plans therefor shall have been submitted to and approved in writing by the applicable Architectural Review Committee as to the compliance of such Homestead Plans with this Declaration and the Architectural Guidelines promulgated hereunder and as to the harmony of external design, location, and appearance in relation to surrounding structures and topography. One copy of the Homestead Plans submitted shall be retained in the records of the applicable Architectural Review Committee, and the other copy shall be returned to the Owner marked "approved," "approved with conditions as noted," or "disapproved." The applicable Architectural Review Committee may establish a reasonable fee sufficient to cover the expense of reviewing Homestead Plans to compensate any consulting architects, landscape architects, planners, inspectors, agents or attorneys retained in accordance with the terms hereof. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his improvements, or to paint the interior of the improvements on his property any color desired. The Architectural Review Committees shall have the sole discretion to determine whether Homestead Plans submitted for approval are acceptable to the Association. If Homestead Plans submitted for approval are not returned to the Owner with an indication of approval or disapproval within sixty (60) days after submission, they shall be deemed to be disapproved.

Upon approval of Homestead Plans by the applicable Architectural Review Committee, no further approval under this Article VI shall be required with respect thereto, unless construction has not commenced within six (6) months of the approval of such plans and specifications or unless such Homestead Plans are altered or changed. Disapproval of Homestead Plans may be based by the applicable Architectural Review Committee upon any ground which is consistent with the objects and purposes of this Declaration as determined by the applicable Architectural Review Committee from time to time, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

SECTION 4. APPROVAL NOT A GUARANTEE OR VARIANCE. The review and approval of Homestead Plans pursuant to this Article is made on the basis of aesthetic considerations only and no approval of Homestead Plans shall be construed as representing or implying that such Homestead Plans will, if followed, result in properly designed improvements. Such approval shall in no event be construed as representing or guaranteeing that any improvements built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, the Architectural Review Committees, nor any of their respective officers, partners, directors or members, shall be responsible or liable in damages or otherwise to any Owner who submits Homestead Plans for approval by reason of mistake of judgment or negligence arising out of the approval or disapproval of any Homestead Plans, any loss or damage arising from the noncompliance of such Homestead Plans with any governmental ordinances and regulations, nor any defects in construction undertaken pursuant to such Homestead Plans. The purpose of such reviews primarily seeks to conform the aesthetic appearances of development within the Properties. The Owner of each Lot shall be responsible for complying with the specific restrictions of this Declaration and the approval of Homestead Plans pursuant to this Article shall not be deemed to be a variance from the specific restrictions of this Declaration or

from the standards and guidelines adopted by the Architectural Review Committees. All variances must be issued in accordance with the provisions of Section 8 of this Article.

SECTION 5. RIGHT TO INSPECT. Any member of the Board of Directors or an Architectural Review Committee and their representatives shall have the right, but not the obligation during reasonable hours to enter upon and inspect any Lot with respect to which construction is underway to determine whether or not the Homestead Plans therefor have been approved and are being complied with. Such person or persons shall not be deemed guilty of trespass by reason of such entry. In the event the applicable Architectural Review Committee shall determine that such Homestead Plans have not been approved or are not being complied with, such Architectural Review Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved Homestead Plans. In addition to any other remedies available to the Association, the Board may record in the appropriate land records a notice of violation naming the violating Owner.

SECTION 6. NO WAIVER OF FUTURE APPROVALS. The approval by an Architectural Review Committee of any Homestead Plans for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committees, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

SECTION 7. VARIANCES. The Architectural Review Committees may grant variances from compliance with the restrictions of this Declaration and from their respective standards and guidelines when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall be effective unless in writing or estop the applicable Architectural Review Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing, shall not be considered a hardship warranting a variance.

SECTION 8. MEETINGS OF THE ARCHITECTURAL REVIEW COMMITTEES. The Architectural Review Committees shall meet from time to time as necessary to perform their respective duties, and may from time to time, by resolution unanimously adopted in writing, designate a representative to take an action or perform any duties for and on behalf of the Architectural Review Committee. In the absence of such designation of a representative, the vote of the majority of the members of the Architectural Review Committee, or the written consent of the majority of the members of the Architectural Review Committee taken without a meeting, shall constitute and act of the Architectural Review Committee.

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ARTICLE VII
ARCHITECTURAL RESTRICTIONS

Each and every Lot shall be subject to the following specific restrictions:

SECTION 1. SINGLE FAMILY RESIDENCES. Only one (1) single family residence and Accessory Buildings approved by the New Construction Committee which complement the residence in color, materials and architectural style shall be built or permitted on a Lot. All structures shall be of new construction and no structure shall be moved from another location onto any Lot.

SECTION 2. LIVING AREA REQUIREMENTS. The total living area of each single family dwelling in the Properties, exclusive of porches and garages, shall be not less than eighteen hundred (1,800) square feet.

SECTION 3. LOCATION OF RESIDENCE ON LOT. The location of each residence on a Lot will be approved by the New Construction Committee with its approval of the Homestead Plans for such residence. In some instances, a mandatory building line for the front wall of the residence on a Lot may be specified in a Supplemental Declaration or by the New Construction Committee. No building shall be located on any Lot nearer to a Road than the minimum building setback line shown on the applicable plat, specified in a Supplemental Declaration, or established by the New Construction Committee. In addition, the front wall of the residence on each Lot where a mandatory building line is established by a Supplemental Declaration or by the New Construction Committee shall be placed on such building line. No building shall be located on any drainage or utility easement.

SECTION 4. TYPE OF CONSTRUCTION. The exterior wall area of all residences, exclusive of doors and windows, shall be of masonry, brick veneer, Hardiplank or such other material as may be approved by the New Construction Committee. The roof of each residence shall be constructed of metal, composite shingles, slate or simulated slate and, unless otherwise approved by the New Construction Committee, have a minimum of eight (8) feet of vertical rise for each twelve (12) feet of horizontal length.

SECTION 5. TEMPORARY BUILDINGS. Unless otherwise approved by the New Construction Committee, temporary buildings or structures such as storage sheds shall not be permitted on any Lot. Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used by Builders in connection with the construction and sale of residences.

SECTION 6. DRIVEWAYS. On each Lot the Builder shall construct and the Owner shall maintain at his expense a driveway to the Road at the front of the Lot, including the portion of the driveway in the Road right-of-way, and the Builder shall repair at his expense any damage to the Road occasioned by connecting the driveway thereto. Driveways must be constructed in accordance with the Architectural Guidelines, provide for proper drainage and be free of ponding areas.

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SECTION 7. FENCES. The erection of chain link fences on any Lot is prohibited. Owners shall construct and maintain a fence or other suitable enclosure approved by the New Construction Committee to screen from public view outside yard equipment and other equipment which the Modifications Committee requires to be screened from view. Each Owner of a Lakefront Lot shall, at his or her sole cost and expense, construct a black wrought iron fence four (4) feet in height in accordance with specifications prescribed by the New Construction Committee along the entire rear boundary of the Lot adjacent to the Lake and along each side Lot line a distance of ten (10) feet from the rear Lot line. The Architectural Guidelines may include a fencing plan which requires the installation of fences along certain Lot lines or setbacks in accordance with prescribed specifications (which specifications may differ for different portions of the Properties), prohibits the installation of fences at certain locations, and designates other areas for fences as optional. Each Owner shall construct all fencing required by the Architectural Guidelines on his Lot, if any, and otherwise comply with any fencing plan set forth therein.

SECTION 8. SIGNS. No signs, billboards, posters, or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Modifications Committee. The right is reserved by Declarant to construct and maintain, or to allow Builders to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed residential dwellings; provided, however, unless otherwise approved by the Declarant, Builder signs may not be placed within road right-of-ways within the Properties. In addition, the Declarant and the Association shall have the right to erect identifying signs and monuments at entrances to the Country Lake Estates project.

SECTION 9. TRAFFIC SIGHT AREAS. No fence, wall, or planting which obstructs sight lines at elevations between two and six feet above the Road shall be permitted to remain on any corner Lot within fifteen (15) feet of the point formed by the intersection of the building set back lines of such Lot.

SECTION 10. EXTERIOR ANTENNAE. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication other than satellite dishes with a diameter not in excess of eighteen (18) inches shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon. The Board is empowered to adopt rules governing the types of antennae that are permissible in the Properties and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that receipt of an acceptable signal would not be impaired, an antenna or satellite dish permissible pursuant to the rules of the Board may only be installed in a side or rear yard location, not visible from any Road, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

SECTION 11. AIR CONDITIONERS. No window or wall type air conditioners shall be permitted in any residence, but the Modifications Committee, at its discretion, may

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permit window or wall type air conditioners to be installed if such unit or units will not be visible from a Road or adjacent Lot. All compressors and other exterior HVAC equipment shall be screened from view from Roads and adjacent Lots with fencing or landscaping.

SECTION 12. PRIVATE UTILITY LINES. All electrical, telephone, and other utility lines and facilities which are located on a Lot and are not owned by a governmental entity or a public utility company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the New Construction Committee or the Board.

SECTION 13. CLOTHES LINES. No exterior clothes lines shall be placed on any Lot unless otherwise approved by the Modifications Committee.

SECTION 14. VEHICLES AND PARKING. The term "vehicles", as used herein, shall refer to all motorized vehicles including, without limitation, automobiles, trucks, tractors, motor homes, boats, trailers, motorcycles, minibikes, scooters, ATV's, go-carts, campers, buses, and vans. No vehicle may be parked or left upon any Lot in the Properties, except in the garage or behind the residence or another screened area or, in the case of automobiles and small trucks only, in the driveway on the Lot. Any vehicle parked or left not in accordance with this section shall be considered a nuisance and may be removed by the Board at the owner's expense. No motorized vehicles shall be permitted on pathways or unpaved Common Area, including trails and conservation corridors except for public safety vehicles and vehicles authorized by the Board. All vehicles within the Properties must be in a condition which meets the requirements of all state and local governmental authorities as to licensing, safety and equipment standards. The parking of vehicles, on sidewalks, or on the areas between sidewalks and the curb or edge of the adjacent Road at any time is prohibited. The parking of vehicles on Roads or within Road rights-of-way for any period longer than six (6) hours is prohibited.

SECTION 15. DISPOSAL OF TRASH. No trash, rubbish, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot or any other portion of the Properties be used or maintained as a dumping ground for such materials. All such matter shall be placed in sanitary refuse containers constructed of metal, plastic or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened from public view by planting or fencing. All rubbish, trash, and garbage shall be regularly removed and not allowed to accumulate. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense.

SECTION 16. WEAPONS AND FIREWORKS. The use of fireworks, firearms and other weapons within the Properties is prohibited. The term "firearms" includes pellet guns

and small firearms of all types. Nothing contained in this Declaration shall be construed to require the Association to take action to enforce this Section.

SECTION 17. MAILBOXES AND ADDRESS MARKERS. Cluster mailboxes will be installed at various locations within the Properties in accordance with U.S. Postal Service requirements and no Owner of a Lot served by a cluster mailbox shall install a mailbox on his or her Lot. Each Lot shall have a house number identifying its street address made of materials and a color or colors specified by the New Construction Committee in keeping with the overall character and aesthetics of the community.

SECTION 18. ROOFTOP ELEMENTS. Whenever reasonably possible, stack vents and attic ventilators shall be located on the rear slopes of roofs and mounted perpendicular to the ground plane. All exposed roof stack vents, flashings, attic ventilators, etc. on each residence must be painted to match the color of the roof of the residence unless otherwise approved by the New Construction Committee. No solar collectors shall be allowed on any roof slope visible from a Road or Common Area.

SECTION 19. DECORATIONS. No decorative appurtenances such as sculptures, birdbaths and birdhouses, fountains, or other decorative embellishments shall be placed on the residence or on the front yard or on any other portion of a Lot which is visible from any Road, unless such specific items have been approved in writing by the Modifications Committee. Customary seasonal decorations for national holidays are permitted for a maximum of twelve (12) days or thirty (30) days, in the case of Christmas, without approval by the Modifications Committee. In addition, one (1) flagpole may be placed on a Lot provided it is not in excess of twenty-five (25) feet in height and is located within thirty (30) feet of the residence.

SECTION 20. PLAYGROUND EQUIPMENT. Unless otherwise approved by the Modifications Committee, all playground equipment on a Lot must be placed at the rear of the Lot behind a fence or otherwise screened from public view from any Road or from any adjacent or opposing (i.e., across a Lake) Lot.

SECTION 21. WINDOW COVERINGS. Temporary or disposable window coverings not consistent with the aesthetics of the Properties, such as reflective materials, sheets, newspaper, shower curtains, fabric not sewn into finished curtains or draperies, paper, plastic, cardboard, or other materials not expressly made for or commonly used by the general public for permanent window coverings in a development of the same caliber as the Properties are prohibited.

SECTION 22. LAKEFRONT LOTS. The following specific restrictions shall apply to all Lakefront Lots:

(a) In order to preserve the natural appearance of each Lake, no buildings, fences or other improvements shall be constructed or placed in the Lake Maintenance Easement Areas (as defined in Section 3 of Article VIII hereof). Slope paving, bulkheading, piers and other man-made alterations to the shoreline are prohibited; provided, however, the Board may grant a variance to this restriction for alterations to the shoreline if in its judgment an alteration is necessary to prevent erosion or for safety reasons. The placement of any improvements within or any alteration of the natural condition of the Lake Maintenance Easement Areas, other than the removal of vegetation, must be approved by the New Construction Committee;

(b) The Owner of each Lakefront Lot shall be responsible for all temporary erosion control measures required during construction on his Lot to ensure that there is no erosion into the Lake and such Owner shall be responsible for any repair or maintenance required due to erosion caused by construction on his Lot;

(c) No Owner or occupant of a Lakefront Lot shall withdraw water from or discharge water into a Lake except in accordance with Homestead Plans approved by the applicable Architectural Review Committee;

(d) No Owner or occupant of a Lakefront Lot shall dump or place refuse or any other material into a Lake;

(e) No Owner or occupant of a Lakefront Lot shall release or introduce any wildlife, waterfowl, reptiles or fish into a Lake unless otherwise approved by the Board of Directors; and

(f) No fence shall be installed on a Lakefront Lot which unreasonably obstructs the view of the Lake from adjacent Lots. The New Construction Committee shall have the right to designate specifications for fencing on Lakefront Lots to insure visibility of the Lake.

SECTION 23. ENFORCEMENT OF LOT MAINTENANCE. In the event of the violation of any covenant herein by any Owner or occupant of any Lot and the continuance of such violation after ten (10) days written notice thereof, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate repairs and maintenance after such notice, the Association shall have the right (but not the obligation), through its agents or employees, to enter upon such Lot and to secure compliance with these restrictions and restore such Lot to a neat, attractive, healthful and sanitary condition. The Association may render a statement of charge to the Owner or occupant of such Lot for the cost of such work. The Owner or occupant agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt. In the event of the failure to pay for such work, the amount of such statement may be added to the annual maintenance charge provided for herein and shall be secured by a lien on the Lot in the

same manner as such annual charge. The Association, or their agents and employees shall not be liable, and are hereby expressly relieved from any liability, for trespass or other tort in connection with the performance of the maintenance and other work authorized herein.

ARTICLE VIII
EASEMENTS

SECTION 1. GENERAL. Easements for drainageways and the installation and maintenance of utilities are reserved as shown and provided for on the plats of the Properties and/or as dedicated by separate instruments. Neither Declarant nor any utility company or authorized political subdivision using the easements referred to herein shall be liable for any damages done by them or their assigns, agents, employees or servants, to fences, shrubbery, trees, flowers, improvements or other property of the Owner situated on the land covered by such easements as a result of construction, maintenance or repair work conducted by such parties or their assigns, agents, employees or servants.

SECTION 2. EASEMENTS FOR UTILITIES AND PUBLIC SERVICES.

(a) Declarant hereby reserves for itself and grants to the Association, to Harris County and to any other public authority or agency, utility district, or public or private utility company, a perpetual easement upon, over, under, and across the Common Area for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers, electrical, gas, telephone, water, and sewer lines, street lights, street signs and traffic signs.

(b) An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garage and trash collection vehicles and other service vehicles to enter upon the Properties in the performance of their duties. An easement is also specifically granted to the United States Postal Service, its agents and employees to enter upon the Properties in the performance of mail delivery services.

SECTION 3. EASEMENTS FOR ASSOCIATION.

(a) There is hereby granted to the Association, its agents and employees, a perpetual easement over the portion of each Lakefront Lot which is within twenty (20) feet shoreward of the average water line of the adjacent Lake for the purpose of maintaining such lake and performing any work related thereto (the "Lake Maintenance Easement Area").

(b) There is hereby granted a general right and easement to the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot or any portion thereof in the performance of their respective duties. Except in the event

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of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or tenant of the residence directly affected thereby.

ARTICLE IX
INSURANCE OBLIGATIONS OF OWNERS

SECTION 1. OBLIGATION TO REPAIR AND RESTORE. Each Owner shall maintain, at his expenses, casualty insurance on his residence in an amount not less than the replacement cost. In the event a residence shall be partially or entirely destroyed by fire or other casualty, such residence shall either be repaired and restored within a reasonable period of time or demolished and the Lot landscaped so that no damaged portion of the former structure remains visible. Subject only to the rights of an institutional holder of a first mortgage lien on a damaged or destroyed residence, the insurance proceeds from any insurance policy covering a damaged or destroyed residence shall be first applied to such repair, restoration or replacement of such residence, or to the demolition of such residence and landscaping of such Lot. Each Owner shall be responsible for the repair, restoration, replacement or demolition of the residence owned by such Owner pursuant to the terms of this Declaration. Any such repair, restoration or replacement shall (subject to advances and changes in construction techniques and materials generally used in such construction and then current generally accepted design criteria) be generally harmonious with the other residences in the Properties and reconstruction must be consistent with plans and specifications approved by the New Construction Committee.

SECTION 2. INSURANCE PROCEEDS. If the proceeds of the insurance available to the Owner of a damaged residence are insufficient to pay for the cost of repair, restoration or replacement following a casualty (or demolition and landscaping if the residence is to be demolished), the Owner of such residence shall be responsible for the payment of any such deficiency necessary to complete the repair, restoration, replacement or demolition.

ARTICLE X
GENERAL PROVISIONS

SECTION 1. TERM. The provisions of this Declaration, as they may be amended in accordance with the provisions hereof, shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said provisions shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the Owners of a majority of the Lots covered by this Declaration has been recorded, agreeing to terminate this Declaration.

SECTION 2. ENFORCEMENT. Each Owner shall comply strictly with the covenants, conditions, and restrictions set forth in this Declaration, as may be amended

from time to time, and with the Rules adopted by the Board. The Board may impose fines for the violation of its rules, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration or the Rules adopted by the Board shall be grounds for an action to recover sums due for damages, injunctive relief, or any other remedy available at law or in equity, maintainable by the Board on behalf of the Association, or by any Owner of a portion of the Properties. Failure of the Board or any Owner to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall also have the right to enforce, by any proceeding at law or in equity, the provisions of each Supplemental Declaration imposed upon any portion of the Properties which by the terms of the instrument creating same grant the Association the power to enforce same, and failure of the Association to enforce such provisions shall in no event be deemed a waiver of the right to do so thereafter.

In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon a Lot to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, its rules and regulations, or the Architectural Guidelines. Except in the case of emergency situations, and as otherwise specified herein, the Association shall give the violating Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

SECTION 3. AMENDMENT.

A. By Declarant. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration; (c) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration; or (d) for any other purpose, provided that the amendment has no material adverse effect upon the title to any Owner's property or upon any right of such Owner or the Owner so affected has consented thereto.

B. By Owners. This Declaration may be amended at any time by an instrument executed or approved by the Owners of a majority of the Lots encumbered by this Declaration; provided, however Declarant must consent to any amendment which is to be effective prior to the date on which Declarant has sold all of its Lots within the Properties. Any such amendment shall become effective when it is filed for record in the Official Public Records of Real Property of Harris County, Texas.

SECTION 4. SEVERABILITY. Invalidation of any one of these covenants by judgment or other court order shall in no wise affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

SECTION 5. GENDER AND GRAMMER. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

SECTION 6. TITLES. The titles of this Declaration of Articles and Sections contained herein are included for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

SECTION 7. REPLATTING. Declarant shall have the right to replat any Lots as well as the right to subdivide any reserve tracts contained within the Properties into single family residential lots, by recorded plat or in any lawful manner. Lots created by the subdivision of a reserve tract shall be subject to these restrictions as if such Lots were originally platted as lots. The replatting of any portion of the Properties by an Owner other than the Declarant during the Class B Control Period shall require the written consent of the Declarant.

SECTION 8. ANNEXATION.

A. By Declarant. The Declarant shall have the unilateral right, privilege, and option at any time to annex additional property to the jurisdiction of the Association by filing for record a declaration of annexation in respect to the property being annexed. Any such annexation by the Declarant shall not require approval by the Association or the Members and shall be effective upon the filing for record of such declaration. The rights reserved by Declarant herein to annex additional land shall not be implied or construed so as to impose any obligation upon Declarant to annex additional land it owns.

B. By Other Owners. Upon request by an owner of land other than the Declarant, the Association may annex real property to its jurisdiction. Any such annexation shall require the approval by majority vote of the Members who are present in person or by proxy at a meeting duly called for such purpose and, as long as the Declarant owns any Lots within the Properties, the written consent of the Declarant. Annexation of land not owned by the Declarant shall be accomplished by filing of record in the public records of Harris County, Texas, an annexation agreement describing the property being annexed. Such annexation agreement shall be signed by the President and the Secretary of the Association, by the owner of the property being annexed, and, as long as the Declarant owns any Lots within the Properties, by the Declarant.

C. Effect of Annexation. The Owners of Lots in property annexed into the jurisdiction of the Association shall be entitled to the use and benefit of all Common Area of the Association, provided that the annexed property shall be impressed with and subject

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to an annual maintenance assessment imposed by the Association on a uniform, per Lot basis with the annual assessment on all other property within the jurisdiction of the Association.

SECTION 9. MERGER; DISSOLUTION. The Association may be merged with another non-profit corporation or dissolved only with (i) the assent of not less than two-thirds (2/3's) of the Members voting in person or by proxy at a meeting duly called for such purpose, and (ii) the Declarant, as long as the Declarant owns any Lots within the Properties. In the event of a merger of the Association with another non-profit corporation organized for the same purposes, the Association's properties, rights, and obligations may be transferred to the surviving association, or alternatively, the properties, rights and obligations of the other association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties of the other association as one scheme. In the event of the dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

SECTION 10. HUD APPROVAL. As long as there is a Class "B" Membership in the Association, the approval of the U.S. Department of Housing and Urban Development shall be required for the following actions: the amendment of this Declaration, the annexation of property to the jurisdiction of the Association, and the dedication of Common Area.

IN WITNESS WHEREOF, this Declaration is executed this 6th day of December, 2002.

KUYKENDAHL DEVELOPMENT, L.P.,
a Texas limited partnership

By: Club Development Company, Inc.,
general partner

By: Claudia J. Hudson
Claudia J. Hudson, President