

to environmental standards of controls, energy regulations and occupational, safety and health standards and controls).

Section 6. Governmental Authority includes the United States of America, the State, county, city and any political subdivision in which the Property is located or which exercises jurisdiction over the Property or the construction thereon, and any agency, department, commission, board, bureau, homeowners association, utility district, flood control district, improvement district or similar district, or other instrumentality of any of them which exercises jurisdiction over the Property or construction thereon.

ARTICLE II

ARCHITECTURAL CONTROL

Section 1. Approval of Building Plans. No building, fence, wall, signage, landscaping, or other structure or improvement shall be commenced, erected, placed, altered or maintained on the Property until the construction plans and specifications and a plot plan showing the location of the structure have been approved in writing by the Declarant; such approval shall not be unreasonably withheld or delayed. A copy of the construction plans and specifications and a plot plan, together with such additional information as may be reasonably necessary to clearly describe the proposed improvements, shall be submitted to the Declarant, or its designated representative, prior to commencement of construction. In the event the Declarant fails to approve or disapprove such plans and specifications within fifteen (15) days after receiving a written request for approval from the Owner, such failure will be deemed to be approval. The Declarant retains the right to retain one copy of all approved plans and specifications for the Declarant's files. Further, any Owner receiving approval of any plans hereunder agrees to construct said addition or structure in accordance with the approved plans.

Section 2. Powers of the Declarant. The Declarant shall have full power and authority to reject any plans and specifications that do not comply with the restrictions herein imposed or that might not be compatible with the overall character and aesthetics of the Property. Declarant shall be entitled to employ architects and other consultants to act as Declarant's representatives and assist Declarant in carrying out its functions hereunder, but such representatives or consultants shall not be entitled to grant approvals or variances since those powers are reserved solely to the Declarant. The Declarant shall have the right, exercisable at its discretion, to grant variances to this Declaration in specific instances where the Declarant receives a written request for a variance from the Owner and the Declarant in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Property or the common scheme of the Development. All reasonable costs of evaluating the request for a variance including without limitation legal, architectural and other consultant fees shall be paid by the Owner requesting the variance. All variance grants shall be in writing, addressed to the Owner requesting the variance, describing the applicable restrictions to which the variance is granted, listing conditions imposed on the granted variance and listing specific reasons for granting of the variance. Failure by

the Declarant to respond within fifteen (15) days to a written request for a variance from the Owner shall operate as a denial of the variance.

Section 3. Term. Declarant hereby retains the rights set forth in this Declaration for a period of twenty (20) years from the date of this Declaration. Thereafter, all power vested in the Declarant by this Declaration shall cease and be of no further force or effect.

Section 4. No Liability. Declarant, as well as its agents, employees, representatives, consultants and architects, shall not be liable to any other party for any loss, claim or demand asserted on account of their administration of this Declaration and the performance of their duties hereunder, or any failure or defect in such administration and performance. This Declaration can be altered or amended only as provided herein and no person is authorized to grant exceptions or make representations contrary to this Declaration. No approval of plans and specifications and no publication of minimum construction standards shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed facility and shall not be deemed to constitute any warranty or representation by Declarant including, without limitation, any warranty or representation relating to fitness, design or adequacy of the proposed construction or compliance with applicable statutes, codes and regulations. Such approvals and standards shall in no event be construed as representing or guaranteeing that any facility will be built in a good, workmanlike manner. The acceptance of a deed to the Property shall be deemed a covenant and agreement on the part of the grantee, and the grantee's heirs, successors and assigns, that Declarant, as well as its agents, employees, representatives, consultants and architects shall have no liability under this Declaration.

ARTICLE III

USE RESTRICTIONS

Section 1. Use Restrictions. The Property may generally be used for any lawful purpose unless prohibited in accordance with the provisions of this Declaration. No use shall be permitted which is unreasonably offensive by reason of odor, fumes, dust, smoke, noise or pollution, which is hazardous by reason of excessive danger of fire or explosion, or which violates any law, ordinance or regulation. In addition, no activity or use shall be permitted on, or with respect to, any part of the Property which in the sole good faith discretion of the Declarant is obnoxious to, or out of harmony with, a good quality development. For example (but not by way of limitation) there shall be no trailer court, mobile home park, junk yard, scrap metal yard, waste material business, any dumping, storage, disposal, incineration or reduction of garbage or refuse, storage or sale in bulk of junk, storage of toxic waste material, automobile wrecking yard, any facility or business which is primarily engaged in the selling of obscene or pornographic material, operation facilities featuring topless or nude performers, businesses which operate as a massage parlor, nude modeling, primarily adult only movies, the outside boarding of pets or animals, any fire or bankruptcy sale operation, auction houses or any business which includes the distribution of gasoline constructed or operated on the

Property. No portion of the Property and no building or other improvements situated thereon shall be used for manufacturing or any other industrial use. No portion of the Property shall be permitted whose primary use is for the sale of alcohol, including bars, liquor stores and burlesque establishments. As used herein "industrial use" refers to and shall mean any operation or enterprise for the production of goods, merchandise, materials, machines, and vehicles and other manufactured items and things, or for the processing and/or refining of minerals or manufactured products. Notwithstanding the foregoing, the Property may generally be used for religious worship, education, and fellowship purposes.

Section 2. Restrictions on Conduct of Business or Other Activity. The uses described in Section 1 of this Declaration shall be conducted under the following conditions:

- (a) **Smoke.** No improvement on the Property shall discharge into the atmosphere any air contaminant in violation of any applicable Governmental Requirements.
- (b) **Toxic or noxious matter.** No improvement on the Property shall discharge into the sewer system, storm drain or across the boundary lines of the Property, any toxic or noxious matter in such concentration so as to violate any applicable Governmental Requirements.
- (c) **Odorous Matter.** No improvement on the Property shall emit offensive odorous matter or fumes in violation of any applicable Governmental Requirements.
- (d) **Fire and Explosive Hazards.** Storage, utilization or manufacture of combustible materials on the Property shall be housed within buildings approved by any Governmental Authority. Use or storage of materials which produce flammable or explosive vapors or gasses under ordinary weather conditions and temperatures shall not be permitted on the Property except where required for emergency equipment or except where incidental to a principal operation of a permitted use hereunder, such as paint spraying. The Owner of any such property where such materials are used or stored, shall, at their cost, maintain insurance on such property.
- (e) **Glare or Heat.** Any operation conducted from the Property producing intense glare or heat, shall be performed within the enclosures of the improvements of such Property so as not to violate any applicable Governmental Requirements.
- (f) **Air and Water Pollution.** No improvement or operation on the Property shall discharge into the air or water pollutants or contaminants in violation of any applicable Governmental Requirements.

- (g) **Noise.** No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be unreasonably offensive or detrimental to any other property in the vicinity thereof or to its occupants.

Section 3. Type of Construction.

- (a) The construction of any building shall involve the use of not less than seventy-five percent (75%) brick veneer, stone or other masonry around the outside perimeter of the ground floor of the building.
- (b) No building shall be covered with corrugated aluminum, asbestos, iron or steel.
- (c) Yellow or orange brick should not be used.

Section 4. Building Location. No building shall be located on any Property nearer than forty-five feet (45') from Lake Houston Parkway or nearer than twenty-five feet (25') to the side street. For the purposes of this Declaration, eaves, steps and open porches shall not be considered a part of the main building; provided, however, that this shall not be construed to permit any portion of a building to encroach on any other property.

Section 5. Use of Temporary Structures. No structures of a temporary character, mobile home, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on the Property at any time as a residential dwelling. Temporary structures may be used as building offices and for related purposes during the construction period. Such structures shall be inconspicuous and neatly maintained and shall be removed immediately after completion of construction.

Section 6. Storage of Automobiles, Boats, Trailers and Other Vehicles. No boat trailers, boats, travel trailers, automobiles, campers, or vehicles of any kind, which are not in operating condition, shall be stored or constructed on the Property so as to be visible from the street. Storage of such items and vehicles must be screened from public view, either within the garage or behind a fence. This provision shall not prohibit the temporary parking of vehicles on the Property by persons attending activities conducted on, or about, the Property.

Section 7. Mineral Operation. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be conducted upon the Property, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be installed upon the Property. No derrick or other structures designed for the use of boring for oil or natural gas shall be erected or maintained on the Property.

Section 8. Animal Husbandry. No animals, livestock or poultry of any kind shall be raised, bred or permanently kept on the Property.

Section 9. Property Maintenance. Prior to the construction of improvements on the Property, the Owner shall maintain the Property in substantially the same condition as other undeveloped property in the immediate area owned by Declarant. After the construction of improvements on the Property, the Owner or occupants of the Property shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use the Property for storage of construction material and equipment except that which is incidental to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind or the burning of any such materials is prohibited. In the event of default on the part of the Owner or occupant of the Property in observing any of the above requirements, such default continuing after ten (10) days' written notice thereof, the Declarant may, but without being under any duty to do so, and without liability to Owner or occupant in trespass or otherwise, enter upon the Property, cut, or cause to be cut, such weeds and grass and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and to place the Property in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of the Property for the cost of such work, plus an additional amount equal to two times the cost of such work.

Section 10. Visual Screening on Property. All yard equipment, woodpiles or storage piles shall be kept screened by a service yard or other similar facility so as to conceal them from view streets or other property.

Section 11. Maximum Height of Antennae. No electronic antennae or device of any type other than antennae for receiving normal television signals shall be erected, constructed, placed or permitted to remain on the Property or any buildings. Television antennae must be located to the rear of the roof ridge line, gable or center line of any building and must not be visible from any street. A freestanding antennae or satellite dish must be screened from the public view so as to not be visible from any public street.

Section 12. Sidewalks. Before any main building is completed and occupied, the Owner shall construct a concrete sidewalk four (4) feet in width parallel to the street curb. Owner shall install such a sidewalk both parallel to the front Lot line and parallel to the side street line and shall satisfy the handicapped access requirements established by the City of Houston and the State of Texas. Such sidewalk shall comply with all Federal, State and County regulations respecting construction and/or specifications, if any.

Section 13. Landscaping. Within a reasonable period of time after completion of the brick phase of construction of any main building (such reasonable period of time not to exceed four (4) weeks), the Owner shall be required to: (i) complete grading and fully seed or sod with grass the area around or between the main building and parking lot and the curb lines(s) of the abutting street(s); and (ii) plant at least one (1) tree for every one thousand (1,000) square feet of space not covered by the main building and the parking lot. At least fifty percent (50%) of such trees shall be hardwood or oak and be a minimum caliper of four inches (4"). All trees and other landscaping must be shown in a landscaping plan which is submitted to and approved by the Declarant prior

to planting and the Owner shall also be required to replace any tree required hereunder that dies or is destroyed.

Section 14. Loading/Unloading. Delivery vehicles loading and unloading shall occur on-site only. Delivery vehicles loading and unloading shall not be permitted on public streets. Loading/unloading facilities shall be designated on the construction plans submitted to Declarant for approval in accordance with Article II of this Declaration.

Section 15. Outside Storage or Operations. No storage of rubbish or trash shall be permitted at any time outside any building, except in dumpsters screened from view by permanent walls. Such walls shall be constructed of concrete, steel, or masonry compatible with the approved building. Water towers, storage tanks, processing equipment, stand fans, skylights, cooling towers, communications towers, vents and any other structures or equipment shall be architecturally compatible or effectively shielded from public view by an architecturally sound method. The right of the Owner to use any building or buildings shall not be construed to permit the keeping of incinerators, storage tanks, or the like equipment in the open or exposed to public view, or view from adjacent buildings. If it shall become necessary to store or keep such equipment in the open, they shall be screened from view. Added screening must also be provided to shield such equipment from view from adjacent buildings.

ARTICLE IV

GENERAL PROVISIONS

Section 1. Enforcement; Beneficiaries. Either Declarant, Perry Homes, a Joint Venture or MHI Partnership, Ltd. or any of their parent entities, subsidiaries, successors or assigns shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. No person other than the Declarant or Owner shall have any rights or benefits hereunder, including, without limitation, any resident of the Development or Lakeshore Community Association.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain full force and effect.

Section 3. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded.

Section 4. Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

Section 5. Omissions. If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity or affect to any other word, clause, sentence or provision appearing in this Declaration shall be omitted herefrom then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

Executed this 16 day of October, 2006.

LH 440 PARTNERS, LTD.,
a Texas limited partnership

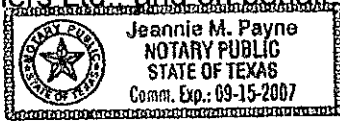
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BY: LH 440 Development, Inc.,
Managing General Partner

BY: *Gerald W. Noteboom*
Gerald W. Noteboom
Senior Executive Vice President

THE STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this the 16th day of October, 2006, by GERALD W. NOTEBOOM, as Senior Executive Vice President of LH 440 Development, Inc., a Texas corporation, as Managing General Partner of Figure Four Partners Ltd. and on behalf of said Partnership.



Seal Showing Name and
Commission Expiration

Jeannie M. Payne
Notary Public in and for the
State of Texas

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

OCT 23 2006



Carol B. Keyser
COUNTY CLERK
HARRIS COUNTY, TEXAS

Carol B. Keyser
COUNTY CLERK
HARRIS COUNTY, TEXAS

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FILED