

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
CHAMPION FOREST, SECTION 12
A SUBDIVISION IN HARRIS COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF HARRIS

*** HARRIS COUNTY CLERK ***
ANITA RODEHEAVER
DATE 05/01/95 TRACE # 00250109
DOC # R374368 AMNT \$ 47.00

THIS DECLARATION, is made on the date hereinafter set forth by CYPRESSWOOD DEVELOPMENT, LTD., hereinafter referred to as "Declarant":

W I T N E S S E T H:

WHEREAS, CYPRESSWOOD DEVELOPMENT, LTD., Declarant is the owner of certain property heretofore platted and subdivided into that certain subdivision known as CHAMPION FOREST, SECTION 12 (the "Property"), according to the plat recorded in Film Code No. 36140 of the Map Records of Harris County, Texas.

WHEREAS, Declarant desires to develop the Property as a residential subdivision, together with any other land which Declarant at its sole discretion may hereafter add thereto, and to provide and adopt a uniform plan of development including assessments, conditions, covenants, easements, reservations, and restrictions designed to govern, control and preserve the values and amenities of the Property for the development, improvement, sale, use and enjoyment of the Property as a residential subdivision; and

WHEREAS, Declarant desires to subject the Property, together with additional land as may hereafter be made subject hereto, to the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, for the benefit of the Property, additions thereto, and each owner of any part thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said subdivision, to create an Association (hereinafter defined) to which shall be delegated and assigned the powers of administering and enforcing these assessments, conditions, covenants, easements, reservations and restrictions, including levying, collecting and disbursing the assessments; and

WHEREAS, there has been incorporated the CHAMPION FOREST TWELVE HOMEOWNERS ASSOCIATION, INC. a non-profit corporation created under the laws of the State of Texas, whose directors have established By-Laws by which said Association shall be governed through its Board of Directors, for the purpose of

exercising the functions aforesaid; and

NOW, THEREFORE, Declarant hereby declares that the Property shall be developed, improved, sold, used and enjoyed in accordance with, and subject to the following plan of development, including the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, all of which are hereby adopted for, and placed upon said Property and shall run with the Property and be binding on all parties, now and at any time hereafter, having or claiming any right, title or interest in the Property or any part thereof, their heirs, executors, administrators, successors and assigns, regardless of the source of, or the manner in which any such right, title or interest is or may be acquired, and shall inure to the benefit of each owner of any part of this Property.

ARTICLE I

DEFINITIONS

Section 1. "ARC" shall mean and refer to the Architectural Review Committee established for the Property as hereinafter set forth.

Section 2. "Association" shall mean and refer to the CHAMPION FOREST TWELVE HOMEOWNERS ASSOCIATION, INC. a non-profit corporation, incorporated under the laws of the State of Texas, its successors and assigns.

Section 3. "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 4. "Common Area" shall mean all real property owned in fee or held in easement by the Association for exclusive common use and enjoyment of the Owners and shall include areas designated by Declarant to be conveyed by deed or easements or expressly reserved to or for the benefit of the Association.

Section 5. "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the Common Area, except those as may be expressly excluded herein. Also, Common Facilities may consist of improvements for the use and benefit of all members or owner in the subdivision constructed on portions of one or more lots or located within designated reserves, or easement areas within the subdivision. Common Facilities shall include (for purposes of illustration, but by no means for purposes of limitation) sidewalks, signage, fountains, statuary, common driveways, landscaping, recreational reserves, beautification easements, entry walls and related facilities, lighting control facilities, utility and equipment storage facilities, and other equipment structure facility building or improvement utilized by the Association for the benefit of the owners in the

subdivision and appurtenant to and necessary for the operation, safety, security and necessity of the Common Areas.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map upon which there has been or will be constructed a single-family residence, but shall not mean or include any Common Area.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation of the Association, and this Declaration.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to the surface estate in any Lot which is a part of the Property including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Property" shall mean all those certain Lots being 79 Lots, in 3 Blocks in CHAMPION FOREST, SECTION 12 as set forth in the map or plat thereof recorded in Film Code 36140 of the Map Records of Harris County, Texas and any other lands which may hereafter be made subject to this Declaration.

Section 10. "Subdivision Plat" shall mean and refer to the map or plat of CHAMPION FOREST, SECTION 12, duly recorded in the Map Records of Harris County, Texas, and platted in accordance with the laws of the State of Texas, County of Harris and other governmental agencies, and any recorded replat thereof.

ARTICLE II

PROPERTY RIGHTS

Section 1. Member's Easements of Enjoyment. Every Member shall have the right to an easement of enjoyment and to any Common Area which right shall be appurtenant to any shall pass with the title of every Lot, subject to the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority for such purposes and subject to such conditions as may be approved by a two-thirds (2/3) vote of the Members. Dedication of easements for public utility purposes and perimeter fences, hedges and walls can be approved by the Board and does not require the approval of the Members.

Section 2. Delegation of Use. Any Member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property.

Section 3. Delegation of Authority. Owners delegate

to the Association the full right and authority to negotiate and contract with groups, associations or companies, which provide services to the property or to the owners by means of use of designated easements or Common Area. Specifically the Association shall have the exclusive right to negotiate, settle, compromise or contract with entities for the providing of audio and video communication services and utilities by means of underground coaxial cable systems or otherwise. The Association shall further have the exclusive authority to negotiate, contract, settle or compromise with associations, organizations, companies or individuals providing services in furtherance of the Associations purpose and purpose of assessments.

ARTICLE III

RESERVATIONS, EXCEPTIONS, EASEMENTS AND DEDICATIONS

Section 1. The subdivision plat dedicates for use as such, subject to the limitations set forth therein, the streets and easements shown thereon, and such subdivision plat further establishes certain restrictions applicable to the properties, including, without limitation, certain minimum set-back lines. All dedications, limitations, restrictions and reservations imposed by this declaration or shown on the subdivision plat are incorporated herein and made a part hereof, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying said property or any part thereof, whether specifically referred to therein or not.

Section 2. Declarant reserves the easements or rights of way as shown on the subdivision plat for the purpose of construction, maintaining and repairing a system or systems of electrical lighting, electrical power, telegraph and telephone line or lines, gas, sewers, or other utility Declarant sees fit to install in, across or under the Property.

Section 3. Declarant reserves the right to make changes in and additions to the above easements or other easements and/or reservations set forth in this Declaration of Covenants, Conditions and Restrictions. Provided however, the purpose of such changes and additions shall be to more efficiently and economically install, construct, maintain and repair such systems, which are maintained and utilized for the benefit of the Declarant, Owners, Members and/or Association.

Section 4. Neither Declarant nor any utility company using the easements herein referred to shall be liable for any damages done by them or their assigns, their agents, employees or servants, to fences, shrubbery, trees or flowers, or other property of the Owner situated on land covered by said easements.

Section 5. It is expressly agreed and understood that the title conveyed by Declarant to any lot or parcel of land within the Property by contract, deed or other conveyance shall be subject to (a) any easement affecting same for roadways or drainage, water, gas, sewer, storm sewer, electrical light, electrical power, telegraph, telephone, cable services or other utility purposes, and shall convey no interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances thereto, constructed by or under Declarant or any easement Owner, or their agents through, along or upon the premises affected thereby, or any part thereof, to serve the property or any portion thereof; (b) the right of Declarant, its successors and assigns, to maintain, repair, sell or lease such appurtenances to any municipality, or other governmental agency or any public service corporation or to any other part and such right is hereby expressly reserved.

Section 6. It is further expressly provided that the grant of easements reserved unto the Declarant are intended for the benefit of the Declarant, Owners, Members and/or the Association, and shall only be utilized to efficiently and economically allow the installation of essential utilities or the erection and maintenance of fencing on, over and across any and all perimeter of the subdivision. In all cases the easement shall take the unobtrusive route, generally along property lines at the most minimum width as is acceptable to satisfy their purpose. Declarant further reserves the right to release any easement granted herein which is no longer deemed necessary and appropriate or restricts such easements as may be applicable.

Section 7. Entry Easement. Declarant reserves an easement and right of way for the construction and installation of a fence or wall within the Common Area which abuts an entry street or thoroughfare. The easements shall be used to construct and maintain a wall or fenced entry area into the Property, such wall, or fence, may at the discretion of the Declarant be lighted, and may at the discretion of the Declarant have the name of the subdivision prominently displayed on such wall or fence. Such entry may also include installation of equipment to house an access fence, electrical gate, access station, building or related structure or Common Facility. The easement shall also include a reasonable area for the installation of landscaping plants, stonework or related landscaping material, including access to and from such areas for purposes of maintaining the landscaping, the fence or wall, the appropriate signage and the electrical lighting, if applicable. This region shall be known as the "Entry Easement Area".

Section 8. Common Areas. CHAMPION FOREST, SECTION 12 is a uniquely designed subdivision, wherein 79 lots are arranged in a fabric of common areas, private drives and private streets. All areas within the subdivision which are outside the property lines of each of the 79 lots, including

the private streets and private drives shall collectively be hereinafter referred to and construed as being included within "Common Areas", Article I, Section 3. Declarant reserves an easement and right-of-way on, over and across the Common Areas for the purpose of providing pedestrian and vehicular ingress and egress for the members, owners, their invitees and guests, and for the further purpose of general maintenance as provided in this Declaration. The Common Areas shall be maintained in a tranquil, aesthetic and functional reserves made for the benefit and enjoyment of the members and owners of CHAMPION FOREST, SECTION 12. The ARC shall establish rules and regulations for the use of any and all portions of the Common Areas. Such rules and regulations shall apply to all Common Areas as well as any and all entry and access gates or general access systems which may be designed and/or maintained by the Association.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every person or entity who is a record Owner of any Lot which is subject to the annual assessment and maintenance assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association. Ownership of such land shall be the sole qualification of membership.

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

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

Class B. The Class B Members shall be the Declarant and shall be entitled to four (4) votes for each Lot owned. Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal to or greater than the total votes outstanding in the Class B membership; or
- (b) fifteen (15) years from the date hereof

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants, and the Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) annual assessments or charges, and
- (b) maintenance assessments for Special Common Areas as hereinafter stipulated and defined.

The regular and special assessments, together with late charges and reasonable attorney's fees as necessary for collection, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with late charges and reasonable attorney's fees, shall also be the personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of providing general maintenance to the Common Areas, street cleaning, street lighting, and other maintenance services that may be in CHAMPION FOREST, SECTION 12 communities interests. The Association is specifically authorized to assess and make collections and extend funds and resources necessary to provide maintenance for grass cutting and grooming of the Common Areas, perimeter fencing, landscaping within the entry easement areas, maintenance to the perimeter fencing, and all landscaping along the perimeter fencing, maintenance and payment of related expenses for maintaining and establishing electrical entry gates, access stations and related equipment. Installation, maintenance and payment of general expenses related to all street cleaning, street lighting, and general repair.

(a) Special Common Area maintenance. As stipulated in Article 5, Section 1 the Association shall be authorized to make two categories of assessments, the regular annual assessments or charges and a maintenance assessment for the Special Common Areas. For purposes of this Declaration, Special Common Areas shall be referred to as all areas outside the property lines of the 79 lots, inclusive of the private streets and private drives. The fund established for the maintenance of the Special Common Areas shall be maintained by the Association as a special fund which shall be devoted exclusively to the maintenance of the Special Common Areas. Such Special Common Area maintenance shall include grass cutting and grooming, maintenance of the perimeter fencing, maintenance of streets and entry gates and all related equipment, landscaping and maintenance thereof of all areas

along the perimeter fence and the entry easement areas, maintenance of the electrical entry gates and access systems, authorized by the Association.

Section 3. Rate of Annual Assessment. Assessments shall commence on the date upon certification of lots by Water District Engineer, and are due and payable in advance (subject to the terms and provisions of this Declaration). The annual assessment shall be as follows:

- (a) as to all full lots within the subdivision shall have an annual of \$180.00 per year.
- (b) the maintenance assessment for the Special Common Areas shall be as follows:
 - (1) 1/79th of all authorized expenditures for maintenance expense of the Special Common Areas as set forth in Article 5, Section 2 hereof.
 - (2) The Association shall annually review all expenditures for maintenance of the Special Common Areas. The Association shall establish a budget for any upcoming year for the maintenance expenses to be incurred by the Association, for maintenance of the Special Common Areas. The maintenance assessment per lot shall be equal to 1/79th of the budgeted sum for the annual expenditures for maintenance of the Special Common Areas. Such budget and establishment of maintenance assessment fees shall be promulgated no later than October 31 of the year preceding the year of assessment and notice of such assessment shall be provided to the Owners by January 1, of the year of assessment. Except for the initial years, the Budget shall be established by March 31, 1995, and Notice provided by July 31, 1995. The Initial Year of the Maintenance Assessments only shall be paid in the arrears and shall be payable by December 31, 1995, and shall only access from date of Certification, all future years to be paid in advance.

All Lots in each platted section of the Property shall bear their applicable assessments simultaneously excluding for all purposes Lots owned by Declarant. In no event shall the provisions of this Declaration express or imply the obligation by Declarant to pay any annual assessment, maintenance assessment, or special assessment authorized by this Declaration.

The Association may determine and certify that the then current annual assessment, or maintenance assessment is sufficient, insufficient, or excessive to reasonably meet the

expenses of the Association and, at a meeting called for such purpose at least 30 days in advance of the assessment period, by majority vote, may increase or decrease the annual assessment by an amount not to exceed twenty-five percent (25%) of the previous annual assessment, or twenty-five percent (25%) of the previous maintenance assessment. The annual assessment and maintenance assessment shall not be increased or decreased more than once in any calendar year and any increases shall not take effect retroactively.

Section 4. Notice of Annual and Maintenance Assessments: The Association shall fix the amount of the Maintenance Assessment and Annual Assessment by October 31 of the year preceding the year of such assessment.

Section 5. Special Assessments

The Association may from time to time call for a special meeting of the members of the Association for the purpose of ascertaining the necessity of a special assessment for a current need. Such meeting shall be called at least 30 days in advance of any such assessment period. By a vote of at least 2/3's of all outstanding votes assigned to each lot, the Association may upon such recommendation make a special assessment upon the Owners for the purposes of satisfying a current need (including any requirement established by local, state or federal government agencies) or anticipated shortfall of the necessary expenditure for the payment of maintenance of special Common Areas.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association. To any assessment not paid within thirty (30) days after the due date shall be added a late charge calculated from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay any assessment, or foreclose a lien against the property. No Owner may waive or otherwise escape liability for the assessment by reason of non-use or abandonment.

Section 7. Subordination of the Lien to Mortgages. The assessment lien shall be subordinate to the lien of any purchase money mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer, but only to that extent, and otherwise the lien shall survive such foreclosure or other proceedings. It is stipulated that no subsequent foreclosure of the mortgage lien shall relieve the Mortgagor from personal liability for any charges or assessments accrued up to the date of such foreclosure sale nor release such lot for the liens securing payment of subsequent assessments, annual, maintenance or special assessments. No sale or transfer shall relieve such Lot from liability of any

assessments thereafter becoming due or from the lien thereof.

Section 8. Exempt Properties. All properties dedicated to and accepted by a municipal authority and all properties owned by charitable or non-profit organizations, which are exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein. The Board may make other exceptions where in its determination there is a beneficial result to the development plan for the Property.

Section 9. Addition to the Property. Declarant may from time to time at Declarant's sole discretion add or annex additional land into the Association and thereby subject such land to this Declaration including the assessments, conditions, covenants, easements, reservations, and restrictions contained herein as if said land had been a part of the original Property. Such addition or annexation shall be accomplished by the execution by Declarant and filing for record of an instrument setting forth the land being added or annexed provided that said land is all or part of a recorded plat that has been duly filed for record in the Map Records of Harris County, Texas, and that said land is a part of the area designated by Declarant.

Section 10. Merger with Other Associations. By the vote of at least 2/3's of the outstanding votes applicable to each lot within CHAMPION FOREST, SECTION 12, the Association may agree to the merger or assignment of portions of the functions and purposes of the Association to such association or associations which have been established by covenant and agreement to provide similar services to the other sections within CHAMPION FOREST SUBDIVISION. However, notwithstanding, the merger or assignment of certain functions, obligations and rights afforded to the Association or associations charged with similar duties for the balance of the Champion Forest Subdivision (currently known as Champion Forest Maintenance Fund), the Association shall in no event divest its obligation and authority for the collection and assessment of the maintenance assessment for the Special Common Areas, nor shall the Association assign, transfer or mitigate its responsibility to maintain the Special Common Areas. Further, notwithstanding the assignment or merger of the rights and obligations of the Association by Champion Forest Maintenance Fund or other applicable association, in no event shall this Declaration be utilized by such successor association to make an annual assessment upon the Owner of a sum in excess of \$180.00 per lot.

ARTICLE VI.

RESTRICTIONS OF USE

Section 1. Single Family Residential Construction. Subject to other applicable provisions within this Article, no building shall be erected, altered or permitted to remain on

any Lot other than one (1) detached single-family residential structure not to exceed two (2) stories in height, and a private garage for not more than three (3) cars, which garage shall not exceed the main residential structure in height or number of stories. No such residence shall be constructed on less than the equivalent of one full Lot as shown on the latest recorded subdivision plat. In no event shall any part of the main structure or garage be used as a second dwelling unit for rental purposes.

Section 2. ARC Approval Required. No buildings, additions, improvements or fencing shall be erected or placed on any Lot until the construction plans and specifications including, but not limited to, site layout, building location, building materials, colors, elevations and landscaping plans, have been submitted to and approved in writing by the ARC as hereinafter provided. Approval of plans and specifications shall not cover or include approval for any other purpose and specifically, but without limitation, shall not be construed as any representation as to or responsibility for the design of the improvement or the ultimate construction thereof. In the event ARC fails to approve or disapprove such plans and specifications within thirty (30) days after the receipt thereof, they shall be deemed to be approved and the related conveyance set out herein shall be deemed to have been fully satisfied. The ARC or its assignee, at its sole discretion, is hereby permitted to approve deviations in the general use restrictions set forth in Article V in instances where, in its judgment, such deviation will result in a more common beneficial use and enhance the overall development plan for the Property. Such approvals must be granted in writing and when given, will become a part of these restrictions.

ARC shall produce and promulgate rules, regulations and landscaping guidelines for Common Areas, Entry Easement Area, or perimeter fencing areas. Further the ARC may from time to time promulgate fencing guidelines for the purpose of establishing certain standards and requirements for ARC approval for such improvements.

Section 3. Minimum Home Sizes. The minimum square footage of the main structure (as measured on the exterior) allowed on residential Lots for dwelling units exclusive of garage and patio areas is set forth as follows:

For any lot within Champion Forest, SECTION TWELVE, a single family dwelling must have 1800 square feet, as a minimum square footage, exclusive of patios or enclosed garage areas.

Declarant reserves the right to modify these minimum size requirements for any additional land made subject to this Declaration.

Section 4. Location of Improvements Upon the Lot.

For the purpose of this covenant, there shall be no Property Line setback requirement. Further, for the purpose of this covenant, eaves, steps and unroofed terraces shall not be considered as part of a building, provided, however, that this shall not be construed to permit any portion of any structure on a Lot to encroach upon another Lot. Declarant reserves the right to modify or establish minimum setback criteria for any additional land made subject to this Declaration.

Section 5. Composite Building Sites. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site, with a variance granted by ARC and replat at requesting owners expense, (save and except Lots 24 and 25, in Block 1, and Lots 29 and 30, in Block 1, which have common lot lines).

Section 6. Prohibition of Certain Activities. No activity, whether for profit or not, shall be carried on any Lot which is not related to single-family residential purposes, except on those Lots which may be designated by Declarant, its successors or assigns, to be used for sales offices, construction offices and storage facilities for a period of time commensurate with its home construction/sales program. Except for this temporary usage of selected Lots, no noxious or offensive activity of any sort shall be permitted, nor shall anything be done on any Lot which may be or become an annoyance or nuisance to the neighborhood.

Section 7. Temporary Structures. No structures of a temporary character, recreation vehicle, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence. Temporary structures may be used as building offices and for other related purposes as provided in Section 6 hereof.

Section 8. Animal Husbandry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except dogs, cats, or other common household pets, provided they are not kept, bred or maintained for commercial purposes or in unreasonable numbers.

Section 9. Fences, Walls, Hedges. No wall, fence, planter or hedge in excess of seven feet (7') in height shall be erected or maintained on any Lot. Fences of wire, wood or chain link construction are prohibited. Only fences constructed of wrought iron, brick, or wrought iron and brick in conjunction may be utilized. Prior to the erection of any fence there must first be the written approval of the ARC. Such proposed fence improvement must be made in accordance with the guidelines promulgated by the ARC. An Owner must submit the plans and specifications, materials to be utilized, height, location, depth and structure of any proposed fence improvement to the ARC at least 30 days prior to the proposed erection of such improvement. The Association through the ARC reserves the right to prohibit any fencing along the perimeter of any lot

and further reserves the right to modify fence guidelines in its sole and absolute discretion.

Section 10. Visual Obstruction at Intersections. No object shall be placed or located on corner lots which obstructs sight lines at elevations between two (2) and six (6) feet above the top of the street curb within the triangular area formed by the junction of street curb lines and a line connecting them at points fifteen (15) feet from said junction.

Section 11. Visual Screening on Lots. The drying of clothes in public view is prohibited, and the Owner or occupant of any Lot, shall screen clothes drying from public view.

Section 12. Lot Maintenance. All Lots shall be kept in a sanitary, healthful, safe and attractive condition at all times, including cutting of weeds and grass. The Owner or occupant of all Lots shall not store material and equipment except for normal residential requirements and those requirements incident to construction of initial improvements, or permit the accumulation of garbage, trash, or rubbish except by use of an incinerator approved by the ARC, and then only as permitted by law. All yard equipment, woodpiles, storage piles, and trash containers shall be screened so as not to be visible from any public street.

In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements and if such default continues after ten (10) days written notice thereof, Declarant or its assignee may without liability to the Owner or occupant in trespass or otherwise, enter the premises and 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, so as to place the premises in an attractive, health, safe and sanitary condition, and may charge the Owner or occupant for the cost of such work. The Owner or occupant as the case may be, agrees by the purpose or occupation of the Lot to pay such statement immediately upon receipt thereof. To secure the payment of such charges in the event of nonpayment, a continuing lien is hereby retained in favor of Declarant or its assignee identical to the assessment lien set forth in Article V, Section 1.

Section 13. Signs, Advertisements, Billboards. No sign, advertisement, billboard or advertising structure of any kind shall be displayed to public view on any Lot except for one sign for each Lot, which sign may not exceed four (4) square feet for the purpose of advertising the property for sale or rent, except signs used by Declarant, its successors or assigns, for a period of time commensurate with its home construction/sales program. Declarant or its assignee shall have the right to remove any sign, advertisement, billboard, or advertising structure which is in violation of the foregoing and in so doing shall not be subject to any liability for

trespass in connection therewith or arising from such removal. Any signs shall be subject to the prior review and approval of the ARC.

Section 14. Removal of Dirt and Trees. The digging or removal of dirt or trees from any Lot is expressly prohibited except as necessary in conjunction with the initial construction (within building pad) and subsequent landscaping of improvements on the Lot. No trees in excess of six inches (6") in trunk diameter shall be cut without the prior approval of the ARC except to remove dead or unsightly trees.

Section 15. Antennae. Devices for transmitting or receiving radio, television or other electronic signals which are located outside of any structure and/or within public view, shall not be permitted on any lots unless approved by the ARC.

Section 16. Roof Ventilators. All roof ventilators (other than ridge ventilators) shall be located to the rear of the roof ridge line and/or gable of any structure and shall not extend above the highest point of such structure. The ARC shall have the right to approve exceptions to the foregoing in cases where energy conservation and heating/cooling efficiency require ventilators that, because of a particular roof design, cannot be hidden from public view.

Section 17. Roofing Material. The roof of any building shall be constructed or covered with asphalt or composition type shingles in earth tone colors, not less than 225 lbs. per square, over 1/2" decking, which must first be approved by the ARC, wood shingles, crushed marble, slag or pea gravel set in a built up type roof on roof surfaces not visible from the fronting street, concrete or clay tile, slate, or aluminum shingles in earth tone colors as approved by the ARC. Any other type roofing material shall be permitted only at the sole discretion of the ARC.

Section 18. Storage of Automobiles, Boats, Trailers, Other Vehicles and Equipment. No automobiles, boats, trailers, campers, motorcycles, buses, trucks, tractors, recreational vehicles, in-operative vehicles, equipment or machinery of any kind, camp rigs off truck, boat rigging, or any item deemed offensive by the ARC, shall be stored permanently on any public street, right-of-way or driveway. Permanent or semi-permanent storage of such vehicles or items must be screened from public view. Semi-permanent storage is defined as the storage without movement for a period not exceeding twenty-four (24) hours. No parking or standing of motor vehicles, shall be allowed at any time on private drives as such areas are defined by the recorded plat of the subdivision.

Section 19. Building Materials. All building materials, whether for initial or subsequent construction, shall be of high quality as determined by the ARC guided by industry standards. The ARC shall establish and promulgate

Minimum Construction Standards, which shall include standards for both workmanship and materials, and which shall be binding on and enforceable against each Owner in the same manner as any other restriction set forth herein.

Section 20. Pools, spas, hot tubs. All pools, spas and hot tubs shall be maintained in a healthful, safe and sanitary condition. The bacterial content of the water in any pool spa or hot tub shall not be allowed to exceed the safe limits as prescribed by established standards of the Texas Department of Health.

Section 21. Modification of Use Restrictions. Declarant reserves the right to modify and change the conditions contained in Article VI for any additional land made subject to the Declaration if such modifications and changes in Declarant's judgment will result in a more common beneficial use and enhance the overall development plan for the Property.

ARTICLE VIII

ADDITIONAL EASEMENTS

Section 1. Utility Easements and Facilities. Easements for the installation and maintenance of underground utilities are reserved as shown on the recorded plat.

Such easements may be crossed by driveways and walkways subject to prior arrangements with the utility companies furnishing electric, gas and telephone service but shall be kept clear of all other improvements, including buildings, patios or other pavement. Neither Declarant nor any utility company using the easements shall be liable for any damage done by them or their assigns, agents or employees to shrubbery, trees, flowers, or any other improvements located on the land covered by said easements.

In the event that audio and video communication services and utilities are made available to any of the Lots by means of an underground coaxial cable system, the company furnishing such services and facilities shall have a two foot (2') wide easement along and centered on the underground wire or cable when and as installed by said company from and at a right angle to the utility easement nearest to the point of connection on the house or garage, constructed or to be constructed upon said Lot, and in a direct line from said nearest utility easement to said point of connection.

Section 2. Surface Drainage. Declarant hereby reserves, for itself and its successors and assigns an unobstructed drainage easement on, over and across the Common Areas, together with the right of ingress and egress for the purpose, of excavating to the extent reasonably necessary, and constructing, maintaining, repairing and reconstructing

drainage swales as part of the surface water drainage system. Such drainage easements shall remain unobstructed of any structures, pavement, or landscaping plantings that impede the free flow of surface water drainage.

ARTICLE IX

ARCHITECTURAL REVIEW COMMITTEE

Section 1. Duties of Architectural Review Committee.

The ARC shall have the duty and responsibility of approving any construction or improvement or improvements. A majority of the committee may designate a representative with authority to approve the design and location of any structure, improvement, fence or landscaping as set forth herein. Any approval or disapproval by the ARC of any matter herein required or permitted shall be in writing. If the ARC at its sole discretion, is hereby permitted to approve deviations in the building area and location in instances whereby, in their sole judgment such deviation will result in a more commonly beneficial use. Such approval must be granted in writing and when given will become a part of these restrictions.

Section 2. Architectural Review Committee. The ARC shall be composed of three or more individuals designated by Declarant, its successors and assigns, the initial members are Don E. Hand, Warren Campbell, Ruth Rowe and Jack Dennis, and Declarant reserves the right to appoint replacements as necessary by reason of resignation, removal, and incapacity. Declarant hereby agrees to relinquish all ARC authority on or before ten (10) years (Initial Term) from the date hereof, at which time full authority will become vested in the Association. The ARC may at any time appoint members to act in its behalf for matters other than new construction.

Section 3. ARC Membership After the Initial Term, upon the vote of 66-2/3% of the Members, the Association may alter the membership of ARC, by removing the initial Members, adding members, or of withdrawing and reconstituting the ARC, as it may designate by an instrument in writing, executed by 66-2/3% of the member of the Association, and duly recorded, in the Real Property Records of Harris County, Texas.

Section 4. Minimum Construction Standards and Guidelines.

In addition to the requirement of the ARC to promulgate guidelines with regard to landscaping and fencing as hereinabove set forth, the ARC may from time to time, promulgate an outline of minimum acceptable construction standards; as well as establishing minimum standards for approved Builders or Contractors; provided however, that such outline shall serve as a minimum guideline and such ARC shall not be bound thereby.

Section 5. Variances.

These restrictions contain a number of provisions wherein the ARC is expressly granted the authority, in its discretion, to permit variances from the effect of a particular restrictive covenant. The ARC may require the submission to it of such documentation and items (including as examples, but without limitation, written requests for and descriptions of the variances requested, plans, specifications, plot plans and samples of materials) as it shall deem appropriate, in connection with its consideration of a variance. If the ARC shall approve such requests for a variance, the ARC may evidence such approval and grant its permission for such variance, only by written instrument, addressed to the Owner of the lot relative to which such variance has been requested, expressing the decision of the ARC to permit the variance, describing the applicable restrictive covenant or covenants and the particular variance requested, expressing the decision of the ARC to permit the variance describing when applicable the condition upon which the variance has been approved (including, examples but without limitation, type of alternate materials to be permitted, the alternate fence height approved or specified location, plans and specifications applicable to an approved improvement), and signed by a majority of the then Members of the ARC (or by the ARC's designated representative, if one has been designated under the authority contained in this provision). Any request for variance shall be deemed to have been disapproved for the purposes hereof in the event of either (a) written notice of disapproval from the ARC or (b) failure by the ARC to respond to the request for variance, within 90 days of its submission. The ARC shall have no authority to approve any variance which would significantly or materially alter these restriction and the intent of these restriction. Such variances shall be expressly limited to location of improvements, kind and quality of materials, construction styling and design, fence heights and similar types of variances.

ARTICLE X

INSURANCE

Section 1. General Provisions. The Association shall have the authority to determine whether or not to obtain insurance for the Associations assets, general liability insurance for the Associations, its officers or directors, or for any legitimate purposes as determined in good faith by the officers and directors of the Association. In the event insurance is obtained, the premiums for such insurance shall be an expense of the Association.

Section 2. Individual Insurance. Each Owner shall be responsible for insuring his residential dwelling, its contents and furnishings. Each Owner, at his own cost and expense, shall be responsible for insuring against liability.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceedings at law or in equity, easements, reservations, and restrictions now or hereafter imposed. Failure of the Association or any owner to enforce any provision of this Declaration does not constitute a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants, conditions or restrictions shall not affect any other provision, which shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions, and restrictions of this Declaration shall run with, and bind the Property, for a term of twenty (20) years from the date hereof, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Owners, and thereafter by an instrument signed by not less than sixty percent (60%) of the Owners.

Section 4. Books and Records. The books, records and papers of the Association during reasonable business hours, shall be subject to inspection by any members. The Articles of Incorporation, By-Laws, and this Declaration shall likewise be available for inspection by any Member at the office of the Association

Section 5. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

Section 6. Good faith Lender's Clause. Any violation of these restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot or any part hereof, which liens may be enforced in due course, subject to the covenants, conditions, and restrictions contained herein.

Section 7. Mergers. Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, assets, rights and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights and obligations of another association may be transferred to the Association as a surviving corporation. The surviving or consolidated association shall administer any Restrictions together with any Declarations of Covenants, Conditions, and Restrictions governing these and any other

properties, under one administration. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 8. Conflict With Deeds of Conveyance. If any part of this Declaration shall be in conflict with any covenant, condition or restriction within a previously recorded deed of conveyance to any portion of the Property, the covenants, conditions or restrictions within the prior deed of conveyance shall govern but only to the extent of such conflict.

Section 9. Reservation of Minerals. The Property, and any future land made subject to this Declaration, are hereby subjected to the following reservation and exception: Declarant hereby reserves unto itself and its successors, assigns and predecessors in title in accordance with their respective interests of record all oil, gas and other minerals in, on and under said land, but Declarant hereby waives the right to use the surface of the land, other than that land or easements owned by Declarant, for exploring, drilling for, producing and mining oil, gas and other minerals, provided that Declarant hereby retains and reserves the right to pool the land with other lands for development of oil, gas and other minerals and the right to drill under and through the subsurface of the land below the depth of one hundred (100') feet by means of wells located on the surface of the land outside this subdivision or on land or easements owned by Declarant. Such Exceptions, retained rights and reservations shall inure to the benefit of Declarant, its predecessors in title and its successors and assigns in accordance with their respective interests of record.

COASTAL BANC SAVINGS ASSOCIATION as lienholder of the hereinabove describe Property, has caused its name to be signed and its seal to be affixed, and the same to be done and attested by the signature of its duly authorized officer for the purpose of consenting to and ratifying, confirming and adopting this Declaration of Covenants, Conditions and Restrictions and for the purpose of subordinating its lien to the same.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereunto set its hand and seal this 16th day of March, 1995.

DECLARANT:

CYPRESSWOOD DEVELOPMENT, LTD. by
GREENWOOD PROPERTIES, INC.,
General Partner

By: 
Don E. Hand, President

LIENHOLDER:

COASTAL BANC SAVINGS ASSOCIATION

By:

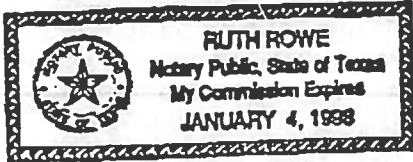
DAVID R. GRAHAM, E. V. PRESIDENT

Attest:

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 16th day of March, 1995, by Don E. Hand, as President of Greenwood Properties Inc, General Partner of Cypresswood Development Ltd. for said corporation.



Ruth Rowe
Notary Public in and for
The State of Texas
My commission expires: 1/4/98

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 17 day of March, 1995, by David R. Graham as Executive Vice President of COASTAL BANC SAVINGS ASSOCIATION by and for said bank.:



Ruth N. Allen
Notary Public in and for
The State of Texas
My commission expires:

ADC.B0603.92/SEC2.COV/3/24/93 REVISED/dec189.doc
gw1\sec12.cov

AFTER RECORDING RETURN TO:

CARIDI & KESLER
ANTHONY D. CARIDI
20333 S. H. 249, #550
HOUSTON, TEXAS 77070