

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS
FOR THE POINT ON TAYLOR LAKE**

THE STATE OF TEXAS §

COUNTY OF HARRIS §

THIS AMENDED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR THE POINT ON TAYLOR LAKE (hereinafter referred to as this "Declaration") is made on the date hereinafter set forth by BAYWAY HOMES, INCORPORATED, a Texas business corporation, hereinafter referred to as the Declarant.

WHEREAS, TAYLOR LAKE TOWNHOMES, INC., a Texas business corporation, (the "original Declarant") executed and caused to be filed and recorded that certain Declaration of Covenants, Conditions & Restrictions for The Point on Taylor Lake under County Clerk's Instrument No. Y754729, File No. 300691931, in the Official Public Records of Real Property of Harris County, Texas (the "original Declaration") thereby imposing certain reservations, easements, restrictions, covenants and conditions on the real property described therein; and

WHEREAS the original Declaration stated, at Section 13.2 thereof, that "[d]uring the development period, Declarant shall have the right from time to time and at any time to amend, modify or repeal this Declaration, in whole or in part, without joinder of any Owner or any other person effective upon recordation of an instrument of amendment in the Official Public Records of Real Property of Harris County, Texas" and, further, at Section 1.7 thereof, that the term "Declarant" includes persons who acquire more than one undeveloped Lot for the purpose of development and such persons are designated in writing as successors or assigns of all or part of the rights of the Declarant thereunder, further including a lender furnishing financing for the development of the Subdivision, as that term is defined therein; and

WHEREAS, pursuant to Section 13.2 of the original Declaration, the original Declarant executed and caused to be filed and recorded that certain (i) Declaration of Covenants, Conditions & Restrictions for The Point on Taylor Lake First Amendment under County Clerk's File No. 20060068231 in the Official Public Records of Real Property of Harris County, Texas, (ii) that certain Declaration of Covenants, Conditions & Restrictions for the Point on Taylor Lake Third Amendment under County Clerk's File No. 20070489151 in the Official Public Records of Real Property of Harris County, Texas, (iii) that certain Declaration of Covenants, Conditions and Restrictions for The Point on Taylor Lake Second Amendment under County Clerk's File No. 20070631211 in the Official Public Records of Real Property of Harris County, Texas, and (iv) that certain Declaration of Covenants, Conditions & Restrictions for The Point on Taylor Lake Third Amendment (sic) under County Clerk's File No. 20070653441 in the Official Public Records of Real Property of Harris County, Texas; and

WHEREAS Hyperion, Inc. thereafter became successor declarant and executed and caused to be filed and recorded that certain Declaration of Covenants, Conditions & Restrictions

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for The Point on Taylor Lake Fourth Amendment under County Clerk's File No. 20100483112 in the Official Public Records of Real Property of Harris County, Texas; and

WHEREAS Enterprise Bank thereafter became successor declarant and executed and caused to be filed and recorded (i) that certain Fifth Amendment to Declaration of Covenants, Conditions & Restrictions for The Point on Taylor Lake under County Clerk's File No. 20110070541 in the Official Public Records of Real Property of Harris County, Texas, and (ii) that certain Sixth Amendment to Declaration of Covenants, Conditions & Restrictions for The Point on Taylor Lake under County Clerk's File No. 20110229326 in the Official Public Records of Real Property of Harris County; and

WHEREAS Bayway Homes, Incorporated, a Texas corporation, is presently the successor declarant pursuant to the original Declaration, as amended by the foregoing instruments, and is hereinafter referred to as "the Declarant" herein; and

WHEREAS the original Declaration, as amended by the foregoing instruments, has imposed the terms, conditions and provisions thereof upon the real property described therein and as thereafter described in that certain plat of The Point on Taylor Lake recorded at Film Code No. 585061 of the Map Records of Harris County, Texas, Harris County Clerk's File No. Y583011, as amended by that certain Amending Plat of Lots 2 through 8 of The Point on Taylor Lake recorded at County Clerk's File No. 20150348410 in the Official Public Records of Real Property of Harris County, Texas; and

WHEREAS, it is the desire of the Declarant, as is its right pursuant to Section 13.2 of the original Declaration, as amended by the foregoing instruments, (i) to amend the restrictions, covenants, conditions, easements, stipulations, reservations, liens and charges upon and against such real property in order to further the uniform plan for the development, improvement and sale of such real property and to insure the preservation of such uniform plan for the benefit of both the present and future owners of such real property, and (ii) to execute and cause this Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Point on Taylor Lake to be filed and recorded in the Official Public Records of Harris County, Texas, thereby superseding and replacing in full, the original Declaration, as amended by the foregoing instruments.

NOW, THEREFORE, the Declarant hereby declares that all of the real properties described above and any real property annexed thereto pursuant to the terms hereof, shall be held, sold and conveyed subject to the following restrictions, covenants, conditions, easements, stipulations, reservations, liens and charges, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of such real property. This Declaration and these restrictions, covenants, conditions, easements, stipulations, reservations, liens and charges shall run with such real property and shall be binding on all parties having or acquiring any right, title or interest in the above-described real property, or any part thereof, and shall inure to the benefit of each owner thereof.



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ARTICLE I
DEFINITIONS

The following terms shall have the meanings set forth below:

SECTION 1.1 ARTICLES OF INCORPORATION or ARTICLES. The Articles of Incorporation of The Point on Taylor Lake Homeowners Association, Inc., as filed with the Secretary of State of Texas, as heretofore amended.

SECTION 1.2 ASSOCIATION. The Point on Taylor Lake Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns. The "BOARD OF DIRECTORS" or "BOARD" shall be the elected body having its normal meaning under Texas corporate law.

SECTION 1.3 BY-LAWS. The By-Laws of The Point on Taylor Lake Homeowners Association, Inc., incorporated herein by reference, as they may be amended from time to time.

SECTION 1.4 COMMON AREA. That portion of the Property owned by the Association for the common use and enjoyment of the Members of the Association and shall include, but is not limited to, all recreational facilities, community facilities, trees, landscaping, greenbelts, private streets, irrigation systems, pavements, streets, boardwalks, pipes, wires, conduits, and other public utility lines situated thereon, but shall not include any portion of the Property (hereinafter defined) described as Lots (also hereinafter defined).

SECTION 1.5 COMMON EXPENSES. The actual and estimated expenses incurred by the Association for the general benefit of all Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

SECTION 1.6 COMMUNITY PROPERTIES. All areas designated as common areas by the Plat; all Subdivision facilities; and all other properties, real or personal, conveyed to or dedicated to the use of, or otherwise acquired by the Association for the common use and enjoyment of the Members of the Association, together with all improvements thereon and appurtenances thereto.

SECTION 1.7 THE DECLARENT. Bayway Homes, Incorporated, a Texas business corporation, its successors and assigns, if (i) such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, and (ii) if such successors or assigns are designated in writing by the Declarant as a successor or assign of all or part of the rights of the Declarant hereunder, including, but not limited to, any assignment to a lender furnishing financing for the development of the Subdivision. In the event of foreclosure of the development loan (or deed-in-lieu thereof), the development lender joining in the execution of this Declaration is hereby designated a successor or assign of the Declarant.



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SECTION 1.8 DEVELOPMENT PERIOD. The period of time beginning on April 29, 2005, and ending at such time as (a) the Declarant no longer owns any Lots, or (b) the Declarant records a statement in the Real Property Records of Harris County, Texas, terminating the Development Period, whichever occurs first.

SECTION 1.9 LOT. That portion of the Property on which there is or will be constructed a single family townhome which is to be individually and separately owned. It is understood that a total of thirty-four (34) single family townhomes are planned for erection on the thirty-four (34) Lots presently comprising the Subdivision (hereinafter defined), subject to, however, the reserved rights of the Declarant to make changes in the size and number of Lots, as provided in Section 5.5 below. The Declarant shall be the owner of all of the said thirty-four (34) lots, SAVE AND EXCEPT those particular lots which the Declarant has previously conveyed or hereafter conveys in fee simple title by recordable deed. "TOWNHOME" herein shall mean a single family residence with a common wall, or walls, roof and foundation.

SECTION 1.10 MEMBER. Any Person entitled to membership in the Association, as provided in Section 3.3 below.

SECTION 1.11 MORTGAGE. A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed covering any portion of the Lots.

SECTION 1.12 MORTGAGEE. A beneficiary or holder of a Mortgage.

SECTION 1.13 OWNER. Any Person, firm, corporation or other entity, or any combination thereof, that is the record owner of fee simple title to any Lot, including contract sellers, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

SECTION 1.14 PERSON. A natural person, a corporation, a partnership, a trustee, or any other legal entity.

SECTION 1.15 PROPERTY. That certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 1.16 REGULATED MODIFICATION. The commencement, placement, construction, reconstruction or erection of, or modification, alteration, or addition to, any building, structure, improvement, thing or device, and any usage thereof, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography generally prevailing in the Subdivision as of the date of establishment of the Regulated Modification, excluding any such matters or activities conducted by the Association as to Community Properties, but including by way of illustration and not of limitation:

Any building, garage, porch, shed, greenhouse, bathhouse, bulkhead, deck, coop or cage, covered or uncovered patio, swimming pool, clothes lines, radio or television antenna, fence, wall or other screening device, curbing, paving, wall, trees, shrubbery

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and any other landscaping, fountains, statuary, lighting fixtures, signs or signboard, or any temporary or permanent living quarters (including any mobile home) or any other temporary or permanent modification or alteration;

Any excavation, fill, ditch, canal, diversion, dam, drainage system or other thing or device which affects or alters the flow of surface or subsurface waters to, from, upon or across any Lot or any other portion of the Subdivision, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel to, from, upon, under or across any Lot or other portion of the Subdivision;

Any change in the grade of any Lot or other portion of the Subdivision, and any similar disturbance to the surface of the land within the Subdivision; and

Any erosion control system or devices permitted or required as to any Lot or other portion of the Subdivision.

SECTION 1.17 RULES AND REGULATIONS. Such Rules and Regulations as the Association may promulgate from time to time with respect to the Subdivision, which may include reasonable provisions for fines for violation of such Rules and Regulations or this Declaration.

SECTION 1.18 SINGLE FAMILY. The term "single family" shall be defined as (a) one or more persons related by blood, marriage, or adoption, their children, only one (1) other person who is not so related, and domestic servants; or (b) no more than two (2) unrelated persons living together as a single housekeeping unit and their children, and domestic servants.

SECTION 1.19 SUBDIVISION. Shall mean The Point on Taylor Lake Subdivision as developed by the Declarant.

ARTICLE II

ESTABLISHMENT OF GENERAL PLAN

SECTION 2.1 GENERAL PLAN AND DECLARATION. This Declaration is hereby established pursuant to and in furtherance of a common and general plan for the improvement and sale of Lots within the Subdivision and for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Subdivision. The Subdivision and each part thereof shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration, for the duration thereof. The Lots and Common Area in the Subdivision shall be subject to the jurisdiction of the Association.

SECTION 2.2 EQUITABLE SERVITUDES. The covenants, conditions, restrictions, limitations, reservations, easements, and exceptions of this Declaration are hereby imposed as equitable servitudes upon each Lot, and the Common Areas within the Subdivision

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as a servient estate, for the benefit of each and every other Lot and parcel of Common Area within the Subdivision, as the dominant estate.

SECTION 2.3 COVENANTS APPURTENANT. The covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration shall run with, and shall inure to the benefit of and shall be binding upon, all of the Subdivision, the Common Area and each Lot, if any, and shall be binding upon and inure to the benefit of: (a) the Subdivision; (b) the Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all Persons having, or hereafter acquiring, any right, title, or interest in all or any portion of the Subdivision and their respective heirs, executors, successors, and assigns.

SECTION 2.4 ANNEXATION. The Declarant shall have authority, without approval of the membership to annex other property which is located outside the subdivision until the Declarant has sold all lots in the subdivision. Thereafter, annexation of other property which is located outside the Subdivision shall require the assent of two-thirds (2/3) of the Members at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting. The presence of Members or of proxies entitled to cast sixty percent (60%) of the votes of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth above, and the required quorum of such subsequent meeting shall be one half (1/2) of the required quorum of the preceding meeting. No subsequent meeting shall be held more than fifty (50) days following the preceding meeting. In the event that two-thirds (2/3) of the membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat.

ARTICLE III

MANAGEMENT AND OPERATION OF THE SUBDIVISION

SECTION 3.1 MANAGEMENT BY ASSOCIATION. The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power and obligation to provide for the management, acquisition, construction, maintenance, repair, replacement, administration, and operation of the Subdivision as herein provided for and as provided for in the Articles of Incorporation, By-Laws, and the Rules and Regulations. In the event of any conflict between the Articles of Incorporation and the By-Laws, the Articles of Incorporation shall control; and in the event of a conflict between the Articles of Incorporation or the By-Laws and the provisions of this Declaration, the provisions of this Declaration shall control. The business and affairs of the Association shall be managed by its Board of Directors, unless otherwise reserved to the Members of the Association by law, the terms of this Declaration, Articles of Incorporation, or the By-Laws. It shall be the responsibility of each Owner or occupant of a home to obtain copies of and become familiar with the terms of this Declaration, Articles of Incorporation, By-Laws and Rules and Regulations.

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The Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision in accordance with the Declaration, including without limitation, the right to grant utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, operation of recreational facilities, or other matters of mutual interest. In addition to other powers granted the Board of Directors herein or in the Articles of Incorporation, the Board of Directors of the Association shall also have the power to create procedures for resolving disputes between Owners or occupants of homes, including appointment of committees to consider or reconsider resolutions of any disputes.

SECTION 3.2 BOARD OF DIRECTORS. The number, term, and qualifications of the Members of the Board of Directors shall be governed by the Articles of Incorporation and the By-Laws.

SECTION 3.3 MEMBERSHIP. Every Owner, as defined in Section 1.11 above, shall be deemed to have a membership in the Association. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot owned. In the event the owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member, 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, subject to the provisions of this Declaration and the By-Laws.

SECTION 3.4 POWER TO ADOPT RULES AND REGULATIONS. The Association, through its Board of Directors, may adopt, amend, repeal, and enforce Rules and Regulations, fines, levies, and enforcement provisions as it deems necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any property within the Subdivision, including the Lots. Any such Rules and Regulations shall be reasonable and uniformly applied to all Members and their family, tenants, and guests. Such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. Notice of the adoption, amendment, or repeal of any Rule and Regulation shall be given by depositing in the mail to each Member a copy of such Rules and Regulations, and copies of the currently effective Rules and Regulations shall be made available to each Member upon request and payment of the reasonable expense of supplying same. Each Member shall comply with such Rules and Regulations and shall see that Persons claiming through such Member comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in, and were part of, this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

SECTION 3.5 IMPLIED POWERS. The Association may exercise any right, power or privilege given to it expressly by this Declaration or the By-Laws, and every other



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right, power or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right, power or privilege.

ARTICLE IV

VOTING RIGHTS

The Subdivision shall be administered and these Deed Restrictions shall be enforced and administered by the Declarant, and the Declarant shall have the right, power and authority to exercise all rights and remedies granted herein to the Association (hereinafter defined), until such time as the Declarant is no longer an Owner of any Lots in the Subdivision, and thereafter by The Point on Taylor Lake Homeowner’s Association, Inc., a Texas non-profit corporation (herein called the “Association”). The Declarant shall have the right, in its sole discretion, to turn over all or any part of its administrative and/or enforcement duties and rights to the Association at any time prior to the time that the Declarant is no longer an Owner of any Lots in the Subdivision. The Association shall appoint an Architectural Control Committee (hereinafter called the “Committee” as herein defined). The Association shall be governed by its Articles of Incorporation, its By-Laws and this Declaration. The Committee shall also be governed by the dedicatory instruments of the Association. Notwithstanding the foregoing, the Declarant shall have the sole and only vote with respect to any and all matters that the Owners have the right to vote on or elect, until such time as the Declarant is no longer an Owner of any Lots in the Subdivision. The Declarant shall mean and refer to herein BAYWAY HOMES, INCORPORATED, its successors and assigns (i) if such successors or assigns should acquire more than one Lot from BAYWAY HOMES, INCORPORATED, as a successor or assign of all or part of the rights of the Declarant hereunder, including, but not limited to, any assignment to a lender furnishing financing for the development of the Subdivision. In the event of foreclosure of the development loan (or deed-in-lieu thereof) the development lender joining in the execution of this Declaration is hereby designated a successor or assign of the Declarant.

Consistent with the foregoing, prior to the end of the Development Period, only the Declarant shall have the right to vote as a Member in the Association. At the end of the Development Period, Members shall be entitled for each Lot owned by the Member to one (1) vote on each matter with respect to which Members are entitled to vote pursuant to this Declaration or the By-Laws of the Association; provided, however, in no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE V

PROPERTY RIGHTS

SECTION 5.1 MEMBERS’ EASEMENT OF ENJOYMENT. Every Member shall have a right and easement of enjoyment in and for the Common Area and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- a) The right of the Association to limit the number of guests of the Members.

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- b) The right of the Association to charge reasonable admission and other fees for use of any recreational facility situated upon the Common Area.
- c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of a mortgagee in said properties shall be subordinated to the rights of the homeowners hereunder.
- d) The right of the Association to suspend the voting rights and right to use the recreational facility by a Member for any period during which any assessment against his or her Lot remains unpaid, and for a period not to exceed thirty (30) days for any violation of its published rules and regulations.
- e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by the Members entitled to cast two-thirds (2/3) of the votes of the membership has been recorded, agreeing to such dedication or transfer and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than fifty (50) days in advance.

SECTION 5.2 DELEGATION OF USE. Any Member may delegate, in accordance with the By-Laws, his or her right of enjoyment to the Common Area and facilities to the members of his or her family, his or her tenants or contract purchasers who reside on the Member's property.

SECTION 5.3 TITLE TO THE COMMON AREA. The Declarant hereby covenants for itself, its successors and assigns that it will convey fee simple title to the Common Area to the Association free and clear of all encumbrances and liens. As a right running with the real property, ownership of each Lot shall entail the use and enjoyment of all walks, stairs, pavements, driveways, parking areas, entrances and exits owned by the Association and there shall always be access by both pedestrians and vehicles to and from each Townhome to a street dedicated to public use without hindrance of such common access ways by the Association and/or Owners of any Townhome. Title to the Common Area shall remain undivided in the Association so as to preserve the rights of the Owners with respect to their use and enjoyment of the Common Area.

SECTION 5.4 THE DECLARANT'S USE OF LOTS. The Declarant, its successors and assigns may elect to use any of the Lots in the Subdivision for the location of a sales or construction office, a model Townhome or model Townhomes, and/or parking related to such sales or construction office and model Townhomes. The Declarant's successors' and assigns' use of the Lots for such purposes shall be subject to the approval of the Declarant until such time as the Declarant is no longer an Owner of any Lots in the Subdivision, at which time the Association shall have the right of any such approval. Any portion of the Subdivision,

including the private streets, may be used for sales offices, sales purposes, guardhouses, customary sales and other signs, and for other purposes deemed proper and approved by the Declarant until such time as the Declarant is no longer an Owner of any Lots in the Subdivision, at which time the Association shall have the right of any such approval.

SECTION 5.5 THE DECLARANT'S RESERVATION OF RIGHTS FOR FUTURE CHANGES. So long as the Declarant owns any part of the Subdivision, the Declarant reserves the right to impose further reasonable restrictions and to dedicate, grant and/or reserve additional easements, roadways and other rights-of-way with respect to such Lots and other portions of the Subdivision by instrument(s) recorded in the Office of the County Clerk of Harris County or by express provision in any conveyance. The Declarant further reserves the right to increase the size of the Lots in the Subdivision to the extent any are owned by the Declarant until such time as the Declarant is no longer an Owner of any Lots in the Subdivision. (Such action by the Declarant could reduce the number of Lots in the Subdivision.)

ARTICLE VI

ASSESSMENTS

SECTION 6.1 CREATION OF ASSESSMENTS. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth herein. There shall be two (2) types of assessments: (a) annual assessments and (b) special assessments. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Properties is deemed to covenant and agree to pay these assessments. All assessments, together with interest (at a rate not to exceed the highest rate allowed by Texas law) as computed from the date a delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose, and, in the event of a transfer of title, his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first lien mortgagee who obtains title to a Lot pursuant to the remedies provided in a Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a statement in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Lot. Such statement shall be conclusive evidence of payment to the Association of any assessments therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of any such statement.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. Unless the Board of Directors otherwise provides, the annual assessment shall be due and payable on the first day of each year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot, the Board of Directors may require any

unpaid installments of the annual assessment and/or any other assessments to be paid in full immediately.

No Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Lot. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or the Board of Directors to take some action or perform some function required to be taken or performed by the Association or the Board of Directors 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 other order or directive of any municipal or other governmental authority.

Both annual and special assessments must be fixed at a uniform rate; provided, however, any assessments on Lots that do not have a dwelling thereon shall be ten percent (10%) of the then assessed charge for Lots which have dwellings thereon.

The annual assessment charged to the Declarant shall be twenty-five percent (25%) of the base assessment to be paid upon each Lot with a Townhome once the Lot and Townhome thereon is complete and landscaping has been installed.

SECTION 6.2 PURPOSE OF THE ANNUAL ASSESSMENT. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in and of the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the Townhomes situated upon the Property. Such uses shall include, but are not limited to, the cost to the Association of all taxes, repairs, replacement, and maintenance of the Common Area and other facilities and properties, and of other activities as may from time to time be authorized by the Board of Directors, including but not limited to maintenance of Guest Parking Area, if any, and of the front and back yards of the Lots with Townhomes, mowing grass, caring for grounds, landscaping, and recreational facilities and equipment, garbage pick-up service furnished to the Townhomes by the Association, dredging and other maintenance of waterways, whether adjacent to or otherwise serving the Property, and other charges required by this Declaration or that the Board of Directors of the Association shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes, and other charges as specified herein. It is understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation that any of the above will, in fact, be provided by the Association.

Mowing of back yards shall be on a regularly scheduled day each week, two weeks or month depending on the season of the year. Owners are responsible for removing any obstacles to mowing including, but not limited to, trash cans, wading pools, toys, grills and other cooking

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paraphernalia by the scheduled day. Any expenses incurred by the Association for the moving of obstacles will be passed on to the Owner.

SECTION 6.3 ANNUAL ASSESSMENTS. It shall be the duty of the Board of Directors to prepare a budget covering the estimated Common Expenses of the Association during the current or coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared, as provided in Section 6.6. However, in determining the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

- a) The maximum annual assessment on each Lot with a Home shall be One Hundred Sixty-Four and No/100 (\$164.00) per month for a total of One Thousand Nine Hundred Sixty-Eight and No/100 (\$1,968.00) to be paid annually. In addition, each Lot with a Home will be assessed Thirty and No/100 Dollars (\$30.00) per month, a total of Three Hundred Sixty and No/100 (\$360.00) annually, paid annually, for water and sewer services provided by the City of Seabrook. As an alternative, the Homeowners Association may cause, at its discretion, individual water meters to be read quarterly with the expense therein incurred charged to each Lot with a townhome.
- b) From and after January 1 of the year immediately following the recordation of this Declaration, the maximum annual assessment may be increased each year not more than ten percent (10%) above the annual assessment for the previous year without a vote of the membership.
- c) From and after January 1 of the year immediately following the recordation of this Declaration, the maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of the Members who are voting in person or by proxy, at a meeting duly called for this purpose.
- d) The Board of Directors shall use good faith efforts to cause the notice of the amount of the annual assessment to be levied against each Lot prior to the beginning of each calendar year. The Board's failure, for any reason, to timely comply with this Section shall not affect the power of the Board to levy any assessment at any time. The Board of Directors may fix the annual assessment at an amount not to exceed the maximum permitted herein.

SECTION 6.4 SPECIAL ASSESSMENTS.

- a) Entire Membership. The Association may levy special assessments from time to time provided such assessment receives the affirmative vote of two-thirds (2/3) of the Members who are voting in person, at a meeting duly called for this purpose. Special assessments levied against the entire membership shall be allocated to the Lots and Lots with Townhomes in the same manner as annual assessments. Special assessments pursuant to this paragraph shall be payable in such manner

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and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the special assessment is approved, if the Board so determines.

- b) Less Than All Members. The Association may levy a special assessment against any Member or Members individually and against such Member's or Members' Lot to reimburse the Association for costs incurred in bringing a Member or Members and his or her Lot into compliance with the provisions of this Declaration, any amendments thereto, the Articles, the By-Laws, or any Rules and Regulations promulgated by the Association as herein provided, which special assessment may be levied upon the vote of the Board after reasonable notice to the Member or the Members and an opportunity for a hearing in front of the Board.

SECTION 6.5 LIEN FOR ASSESSMENTS. Upon recording of a notice of lien on any Lot, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except, (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or non-judicial foreclosure in accordance with Texas Property Code Chapter 51, as same may be amended. The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at any foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Association following any foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

SECTION 6.6 RESERVE BUDGET AND CAPITAL CONTRIBUTION. The Board of Directors shall make a reasonable effort to annually prepare a reserve budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect to both amount and timing over the period of the budget to the extent achievable under current funding. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Section 6.3 of this Article.

SECTION 6.7 SUBORDINATION OF THE LIEN TO FIRST MORTGAGES. The lien of assessments, including interest, late charges (subject to the limitations of Texas law), and costs (including attorney's fees) provided for herein, shall (as stated above) be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a first priority Mortgage shall extinguish the lien of such assessments as to



payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Lot obtains title pursuant to judicial or non-judicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Lot which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall continue to be deemed to be Common Expenses that are collectible from the foreclosed Owners by personal suit or other collection activity.

SECTION 6.8 EXEMPT PROPERTY. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of annual and special assessments: (a) all Common Areas; and (b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

ARTICLE VII

INSURANCE

The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain a form public liability policy covering the Common Area, and all damage or injury caused by the negligent acts of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be a part of the Common Expenses. All such insurance average obtained by the Board of Directors shall be written in the name of the Association.

Each Owner of a townhome shall be obligated to obtain insurance for the exterior structure for said Owner's townhome, insuring against loss or damage by fire or other hazards in an amount to cover the replacement costs of any repair or reconstruction work, in the event of damage or destruction from any hazard. Each Owner shall also obtain a form public liability policy covering the property and all damage or injury caused by the negligent acts of the Owner, its agents, servants and invitees. The insurance may, at the option of said Owner include coverage for the interior and contents of the townhome. All such insurance policies and endorsements shall be fully paid for and contain such provisions and expiration dates and be in such form and issued by insurance companies with a general company and financial size rating of "A-IX" or better as established by Best's Rating Guide or "AA" or better by Standard & Poor's Rating Group. Each such policy shall provide it may not be cancelled or materially changed except upon thirty (30) days prior written notice of intention of non-renewal or cancellation or material change to the Association and no act or thing done by an Owner shall invalidate the policy as against the Association. The Association shall be shown as an additional insured or co-insured on all such policies. Failure to provide such insurance shall be a default under the obligations of this Declaration. Owners shall provide the Association with proof of acceptable insurance coverage prior to taking title to any Lot, and shall provide proof of renewal of all policies at least ten (10) days prior to the expiration of any policy. Should an Owner not provide proof of insurance coverage to the Association, the Association may acquire such



coverage as it deems necessary and charge the cost thereof back to the Owner, as well as exercise all rights and liens available to the Association upon any default by any Owner.

ARTICLE VIII

PARTY WALLS

SECTION 8.1 GENERAL RULES OF LAW TO APPLY. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a Party Wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omission shall apply thereto. The Owner of a townhome shall not cut through or make any penetration through a Party Wall for any purpose whatsoever.

SECTION 8.2 SHARING OF REPAIR AND MAINTENANCE. The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the wall in equal properties.

SECTION 8.3 DESTRUCTION BY FIRE OR OTHER CASUALTY. If a Party Wall is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance and repaired out of the proceeds of same, any Owner who has used the all may restore it, and if the other Owner thereafter makes use of the wall, they will contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

SECTION 8.4 WEATHERPROOFING. Notwithstanding any other provisions of this Article, to the extent that such damage is not insured and paid by the insurance provided for herein, an Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

SECTION 8.5 RIGHT TO CONTRIBUTION RUNS WITH LAND. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to and run with land and shall pass to such owner's successors in title.

SECTION 8.6 ARBITRATION. In the event of any dispute arising concerning a Party Wall, or under the provisions of this Article, such party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor, the Board of Directors of the Association shall select an arbitrator for the refusing party.



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ARTICLE IX

ARCHITECTURAL CONTROL

SECTION 9.1 LIMITATIONS ON CONSTRUCTION. No building, structure or improvement shall be placed, erected or installed upon any Lot, no construction (which term shall include within its definition staking, clearing, excavation, grading, and other site work), and no exterior alteration or modification of existing buildings, structures or improvements upon any Lot shall be commenced until the requirements below have been fully met, and until the written approval of the Architectural Control Committee has been obtained pursuant to Section 9.2 below.

All townhomes constructed on any of the Lots shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer.

No Regulated Modification may be commenced, constructed, erected, placed, maintained or made upon any Lot or within any part of the Subdivision unless and until complete plans and specifications have been submitted to and approved in writing by the ACC as to compliance with applicable Architectural Review Criteria as set forth in Section 9.2.

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committee established under Section 9.2.

SECTION 9.2 ARCHITECTURAL CONTROL COMMITTEE ("ACC"). The ACC shall consist of at least two (2), but not more than five (5), persons and shall have exclusive jurisdiction over all original construction and all modifications, additions, or alterations on any portion of the Property. The Board of Directors shall appoint the members of the ACC, who shall serve and may be removed at the discretion of the Board of Directors. The members of the ACC may include Board members, architects, engineers and other persons who need not be members of the Board. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such new construction, modifications, additions, or alterations, shall be submitted to the ACC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her townhome, or to paint the interior of his or her townhome any color desired; provided modifications or alterations to the interior of screened porches, patios, and similar portions of a townhome visible from outside the Home shall be subject to approval hereunder. In the event that the ACC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved. The paint colors of the exteriors of the townhomes shall remain as originally completed by the builder unless variations are approved by the Architectural Control Committee.

SECTION 9.3 MINIMUM CONSTRUCTION STANDARDS. The ACC from time to time may establish, supplement or amend minimum construction standards, providing an



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outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline only, and the ACC may impose other requirements in connection with its review of any proposed buildings, structures or improvements. If the minimum construction standards impose requirements that are more stringent than the provisions of this Declaration, the provisions of the minimum construction standards shall control.

SECTION 9.4 NO WAIVER OF FUTURE APPROVALS. The approval of the ACC of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ACC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

SECTION 9.5 VARIANCE. The ACC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or environmental considerations require, but only in accordance with this Declaration and any promulgated Rules and Regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, or (b) stop the ACC 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 9.6 NO LIABILITY. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only. The ACC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Association, the Board of Directors, any committee of the Association, or any member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Lot or townhome thereon.

ARTICLE X

MAINTENANCE

SECTION 10.1 EXTERIOR MAINTENANCE. In addition to maintenance of the Common Area, the Association shall maintain the landscaping of each Lot (front, side and back) which is subject to assessment hereunder, including trees, shrubs and grass. The Association shall also maintain the sprinkler system and its controller for each Lot. No member shall alter or change the landscaping of his or her yard unless he or she first obtains permission from the Architectural Control Committee. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests, or invitees, and not covered or paid for by insurance on such Lot, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject. Lot maintenance shall not include glass surfaces, windows and doors, window and door fixtures and hardware, paint, repair, replacement, and care for roofs, gutters, downspouts, exterior building surfaces,

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driveways, and other exterior improvements; maintenance and repair of these areas and items shall be the sole responsibility of the individual Lot owner.

SECTION 10.2 GENERAL. All maintenance of each Lot and all improvements thereon, except as set out in Section 10.1 above, is the sole responsibility of the Owner(s) thereof. Each Owner shall maintain their Lot and improvements thereon in a manner consistent with the standards of use, conduct, appearance and maintenance generally prevailing in the Subdivision as may be more specifically determined by this Declaration and other Governing Documents, including as determined from time to time by duly adopted Architectural Guidelines and Rules and Regulations.

SECTION 10.3 COMMON FENCES. All costs of maintenance, repair or replacement of fencing which separates adjoining Lots shall be shared equally by the Owners of the adjoining Lots. In the event of default by one Owner, the adjoining Owner may submit a proposal for the necessary work to the Board for prior written approval as to the work and the costs thereof. If so approved, one-half of the approved costs will be assessed as a special assessment against the defaulting Owner as provided in Section 6.4(b), and that sum (without accrued interest, if any) will be reimbursed to the Owner performing the work if and when collected. If both Owners default, the Association may perform the work and specially assess each Owner equally as provided in Section 6.4(b).

SECTION 10.4 DISTURBANCE OF COMMUNITY PROPERTIES. In the event the performance of any Owner's maintenance responsibilities requires that any portion of the Community Properties be modified, removed or disturbed, then such Owner shall first obtain the written consent of the Board as to same, and then such Owner's obligations must be performed, at the option of the Association, either under the supervision of the Association in accordance with plans and specifications approved by the Association, or by the Association and with plans and specifications approved by the Association, or by the Association at the reasonable expense of the Owner. If the Association performs such obligations at the expense of the Owner, the Board may require security deposits or advance payment of all of the estimated expenses which the Owner shall pay upon demand. Such indebtedness will be added to and become a part of the special assessment to which such Owner and the Owner's Lot are subject, and are secured by the continuing lien hereby established against such Owner's Lot.

SECTION 10.5 OWNER'S DEFAULT. In the event the Board determines that (i) any Owner has failed or refused to discharge properly the Owner's maintenance obligations as herein provided, or (ii) the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder has been caused through the willful or negligent act or omission of an Owner, the Owner's tenants, or the family, guests, invitees, servants, agents or employees of either, then the Association may perform the repair, replacement or maintenance at such Owner's sole cost and expense in accordance with the following:

(a) Except (i) in the event of an emergency, or to the extent necessary to diminish any threat of infestation by rats or other vermin, or any health, fire or other safety hazards, or (ii) to maintain the yards of the townhomes, the Association must give the Owner written notice of the Association's intent to provide necessary maintenance, repair, or replacement. The notice must

be delivered or mailed to the street address of the Lot affected, and the Owner's last known address provided by the Owner for purposes of notice, if any, and must set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner will have ten (10) days within which to complete all maintenance, repair, or replacement as set forth in this notice, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work within ten (10) days and to complete same within a reasonable time not to exceed thirty (30) days unless otherwise specifically approved by the Association.

(b) If any Owner fails fully to comply with the aforesaid notice, the Association has the right (but not the obligation), through its officers, Directors, agents and employees, to enter upon the Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements located thereon; and in case of emergency, or to the extent necessary to diminish any threat of infestation by rats or other vermin or any health, fire or other safety hazards, the Association has the right (but not the obligation), through its officers, Directors, agents and employees, to enter any residence or improvement located upon the Lot, and to take all actions reasonably necessary to abate the same.

(c) The good faith determination by the Board that maintenance, repair or replacement is necessary, or that an emergency or threat of infestation or health, safety or other hazard exists, is final and conclusive, and extends to any thing or condition upon any Lot as to such Lot or which adversely affects any other Lot or Community Properties.

(d) Specifically in the instance of the maintenance and painting of the exterior of a building, and notwithstanding any other provision of this Section, if the Owners of such building do not agree, or are unable to agree, among themselves on the maintenance and repair to be conducted, including but not limited to the scheduling of the work and selection of color of paint and of the painter, but always subject to approval requirements of the ACC provided for elsewhere in this Declaration, then the ACC shall have the right to schedule the work and specify the maintenance and repair to be conducted, including specifying the color of paint and hiring the painter to perform the work, all at the sole cost and expense of the owners of the Lot as provided elsewhere in this Section.

(e) All reasonable costs of maintenance, repair or replacement performed by the Association pursuant to this Section, as determined in the sole opinion of the Board, will be added to and become a part of the special assessment to which such Owner and the Owner's Lot are subject, and are secured by the continuing lien hereby established against such Owner's Lot.

SECTION 10.6 LIMITATION OF LIABILITY. Neither the Association nor its officers, Directors, agents or employees may be held liable for trespass or any other tort or claim for damages in connection with any actions or failure to act as provided in this Article.

SECTION 10.7 PERMITTED HOURS FOR CONSTRUCTION AND/OR MAINTENANCE ACTIVITY. Except as is reasonably necessary for initial construction of a townhome on a Lot, or in an emergency, or when other unusual circumstances exist, all as determined in the sole good faith opinion of the Board, outside construction work or noisy

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interior construction work shall not be permitted except: (i) as to initial construction of a townhome upon a Lot, only between the hours of 6 a.m. to 8 p.m., Monday through Friday, 7 a.m. to 6 p.m. on Saturday and 10 a.m. to 6 p.m. on Sunday, and (ii) in all other cases, not on any legal holiday or Sunday, and otherwise only between the hours of 7 a.m. to 7 p.m., Monday through Friday, and 9 a.m. to 6 p.m. on Saturdays.

ARTICLE XI

USE RESTRICTIONS

SECTION 11.1 GENERAL. No Owner shall use the Common Area, if any, or use or permit such Owner's Lot or townhome to be used for any purpose, that would (a) void any insurance in force with respect to the Subdivision; (b) make it impossible to obtain any insurance required by this Declaration; (c) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (d) constitute a violation of this Declaration or any applicable law; or (e) unreasonably interfere with the use, occupancy, and enjoyment of the Subdivision or the Lots or the Townhomes by the Owners.

SECTION 11.2 SINGLE FAMILY RESIDENTIAL USE. Each Lot conveyed shall be designated by a separate legal description and shall constitute a freehold estate subject to the terms, conditions, and provisions hereof. No buildings other than townhomes, being single family residences joined together by a common wall or walls, roof and foundation, shall be constructed on the Lots. Each Owner shall use his or her Lot for single family residential purposes only. As used herein, the term "single family residential purposes" shall be deemed to specifically prohibit, by way of illustration but without limitation, the use of any Lot for a duplex apartment, or any other apartment for any multi-family use or for any business, educational, church, professional or other commercial activity of any type, except that an Owner may use his or her residence as a personal office for a profession or occupation, provided: (a) the public is not invited, permitted, or allowed to enter the townhome or any other structure or improvement upon such Lot and regularly conduct business therein; (b) no signs advertising such profession or business are permitted; (c) no on-site employees are permitted; (d) no offensive activity or condition, noise and/or odor are permitted; and (e) such use in all respects complies with the laws of the State of Texas and any ordinances, laws, rules and regulations of any other regulatory body or governmental agency having authority and jurisdiction over such matters.

SECTION 11.3 VEHICLES. Vehicles may not be parked so that they extend into the street. No motor vehicle may be parked on any part of any Lot except in the garage or on the driveway of said Lot, and no motor vehicle or non-motorized vehicle, boat, trailer, marine craft, recreational vehicle, camper, tractor-truck, hovercraft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot except in the garage thereon, easement, right-of-way, Common Area or along the private streets. No Owner and/or occupant shall allow or permit any vehicle of any family member, friend, guest, invitee, licensee or other person to be parked in the Private Streets adjacent to such Owner's and/or occupant's Lot. No inoperable vehicles shall be parked outside of the Owner's and/or occupant's garage. No vehicle may be repaired within the Subdivision unless the vehicle being repaired is concealed from view inside a garage or other approved enclosure.

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SECTION 11.4 PARKING. No vehicle of any kind may be parked, stored or otherwise permitted to remain upon any street, any Common Courtyard or upon any Community Properties. This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of a Home, neither shall it apply to any emergency vehicle. The Board or its designated representative may cause any vehicle which is parked or stored (whether or not pending repairs or other work) in violation of this Declaration or other Governing Documents to be removed from the Subdivision to any vehicle storage facility within Harris County, Texas at the sole cost and expense of the Person owning such vehicle (whether or not such Person is an Owner) and/or the Owner as to whom such Person is a tenant, visitor, guest or invitee. Any such removal will be in accordance with any applicable statute or ordinance.

SECTION 11.5 BOATS. No covered boat facilities, other than canopies, will be allowed. All boats permanently or semi-permanently kept on the waterfront shall be for the personal, private, non-commercial use of property Owners. No live-aboards, nor occupancy of any boat as a residence, nor any use of toilet or washbasin facilities is permitted while at the waterfront structure. Any boat which sits out of the water higher than eight feet (8') must be approved by the Architectural Control Committee. All boats shall be maintained in a neat and clean manner and shall present an attractive appearance.

All canopies and boat covers must be custom fitted and must be in a neutral color approved by the Architectural Control Committee. The use of tarps or other loose fitting materials as boat covers is prohibited.

SECTION 11.6 BULKHEADS. It is understood that the integrity of the bulkheads is critical to property values in The Point on Taylor Lake. It is the obligation of Owners with bulkheads to properly maintain and repair the bulkheads on their property. Bulkheads may not be allowed to deteriorate. Should the Association determine that maintenance or replacement of a bulkhead is necessary, and should the Lot Owner fail to comply with the Association's determination, the Association shall proceed with the replacement or maintenance of the bulkhead under the provisions of Article X, Section 5 (Owner's Default) of the Declaration.

SECTION 11.7 SIGNS. A single "for sale" sign shall be permitted in the window of any townhome being offered for sale or for lease, provided it does not exceed two and one-half (2-1/2) feet by three and one-half (3-1/2) feet in size. The Board reserves the right to restrict the size, color, lettering and placement of all signs in the Subdivision. The Board of Directors shall have the right to erect signs as it, in its discretion, deems appropriate. Notwithstanding the above, no signs, banners, or similar items advertising or providing directional information with respect to activities being conducted inside or outside the Property shall be permitted, displayed or posted within the Property. The Association, acting through the Board, shall be authorized to enter upon any Lot and remove any sign, advertisement, billboard or other structure displayed in violation hereof, and in doing so shall not be subject to any liability for trespass or other tort in connection with or arising from such entry and/or removal. The Declarant may use customary sales and other signs in front of homes during the construction period.

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SECTION 11.8 ANIMALS AND PETS. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other usual and common household pets may be permitted on a Lot. No limitation on the number of pets shall apply to hamsters, small birds, fish or other constantly caged animals, however, the number of dogs or cats shall be limited to two (2). Pets are not permitted to roam free, and, at the sole discretion of the Association, pets which endanger the health, make objectionable noise, or constitute a nuisance to the Owners of Lots are not permitted. No pets shall be kept, bred, or maintained for any commercial purpose on a scale that creates a local or public nuisance. Dogs shall at all times, whenever they are outside a Lot, be confined on a leash held by a responsible person. Pet owners must comply with all city, county and state laws pertaining to ownership of such pets, and immediately and properly dispose of all pet excrement.

As to any animals or livestock not permitted, and as to any permitted pets which are allowed to roam free, endanger the health or safety, make objectionable noise, or constitute a nuisance, annoyance or inconvenience to the Owners or occupants of other Lots, the Community Properties or any property located adjacent to or in the vicinity of the Subdivision, as determined in the sole opinion of the Board, the Board may cause any such animal, livestock or permitted pet to be removed from the Subdivision and may prohibit the return of any such permitted pet to the Subdivision. Removal as aforesaid will be at the sole expense of the Owner and without liability of any kind whatsoever to the Association, its officers, Directors, agents or employees, including any Person whom the Board may direct to remove any such animal, livestock or permitted pet.

SECTION 11.9 BASKETBALL GOALS. No basketball goals or backboards may be mounted on a garage or on a pole, or otherwise erected or maintained upon any Lot, without the prior written approval of the ACC.

SECTION 11.10 CHILDREN AND OTHER DEPENDENTS. Owners and their tenants shall insure that their children and other dependents, and the children and other dependents of their visitors, guests or invitees, are properly supervised at all times, and shall not permit such children and other dependents to engage in any activity or conduct that will cause damage to or require additional maintenance of any of the Community Properties or other Lots, including landscaped areas and recreational facilities, or which is otherwise in violation of this Declaration. The parent(s), guardian(s) or other Person(s) with whom any child or dependent resides or who are otherwise legally responsible for the care and custody of the child or dependent shall be responsible for ensuring such child or dependent complies with applicable provisions of the Declaration and other Governing Documents, and shall be liable for the consequences of any violation(s) thereof by any such child or dependent.

SECTION 11.11 QUIET ENJOYMENT. No portion of the Property shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious or offensive to the eye; nor shall any substance, thing, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the Owners or occupants of the Property.

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No noxious, illegal, or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person owning or using any portion of the Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property by its Owners or its occupants. No outside burning of trash, garbage or household refuse shall be permitted within the Property. No speaker, horn, whistle, bell (except for door bells) or other sound device, except alarm devices used exclusively for security purposes, shall be installed or operated on any Lot.

SECTION 11.12 ANTENNAS. No antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property, including any Lot, without the prior written consent of the Board, the ACC or their respective designees, unless completely contained within the Lot so as not to be visible from the streets adjacent to the Subdivision or private drives therein. The Association shall have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission or reception of television, radio, or other signals for the benefit of all or a portion of the Property. By Federal Law an eighteen-inch (18") satellite dish is permitted at the rear and side of the home.

SECTION 11.13 CLOTHESLINES, STORAGE TANKS, ETC. No clotheslines shall be erected or installed on any Lot or Common Area, and no clothing, linens or other material shall be aired or dried on the front exterior portion of any Lot. All above-ground storage tanks, storage buildings, mechanical equipment, yard equipment and other similar items on Lots shall be located or screened so as to be concealed from the view of neighboring Lots, streets, and property located adjacent to the Lot.

SECTION 11.14 FENCES. No planting or gardening shall be allowed, nor shall any statues be placed on any portion of the Lot. No fences, hedges or walls shall be erected or maintained upon a Lot, except as installed in accordance with the initial construction of a Home or as approved by the Association's Board of Directors or the ACC. Maintenance, upkeep and repairs of any patio shall be the sole responsibility of the Owner and not in any manner the responsibility of the Association.

SECTION 11.15 SUBDIVISION OF LOT AND TIME SHARING. No Lot shall be subdivided or its boundary lines changed except by the Declarant as herein provided or except with the prior written approval of the Board of Directors. No Lot shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years.

SECTION 11.16 FIREARMS. The discharge of firearms within the Properties is prohibited. The term "firearms" shall include: pistols, rifles, "B-B" guns, pellet guns, sling-shots and bows and arrows.

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SECTION 11.17 TENTS, MOBILE HOMES AND TEMPORARY STRUCTURES.

Except with the express written consent of the ACC during initial construction within the Property, no tent, shack, mobile home, or other structure of a temporary nature shall be placed upon a Lot or any part of the Property. The foregoing prohibition shall not apply to restrict the construction or installation of a single utility or similar out building to be permanently located on a Lot, provided it receives the prior approval of the ACC. In addition, party tents or similar temporary structures may be erected for a limited period of time for special events.

SECTION 11.18 DRAINAGE AND SEPTIC SYSTEMS.

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person may obstruct or re-channel the drainage flows, drainage swales, storm sewers, or storm drains. Septic tanks and drain fields, other than those installed by or with the consent of the Board of Directors, are prohibited within the Property. The Board of Directors may correct drainage as deemed necessary for each individual Lot or the Property as a whole.

SECTION 11.19 DISPOSAL OF TRASH.

No trash, ashes, stumps, trees, underbrush or any refuse of any kind or scrap material from any source shall be placed on any tract of land in the Subdivision, on any vacant Lot, or any drive or street in the Subdivision. No Owner or occupant shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances, in any drainage ditch, sewer receptacle or other drainage facility within the Property. No incinerator may be maintained on any portion of the Subdivision. All trash and similar matter to be disposed of must be placed in cans or similar receptacles with tight fitting lids or plastic bags tied or otherwise tightly secured, and must be placed in an area adequately screened by planting or fencing from public view or within a garage except when placed for regular pickup as herein provided. Equipment used for the temporary storage and/or disposal of such material prior to removal must be kept in a clean and sanitary condition, and must comply with all applicable federal, state, county, municipal or other governmental laws and regulations. All such prohibited matter must be removed from each Lot at regular intervals if not removed or removable by a regular garbage and sanitation service. Trash and garbage for pickup by a regular service must be placed in such area or areas as the Board may from time to time direct, or as the applicable garbage and sanitation service or provider may require; provided trash and garbage may not be placed for pickup earlier than fifteen (15) hours prior to a scheduled pickup day, and all receptacles therefore and any remaining trash and garbage must be removed from the pickup site by midnight of the pickup day. Any of the foregoing provisions may be modified, added to or deleted by applicable Rules and Regulations.

SECTION 11.20 TREE REMOVAL.

No trees in Common Areas shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons except by order of the Board. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more comparable trees of equal or greater size and number, and in such locations, as such committee may determine necessary, in its sole discretion, to correct the damage.



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SECTION 11.21 BUSINESS USE. No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as:

- a) the Lot is the principal residence of the Owner or occupant and such business use is merely incidental to the residential use;
- b) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot;
- c) the business activity conforms to all zoning or other regulatory requirements for the Property;
- d) the business activity does not involve persons coming onto the Property who do not reside in the Property or door-to-door solicitation of residents of the Property; and
- e) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Owners or residents of the Property, as may be determined in the sole discretion of the Board.

The terms “business” and “trade”, as used in this provision shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider’s family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to do or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the leasing of a Lot or Home shall not be considered a trade or business within the meaning of this section.

SECTION 11.22 GARAGE USAGE. No portion of any garage may be diverted to any use other than the parking of vehicles and other generally accepted and customary usage of a garage. In particular but not in limitation of the foregoing, no portion of any garage may be used as a residence or a game room, or for any similar use as living quarters. Garage doors must be kept in a closed position when the garage area is not being actively used.

SECTION 11.23 ON-SITE FUEL STORAGE. No on-site fuel storage of gasoline, heating or other fuels shall be permitted on any part of the Property except that up to five (5) gallons of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar lawn or garden tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

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SECTION 11.24 LEASING OF LOTS.

(a) Definition.

“Leasing,” for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot or townhome by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, or gratuity.

(b) Leasing Provisions.

- (i) General. Lots or townhomes may be rented only in their entirety; no fraction or portion may be rented. Individual Lots or townhomes may be leased at the Lot Owner’s discretion. All contracts relating to lease arrangements shall be carried forth between Owner and the lessee and shall only involve the Board if the lessee fails to take reasonable care of the Lot’s exterior in keeping with this Declaration and any promulgated Rules and Regulations.
- (ii) Compliance with this Declaration, the By-Laws and any Rules and Regulations. Every Owner shall cause all occupants of his or her Lot to comply with the Declaration, the By-Laws, and the Rules and Regulations adopted pursuant hereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of this Declaration, the By-Laws, and any Rules and Regulations adopted pursuant hereto.

SECTION 11.25 LAWS AND ORDINANCES. Every Owner and occupant of any Lot, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Property and any violation thereof may be considered a violation of this Declaration; provided the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

SECTION 11.26 WATER AND MINERAL OPERATIONS. No oil or water well drilling, oil or water well development operations, oil refining, quarrying or mining operations of any kind shall be permitted on any Lot. No derrick or other structure designed for use in boring for water, oil, natural gas, or other minerals shall be erected and maintained or permitted on any Lot.

SECTION 11.27 CARE-GIVING FACILITIES. No Lot shall be used for the operation of a boarding or rooming house, a residence for transients, a group home, family home, community home, half-way house, personal care facility, custodial care facility, day-care center, rehabilitation center, treatment facility, or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, rehabilitation, treatment, therapy or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicaps or illness, or other similar

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matters, unless any such facility is otherwise allowed by the terms of any law specifically negating the provisions of restrictive covenants prohibiting same.

SECTION 11.28 GARAGE, YARD AND ESTATE SALES. No garage, yard, or estate sales shall be allowed on any Lot unless otherwise approved by the Board of Directors.

SECTION 11.29 UNOCCUPIED RESIDENCES. The Owner of a Lot with an unoccupied residence, including any mortgagee in possession and any mortgagee obtaining title to a Lot by foreclosure or by any deed or other arrangement in lieu of foreclosure, shall remain liable for full observance and performance of all terms and conditions of this Declaration and all other Governing Documents, including in particular but without limitation: (i) proper maintenance of the Lot and all improvements thereof; (ii) securing of the unoccupied residence, including fastening of windows and locking of all entry and garage doors, and maintenance of appropriate curtains or other permitted window covers in order to prevent unauthorized entry or use; and (iii) such other maintenance as required to avoid an appearance of abandonment or other unsightly or unkempt appearance.

SECTION 11.30 RULES AND REGULATIONS. The Board is hereby specifically authorized to promulgate, modify and delete such reasonable Rules and Regulations applicable to the operation, use and occupancy of the subdivision, including all Lots and Community Properties, as the Board may from time to time deem beneficial to the Subdivision. Such authority includes but is not limited to: (i) the right to limit the type and size of vehicles permitted within the Subdivision, traffic and parking regulations and other traffic control procedures, and the maximum permissible noise levels of vehicles within the Subdivision; (ii) procedures and reasonable restrictions and limitations on the right to use Community Properties; and (iii) all procedural and substantive aspects for the establishment, levy, collection and payment of fines for any violations of the Governing Documents. Rules and regulations are of equal dignity with and may be enforceable in the same manner as the provisions of this Declaration; provided

Rules and Regulations may not be enacted retroactively (except that if any activity is subsequently covered by Rules and Regulations and such activity ceases after enactment of the Rules and Regulations covering same, then the Rules and Regulations will apply to the activity thereafter);

Rules and Regulations may not be incompatible with the provisions of this Declaration; and

Rules and Regulations will not become effective until thirty (30) days notice thereof is given to all Owners or such later date as stated in the notice (certification by the Association that proper notice was in accordance with this Section to be conclusive absent proof of fraud).

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ARTICLE XII

EASEMENTS

SECTION 12.1 CONSTRUCTION ENCROACHMENTS. Each home and the properties included in the Common Area shall be subject to an easement for encroachments created by construction, settling and overhang of the structures built by the Declarant. A valid easement for said encroachment and for the maintenance of same, so long as they stand, shall and does hereby exist.

SECTION 12.2 EASEMENTS FOR UTILITIES, ETC. There are hereby reserved blanket easements upon, across, over, and under all of the Property for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity; provided, the exercise of the easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry into any Lot shall be made only after reasonable notice to the Owner or occupant thereof. Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier, electric company, and natural gas supplier easements across all Lots and the Common Areas for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. Notwithstanding anything to the contrary contained in this Declaration, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property, except as may be approved by the Board of Directors. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Property without conflicting with the terms hereof. The easements provided for in this Declaration shall in no way adversely affect any other recorded easement on the Property.

SECTION 12.3 ELECTRIC SERVICE. Underground single phase electric service shall be available to all homes within the Property and to any recreation buildings to be constructed on the Common Area and the metering equipment shall be located on the exterior surfaces of their walls at a point to be designated by the utility company. The utility company furnishing the service shall have a five foot (5') wide easement along and centered on the underground electric power service conductors installed from the utility company's easement to the designated point of service on the Home or appurtenant garage.

SECTION 12.4 LIABILITY. Neither the Declarant nor any utility company using any easement granted herein shall be liable for any damage done by any entity, its employees, or agents, to shrubbery, trees, flowers or other improvements located on the land while furnishing a service covered by said easement.

SECTION 12.5 OWNER'S EASEMENT. The Owners of the respective Lots shall not be deemed to separately own pipes, wires, conduits, or other service lines running through their property which are utilized for or serve other Lots, but each Owner shall have an easement



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in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his or her Lot.

SECTION 12.6 RECORDATION OF EASEMENTS. Easements and any alleys for the installation and maintenance of utilities and drainage facilities may be recorded in the Office of the County Clerk of Harris County, Texas, by instrument as provided in Section 11.2 above. Copies of these shall be kept on file in the office of the Association. No shrubbery, fence or other obstruction shall be placed in any easement or alleyways. Right of use for ingress and egress shall be had at all times over dedicated easements, and for the installation, maintenance, operation, repair or removal of any utility, together with the right to remove any obstruction that may be placed in such easement, that would constitute interference with the use, maintenance, operation or installation of such utility.

ARTICLE XIII

GENERAL PROVISIONS

SECTION 13.1 DURATION. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any part of the Property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years, unless amended or terminated as hereinafter set forth.

SECTION 13.2 AMENDMENT. The terms of this Declaration may be amended at any time by an instrument signed by those Owners owning at least two-thirds (2/3) of the Lots within the Subdivision. No person shall be charged with notice of or inquiry with respect to any amendment until and unless such amendment has been filed for record in the Official Public Records of Real Property of Harris County, Texas.

During the development period, the Declarant shall have the right from time to time and at any time to amend, modify or repeal this Declaration, in whole or in part, without joinder of any Owner or any other person effective upon recordation of an instrument of amendment in the Official Public Records of Real Property of Harris County, Texas.

SECTION 13.3 INDEMNIFICATION. The Association shall indemnify every officer, Director, and committee member of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, Director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Board of Directors) to which he or she may be a party by reason of being or having been an officer, Director, or committee member. The officers, Directors, and committee members of the Association shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the

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Association (except to the extent that such officers or Directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, Director, or committee member, or former officer, Director, or committee member of the Association may be entitled. The Association shall, as part of the Common Expenses, maintain adequate general liability and officers' and Directors' liability insurance to fund this obligation, if such insurance is reasonably available.

SECTION 13.4 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 in full force and effect.

SECTION 13.5 LITIGATION. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by an affirmative vote of two-thirds (2/3) of the Members present in person or by proxy at a meeting duly called for such purpose. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article VI hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it.

SECTION 13.6 COMPLIANCE. Every Owner and occupant of any Lot shall comply with all lawful provisions of this Declaration, the By-Laws and any Rules and Regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration, the By-Laws or the applicable laws of the State of Texas or any subordinate regulatory authority.

SECTION 13.7 SECURITY. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. The Association shall in no way be considered insurers or guarantors of security within the Property, and the Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner and occupant of any Lot, and each tenant, guest and invitee of any Owner, as applicable, acknowledges and understands that the Association, its Board of Directors and committees, are not insurers and that each Owner and occupant of any Lot and each tenant, guest and invitee of any Owner assumes all risks for loss or damage to persons, Lots, Homes, outlying buildings and structures, vehicles, their contents and other personal property.

SECTION 13.8 NUMBER AND GENDER. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities, and associations of every kind and character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

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SECTION 13.9 DELAY IN ENFORCEMENT. No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof shall impair, damage or waive the right of any Person entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time.

SECTION 13.10 ENFORCEABILITY. This Declaration shall run with the Property and shall be binding upon and inure to the benefit of and be enforceable by the Association and each Owner of a Lot in the Subdivision, or any portion thereof, and by their respective heirs, legal representatives, successors and assigns. In the event any Person shall violate or attempt to violate any of the provisions of this Declaration, the Association, or the Owner of a Lot within the Subdivision, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation, and shall be entitled to recover reasonable attorney's fees from the Owner or occupant of a Lot who violated this Declaration or any Rules and Regulations.

SECTION 13.11 RIGHT OF ENTRY; ENFORCEMENT BY SELF HELP. The Association shall have the right, in addition to and not in limitation of all the rights it may have under this Declaration and applicable law, to enter upon any Lot, including any improvements located thereof, if deemed reasonably necessary by the Board of Directors for emergency, health, safety and/or security purposes to make repairs to improvements, secure the Property or abate or remove things or conditions which are potentially hazardous or which violate any provisions of this Declaration. Such right may be exercised by the Association's Board, officers, agents, employees, managers, and all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, the Association shall first attempt to provide reasonable notice to the Owner and/or other occupant of the Lot. All costs of such efforts, including reasonable attorney's fees actually incurred, shall be assessed against the Owner of the Lot and shall be collected as provided for herein for the collections of assessments herein provided for.

SECTION 13.12 VIOLATIONS OF LAW. Any violation of any federal, state, municipal, or local law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Subdivision hereby is declared to be a violation of this Declaration and shall be subject to any and all enforcement procedures set forth in this Declaration.

SECTION 13.13 REMEDIES CUMULATIVE. Each remedy provided under this Declaration is cumulative and not exclusive.

SECTION 13.14 NO REPRESENTATIONS OR WARRANTIES. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by the Declarant or its agents or employees in connection with any portion of the Subdivision or any improvement thereon, its or their physical condition, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation,



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maintenance, cost of maintenance, taxes, or regulation thereof, unless and except as specifically shall be set forth in writing by separate document.

SECTION 13.15 LIMITATION ON LIABILITY. Neither the Association, the Board, the Architectural Control Committee, the Declarant, or any officer, agent, or employee of any of the same acting within the scope of their respective duties described in this Declaration shall be liable to any Person for any reason or for any failure to act if the action or failure to act was done in good faith and without malice.

SECTION 13.16 CAPTIONS FOR CONVENIENCE. The titles, headings, captions, article and section numbers used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration. Unless the context otherwise requires, references herein to articles and sections are to articles and sections of this Declaration.

SECTION 13.17 GOVERNING LAW. This Declaration shall be construed and governed under the laws of the State of Texas.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has set its hand and seal this 1st day of November, 2016.

THE DECLARANT

BAYWAY HOMES, INCORPORATED

By: [Signature]
Jon Skeele, President

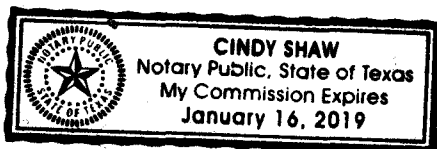
THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Jon Skeele, President of Bayway Homes, Incorporated, a Texas business corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 1st day of Nov., 2016.

[Signature]
Notary Public in and for Texas



[Handwritten mark]

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Pages 33
11/04/2016 11:00 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees \$140.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

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 File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Stan Stanart

COUNTY CLERK
HARRIS COUNTY, TEXAS

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