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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SILVER COMMONS

A RESIDENTIAL SUBDIVISION IN HARRIS COUNTY, TEXAS

***NOTICE*: THIS DOCUMENT SUBSTANTIALLY EFFECTS YOUR RIGHTS AND OBLIGATIONS AS AN OWNER OF PROPERTY IN THIS SUBDIVISION. *READ IT CAREFULLY*. WITHOUT LIMITATION, YOU ARE SPECIFICALLY ADVISED AS FOLLOWS: (i) ARTICLE III PROVIDES FOR MANDATORY MEMBERSHIP IN A HOMEOWNERS' ASSOCIATION, AND ARTICLE V PROVIDES FOR MANDATORY PAYMENT OF ASSESSMENTS TO THE ASSOCIATION AND A CONTINUING LIEN AGAINST YOUR PROPERTY TO SECURE PAYMENT OF ASSESSMENTS WHICH MAY BE FORECLOSED EVEN IF THE PROPERTY IS YOUR HOMESTEAD, (ii) ALL OWNERS AND TENANTS ARE REQUIRED TO MAINTAIN CAPABILITIES FOR RECEIPT OF COMMUNICATIONS AND FOR PARTICIPATION IN MEETINGS BY "ELECTRONIC MEANS" (SEE SECTIONS 2.09 & 10.05), (iii) STREET AND OTHER PARKING BY OWNERS, OCCUPANTS AND GUESTS IS LIMITED AND HIGHLY REGULATED (SEE SECTIONS 7.03 & 8.01.2), (iv) DECLARANT RETAINS SUBSTANTIAL RIGHTS UNDER THE DECLARATION, INCLUDING AS PROVIDED IN EXHIBIT "A" TO THIS DECLARATION AND ESPECIALLY DURING THE DEVELOPMENT PERIOD, THE UNILATERAL RIGHT TO SET RATES FOR REGULAR ASSESSMENTS AND IMPOSE SPECIAL ASSESSMENTS, AND, WITHOUT NOTICE TO OR CONSENT OF ANY OWNER, TO ANNEX ADDITIONAL PROPERTIES INTO THE SUBDIVISION, TO AMEND ANY PLAT AND TO AMEND THIS DOCUMENT AND ANY OTHER "GOVERNING DOCUMENTS", AND (v) SECTION A10.01 OF EXHIBIT "A" HERETO SETS FORTH PROCEDURES REGARDING MANDATORY DISPUTE RESOLUTION, INCLUDING A REQUIREMENT THAT A DISPUTE NOTICE BE GIVEN TO DECLARANT WITHIN 120 DAYS AND ESTABLISHMENT OF A MAXIMUM TWO YEAR STATUTE OF LIMITATIONS. YOUR RIGHTS TO ASSERT A "DISPUTE" MAY BE LOST IF YOU FAIL TO COMPLY WITH SECTION A10.01.**

AFTER RECORDING RETURN TO:

WILLIAMS, BIRNBERG & ANDERSEN, L.L.P.
Attn: Lou W. Burton
2000 Bering Drive, Suite 909
Houston, Texas 77057-3746

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SILVER COMMONS

A RESIDENTIAL SUBDIVISION IN HARRIS COUNTY, TEXAS

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

SILVER COMMONS

A RESIDENTIAL SUBDIVISION IN HARRIS COUNTY, TEXAS

STATE OF TEXAS §
§ KNOW ALL BY THESE PRESENTS THAT:
COUNTY OF HARRIS §

WHEREAS, the undersigned **INTOWNHOMES, LTD.**, a Texas limited partnership (herein referred to as"Declarant") is the current owner of all that certain real property located in Harris County, Texas, as more particularly described in **Section 1.01** hereof, and said Declarant desires to create and carry out a general and uniform plan for the improvement, development, maintenance, use and continuation of a residential community on the property as set forth in **Article I** hereof for the mutual benefit of the Owners and their successors in title which property will be conveyed subject to the covenants, conditions, restrictions, liens, charges and easements as herein set forth.

NOW, THEREFORE, in order to carry out a uniform plan for the improvement, development, maintenance, sale and use of the properties within the Subdivision as herein defined, it is hereby declared that all of the properties within the Subdivision shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements, charges and liens (sometimes herein collectively referred to as "covenants and restrictions"), all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said properties. These covenants and restrictions shall run with said real property and be binding upon all parties having or acquiring any right, title, or interest in said real property or any part thereof, their heirs, predecessors, successors and assigns, and shall inure to the benefit of each Owner thereof.

Article I
Property Subject to This Declaration; Easements

SECTION 1.01 Property Subject to Declaration. The real property which, by the recording of this Declaration, will be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration is that certain real property located in Harris County, Texas, more particularly described as follows, to wit:

SILVER COMMONS, an addition in Harris County, Texas according to the map or plat thereof filed under Clerk's File No. 20120063215, Official Public Records of Real Property of Harris County, Texas, and recorded in Clerk's File Code No. 644114, Map Records of Harris County, Texas. 1EE

SECTION 1.02 Annexation; Deannexation. During the Development Period Declarant and only Declarant (i) may annex and add any real property, including any Lot, in to and make the same a part of the Subdivision, (ii) may deannex and remove any real property, including any Lot, from the Subdivision, and (iii) without limitation of **Section A9.01** of Exhibit "A" to this Declaration, may change or reconfigure any real property, including any Lot, currently or hereafter made subject to this Declaration. After the

Development Period the Owners may, by amendment of this Declaration, annex additional real property in to and make the same a part of the Subdivision, or may deannex and remove any real property, including any Lot, from the Subdivision. Notwithstanding the foregoing, no Lot may be deannexed and removed from the Subdivision, either during or after the Development Period, without the written consent of the Owner (including Declarant as to any Lot owned by Declarant) of the Lot at the time of deannexation. Any such annexation or deannexation must be evidenced by filing of, and is effective from the date of filing of, an amendment of this Declaration evidencing the annexation or deannexation in the Official Public Records of Real Property of Harris County, Texas.

Article II
Definitions

Unless the context otherwise prohibits and in addition to other defined terms set forth herein, the following words and substantive provisions regarding same when used in this Declaration shall apply, mean and refer to the following:

SECTION 2.01 "Architectural Control Committee" or "ACC" means the committee established pursuant to **Article IV** of this Declaration.

SECTION 2.02 "Architectural Guidelines" means minimum construction standards, including acceptable exterior materials, colors, finishes and similar standards, landscaping requirements and limitations, appearance standards, maintenance standards, and any other procedural, aesthetic, environmental or architectural guidelines, rules, requirements, policies or procedures, including with regard to or as permitted by Chapter 202 of the Texas Property Code, from time to time adopted or amended in accordance with **Article IV** of this Declaration, regardless of nomenclature or manner of designation, and may include Rules and Regulations.

SECTION 2.03 "Association" means SILVER COMMONS COMMUNITY ASSOCIATION, INC., a Texas non-profit corporation, to be incorporated for the purposes contemplated by this Declaration, and its successors (by merger, consolidation or otherwise) and assigns.

SECTION 2.04 "Board" or "Board of Directors" means the Board of Directors of the Association.

SECTION 2.05 Subject to applicable provisions of Exhibit "A" hereto, "Community Properties" means all common areas so designated herein or by a Plat intended for the common use of Owners, including without limitation, (i) each of the private streets within the Subdivision designated as "16' Shared Driveway" on the Initial Plat of the Subdivision, the said streets sometimes herein referred to as the "Shared Drive(s)", unless and until, and as to any part of, any private street which is dedicated to the public, (ii) all Subdivision Facilities, and (iii) all other properties, real or personal, conveyed to or dedicated to the use of, or otherwise acquired by the Association for the common use, enjoyment or benefit of, the Association, together with all improvements thereon and appurtenances thereto.

SECTION 2.06 "Declarant" means INTOWNHOMES, LTD., a Texas limited partnership, and its successors and assigns if such successors or assigns: (i) acquire all of the then remaining undeveloped or developed but previously unoccupied or unsold Lots within the Subdivision from Declarant for purposes of development and resale; or (ii) are expressly designated in writings by Declarant as a successor or assign of Declarant hereunder, in whole or in part.

SECTION 2.07 "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements for Silver Commons, and all lawful amendments thereto.

SECTION 2.08 "Development Period" means the period of time beginning on the date of recordation of this Declaration in the Official Public Records of Real Property of Harris County, Texas, during which Declarant retains and reserves as provided herein rights to facilitate the development, construction, and marketing of the Subdivision, and rights to direct the size, shape, and composition of the Subdivision, and ending on the earlier occurrence of either of the following events:

2.08.1 January 1, 2023; or

2.08.2 six months after completion of the initial sale (as defined in **Section A2.01** of Exhibit "A" to this Declaration) of the last Lot in the Subdivision; or

2.08.3 upon the date of filing in the Official Public Records of Real Property of Harris County, Texas of Declarant's notice of termination of the Development Period, provided that at any time prior to complete termination of the Development Period Declarant may file one or more statements of limited termination of the Development Period to apply only to the specific functions, rights and/or responsibilities as stated therein.

SECTION 2.09 "Electronic Means" means, refers to and applies to (i) any method of notices or other communications by email, by facsimile, or by posting on or other method of communication via an Internet website, or any combination thereof, whereby the identity of the sender and receipt by the recipient can be confirmed, and (ii) holding of any meetings as permitted by this Declaration, the Bylaws or other applicable Governing Documents, or by applicable law, by using a conference telephone or similar communications equipment, or another suitable electronic communications systems, including videoconferencing technology or the Internet, or any combination thereof, whereby each participant may hear and be heard by every other participant. IT IS THE OBLIGATION OF EACH OWNER AND THEIR TENANT(S) TO OBTAIN AND MAINTAIN CONFIRMATIONS OF RECEIPT OF ALL NOTICES AND OTHER COMMUNICATIONS FROM THE ASSOCIATION OR DECLARANT BY ELECTRONIC MEANS, AND TO PROVIDE THE SAME TO THE ASSOCIATION OR DECLARANT UPON REQUEST. IT IS THE OBLIGATION OF EACH OWNER AND THEIR TENANT(S) TO MAINTAIN THE CAPABILITY TO RECEIVE ANY NOTICES OR OTHER COMMUNICATIONS FROM THE ASSOCIATION OR DECLARANT BY, AND TO PARTICIPATE IN ANY MEETINGS AS AFORESAID BY, ELECTRONIC MEANS. BY ACCEPTANCE OF ANY RIGHT, TITLE OR INTEREST IN ANY LOT, OR BY OCCUPANCY THEREOF, EACH OWNER AND THEIR TENANT(S) CONSENT TO THE USE OF ELECTRONIC MEANS BY THE ASSOCIATION OR BY DECLARANT AS TO ANY NOTICES, COMMUNICATIONS OR MEETINGS IN ACCORDANCE WITH THIS DECLARATION, INCLUDING **SECTION 10.05** HEREOF, AND IN ACCORDANCE WITH THE BYLAWS AND OTHER GOVERNING DOCUMENTS.

SECTION 2.10 "Governing Documents" means all documents and applicable provisions thereof regarding the use, maintenance, repair, replacement, modification or appearance of any properties within the Subdivision, including each Lot, or any rights, responsibilities or obligations of any Owners pertaining thereto, or to the Association, the Board or the ACC, including without limitation this Declaration, the Bylaws and Certificate of Formation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the Board and/or ACC, and all lawful amendments to any of the foregoing.

SECTION 2.11 "Lot" means any of the numbered plots of land shown upon any Plat upon which a single family residence is, or may be, built. The term "Lot" does not include Community Properties, and does not include commercial or other reserves so designated by a Plat, if any.

SECTION 2.12 "Member" means every Person who is an Owner and holds a membership in the Association. Every Member which is not a natural person must designate a representative of such entity who is a natural person as provided in the Association's Bylaws.

SECTION 2.13 "Owner" means, whether one or more Persons: the owner according to the Official Public Records of Real Property of Harris County, Texas, whether one or more Persons, of the fee simple title to a Lot, including any mortgagee or other lien holder who acquires such ownership through judicial or non-judicial foreclosure or proceedings in lieu thereof, but excluding any Person holding a lien or other encumbrance, easement, mineral interest or royalty interest burdening title or otherwise having an interest merely as security for the performance of an obligation.

SECTION 2.14 "Person" means and includes any natural person, corporation, joint venture, partnership, association, trust, business trust, estate government or governmental subdivision or agency, and any other legal entity.

SECTION 2.15 "Plat" means the initial map or plat of the Subdivision as described in **Section 1.01** which initial map or plat is sometimes herein referred to as the "Initial Plat", all maps or plats of properties made a part of the Subdivision as provided in **Article I,** if any, hereafter filed in the Map Records of Harris County, Texas, and all lawful modifications, amendments and/or replats of any of the foregoing.

SECTION 2.16 "Prevailing Community Standards" means those standards of aesthetics, environment, appearance, architectural design and style, maintenance, conduct and usage generally prevailing in the Subdivision as reasonably determined by the Board or ACC at any given pertinent time and from time to time, including as to each particular Regulated Modification and each other matter or circumstance considered as of the date of the evaluation **(i)** prevailing standards as to harmony and compatibility with surrounding aesthetics, appearance and patterns of maintenance and use, harmony and compatibility with surrounding buildings, structures and other improvements, and harmony and compatibility with surrounding grades, topography, finished ground elevations, locations, colors, finishes, styles, workmanship, type and quality of materials and designs, and **(ii)** compliance with this Declaration and other applicable Governing Documents, and with applicable governmental laws, ordinances and regulations.

SECTION 2.17 "Regulated Modification" means (without implication that any particular matter is permitted or prohibited by this Declaration and without limitation as to **Article IV** hereof) the commencement, placement, construction, reconstruction or erection on, below or above the surface of any Lot of, or modification, alteration, or addition to, any building, structure or improvement, 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, or any other Prevailing Community Standards as of the date of establishment of the Regulated Modification.

SECTION 2.18 "Related Parties" means and applies as follows:

2.18.1 Owners and Tenants. Tenants of each Owner are Related Parties of that Owner, and with respect to each such Owner and each such tenant, Related Parties of each include **(i)** their respective family and other household members (including in particular but without limitation all children and other

dependents), **(ii)** their respective guests, invitees, servants, agents, representatives and employees, and **(iii)** all other Persons over which each has a right of control or under the circumstances could exercise or obtain a right of control.

2.18.2 Association, ACC and Declarant. Related Parties of the Association, ACC and Declarant include their respective officers, directors, partners, co-venturers, committee members, servants, agents, representatives and employees regarding all acts or omissions related to any of the foregoing representative capacities.

SECTION 2.19 "Rules and Regulations" means all rules, policies and procedures, including all rules, policies or procedures regarding or as permitted or required by Chapters 202, 204 or 209 of the Texas Property Code, concerning or regulating the appearance, maintenance, operation, use or occupancy of the Subdivision, including the Lots and Community Properties, or rights or obligations of Owners regarding the Subdivision or the Association, as from time to time adopted or amended in accordance with **Section 7.12** hereof, regardless of nomenclature or manner of designation, and which may include architectural guidelines.

SECTION 2.20 "Subdivision" means the residential community as more particularly described in **Section 1.01** hereof, and any other real property subjected to this Declaration as herein provided from time to time.

SECTION 2.21 "Subdivision Facilities" means all facilities and services built, installed, maintained, operated or provided by or through the Association for the general benefit of the Subdivision, including without limitation:

2.21.1 all Subdivision Fencing (as defined in **Section 8.06**), including all Subdivision main entry fences, walls, and/or entry and other identification monuments;

2.21.2 any patrol or access limiting type services, structures or devices specifically obtained and maintained by the Association for such purposes, including without limitation any controlled access gates, guardhouses and related structures or devices;

2.21.3 all mail box banks, and/or water meters, water meter banks or water meter vaults and/or electrical meter banks, and similar facilities or devices so designated by Declarant as permitted by **Section 9.05**, if any, including entry, access and exit areas regarding same;

2.21.4 "Drainage Devices" specifically designated as Subdivision Facilities as provided in or permitted by **Section 8.04.5**, if any;

2.21.5 any garbage or recycling collection, cable or satellite television, utilities, including any street lighting, and any other services provided by or through the Association, and any structures or devices related thereto; and

2.21.6 any other facilities or services as from time to time so designated by Declarant during the Development Period or by the Board thereafter.

2.22 "Townhouse" means each single family residence which is contained within a residential building which contains two or more single family residences.

Article III
Silver Commons Community Association, Inc.

SECTION 3.01 Establishment of Association.

3.01.1 Organization. The Association will be organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure and management of the funds and financial affairs of the Association, enforcement of all provisions of the Governing Documents, providing for maintenance, preservation and architectural control within the Subdivision, the providing of such Subdivision Facilities as herein permitted or required, and all other acts and undertakings reasonably incident to any of the foregoing or in furtherance thereof.

3.01.2 Powers. The Association has full right, power and authority to exercise and to enforce all provisions of this Declaration and all other Governing Documents, including without limitation **(i)** to exercise all powers available to a Texas nonprofit corporation, **(ii)** to exercise all powers of a property owners association pursuant to Section 204.010 of the Texas Property Code, and **(iii)** to exercise all implied powers incident to the foregoing or necessary or proper to the Association's express powers or purposes, subject however to any limitations expressly stated herein or in other Governing Documents. Without limitation of the foregoing, the Association is hereby expressly authorized (x) to acquire (by gift, deed, lease or otherwise), own, hold, improve, operate, maintain, sell, lease, convey, dedicate for public use, acquire, hold, use, and otherwise dispose of and/or alienate real and personal property as the Owners may deem necessary or appropriate and/or as provided in this Declaration and other Governing Documents, (y) to borrow money, and to mortgage, pledge, deed in trust or otherwise encumber, alienate or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred to conduct the lawful affairs of the Association, and (z) to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such term and conditions as the Board of Directors may determine.

SECTION 3.02 Board of Directors. The Association acts through a Board of Directors which is the governing body of the Association. The Board of Directors shall manage the affairs of the Association as specified in this Declaration, the Bylaws and other applicable Governing Documents. Unless otherwise expressly required by law, and subject to all Declarant rights and authority as provided in other applicable provision of this Declaration or other Governing Documents, the Board of Directors shall exercise and have all rights, powers, authority and responsibilities of the Association. The Board is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the decisions of the Board as to any of the foregoing are final and conclusive. EXCEPT AS PROVIDED IN **SECTION A4.01** OF EXHIBIT "A" HERETO, DECLARANT WILL APPOINT ALL MEMBERS OF THE BOARD OF DIRECTORS, AND IS ENTITLED TO REMOVE AND REPLACE ANY OF THE SAME, UNTIL EXPIRATION OR TERMINATION OF THE DEVELOPMENT PERIOD.

SECTION 3.03 Membership. Every Owner must be and is a Member of the Association, and as such is subject to and shall have such rights, responsibilities and obligations as set forth in this Declaration and other applicable Governing Documents. The Association is entitled to rely on the Official Public Records of Real Property of Harris County, Texas in determining such status as an Owner, and may require submission to the Board of appropriate certified copies of such records as a condition precedent to recognition of status as an Owner. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not

terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot. Memberships shall be appurtenant to and may not be separated from ownership of any Lot, and shall automatically pass with the title to the Lot.

SECTION 3.04 Voting Rights of Members.

3.04.1 Calculation of Votes. The number of votes which may be cast regarding any matter properly presented for a vote of the Owners (Members) of the Association shall be calculated as follows:

(a) The Owner of each Lot, including Declarant, will have one vote for each Lot owned.

(b) In addition to the vote or votes to which Declarant is entitled by reason Declarant's ownership of one or more Lots as provided in **Section 3.04.1(a)**, for every one vote outstanding in favor of any Owner other than Declarant, Declarant will have four additional votes until the expiration or termination of the Development Period.

3.04.2 Multiple Owners. When more than one Person holds an ownership interest in a Lot, all such Persons are Members, but in no event will they be entitled to more than one vote with respect to each particular Lot owned. The single vote, approval, or consent of such joint Owners must be cast or given in accordance with the decision of a majority, or if such joint Owners cannot reach a majority decision, then none of the joint Owners will be permitted to vote, approve, or consent as to any such matter upon which a majority decision cannot be reached. The vote, approval or consent of any single Owner from among such joint Owners is conclusively presumed to be cast or given in accordance with the decision of the majority of the joint Owners and with their full authority.

3.04.3 Cumulative Voting Prohibited. Cumulative voting is prohibited as to any matter placed before the membership for a vote, including election of Directors.

3.04.4 Right to Vote. No Owner may be disqualified from voting in an election of a member or members of the Board of Directors, or on any matter concerning the rights or responsibilities of the Owner.

SECTION 3.05 Association Books and Records.

3.05.1 Maintenance. The Association shall keep current and accurate books and records of the business and affairs of the Association, including financial records, and including minutes of the proceedings at any meeting of the Board and any meeting of Owners. The ACC must also keep and maintain records evidencing the final decision(s) of the ACC regarding all requests for approval and requests for variance.

3.05.2 Inspection and Copying. Every Owner may inspect and copy books and records of the Association in accordance with the Association's policies as to the same which shall be adopted in accordance with Section 209.005 of the Texas Property Code. The Association's initial Association Documents Inspection and Copying Policy is attached herein as Exhibit "B" and incorporated by reference herein.

3.05.3 Retention. The Association shall retain Association books and records in accordance with the Association's policies as to the same which shall be adopted in accordance with Section 209.005 of the Texas Property Code. The Association's initial Association Documents Retention Policy is attached hereto as Exhibit "C" and incorporated by reference herein.

3.05.4 Adoption and Amendment of Policies. Declarant during the Development Period and the Board at any time may from time to time adopt and amend such other policies regarding Association books and records as deemed necessary or appropriate, including with regard to or concerning the Association Documents Inspection and Copying Policy and/or the Association Documents Retention Policy as attached hereto.

SECTION 3.06 Limitation of Liability; Indemnification.

3.06.1 General.

(a) "Association Representative(s)" Defined. As used in this **Section 3.06.1**, "Association Representative(s)" means each current or former director, governing person, officer, delegate, employee and agent of the Association, as such terms are defined in the Texas Business Organizations Code.

(b) Limitation of Liability. To the fullest extent allowed by the Texas Business Organizations Code, including Chapters 7 and 8 thereof, an Association Representative is not liable to the Association, to any Owner or Member of the Association, or to any other Person for any act by the Association Representative in the Person's capacity as an Association Representative unless the Person's conduct was not exercised in good faith, with ordinary care, and in a manner the Association Representative reasonably believes to be in the best interests of the Association.

(c) Indemnification. To the fullest extent allowed by the Texas Business Organizations Code, including Chapter 8 thereof, the Association agrees to and is required to indemnify, defend, and hold harmless, and to advance expenses to, each Association Representative, INCLUDING, IN EACH CASE, FOR CLAIMS BASED ON OR ARISING FORM SUCH PERSON'S SOLE, PARTIAL, OR CONCURRENT NEGLIGENCE, but excluding any such items incurred as a result of any act or omission for which the Association Representative is liable under the preceding subsection (b). The provisions of this subsection (c) constitute a determination that indemnification should be paid and a contract to indemnify as contemplated by Sections 8.103(c) and 8.151(d)(2) of the Texas Business Organizations Code.

(d) Report to Members. So long as required by the Texas Business Organizations Code, any indemnification of or advance of expenses to an Association Representative must be reported in writing to all Owners upon the earlier to occur of (i) with or before the notice or waiver of notice of the next meeting of Members, or (ii) with or before the next submission to Members of a consent to action without a meeting, or (iii) within twelve months after the date of the indemnification or advance.

3.06.2 Security Services. The Association may from time to time engage in activities or provide Subdivision Facilities, including activities, devices or services intended to or which may have the effect of enhancing safety or security, including activities, devices or services limiting or controlling Subdivision access, or providing of patrol services or otherwise monitor activities within the Subdivision (including Community Properties), and may from time to time provide information through newsletters or otherwise regarding same (all such matters and all activities, services or devices of a similar nature or incident thereto herein referred to as, "*Security Services*"). Without limitation of **Section 3.06.1**, each Owner

and their tenants covenant and agree regarding any and all security issues and/or criminal activities and/or conduct and/or any other "Criminal Matters" (as defined below) within or outside the Subdivision, and as to any and all Security Services provided directly or indirectly by or through the Association as follows:

(a) SECURITY IS THE SOLE RESPONSIBILITY OF LOCAL LAW ENFORCEMENT AGENCIES AND INDIVIDUAL OWNERS AND THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES. Security Services may be provided at the sole discretion of the Board of Directors. The providing of any Security Services at any time will in no way prevent the Board from thereafter discontinuing, or from temporarily or permanently modifying, terminating or removing, any Security Services, in whole or in part.

(b) Any third party providers of Security Services are independent contractors, the acts or omissions of which are not imputable to Declarant, the Association or any of their Related Parties.

(c) Providing of any Security Services may never be construed as (i) an undertaking by Declarant, the Association or any of their Related Parties to provide personal security as to any Owner, tenant or their Related Parties, or as to any other Person, or (ii) a representation or undertaking that any Security Services will be continued, or (iii) a representation, guarantee or warranty that the presence of any Security Service will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES SHALL NOT HAVE ANY DUTY WHATSOEVER TO WARN, ADVISE OR INFORM ANY OWNER, TENANT OR THEIR RELATED PARTIES AS TO CRIMINAL CONDUCT OF ANY KIND OR AS TO ANY OTHER MATTERS REGARDING OR RELATING TO SECURITY SERVICES, PAST OR PRESENT.

(d) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES ARE NOT LIABLE FOR, AND EACH OWNER, THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES, MUST INDEMNIFY, KEEP INDEMNIFIED AND HOLD DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HARMLESS AT ALL TIMES FROM, ANY INJURY, LOSS OR DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY INJURY OR DAMAGES CAUSED BY THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, TO ANY PERSON OR PROPERTY ARISING, DIRECTLY OR INDIRECTLY, FROM THE PROVIDING OR FAILURE TO PROVIDE ANY SECURITY SERVICES, OR THE DISCONTINUATION, MODIFICATION, DISRUPTION, DEFECT, MALFUNCTION, OPERATION, REPAIR, REPLACEMENT OR USE OF ANY SECURITY SERVICES.

(e) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES, HAVE NO DUTY, OBLIGATION OR RESPONSIBILITY OF ANY KIND WHATSOEVER TO WARN, ADVISE OR IN ANY OTHER MANNER INFORM ANY OWNERS, TENANTS, OR THEIR RELATED PARTIES, OR ANY OTHER RESIDENTS OR OCCUPANTS OF ANY LOT OR COMMUNITY PROPERTIES, OR ANY LAW ENFORCEMENT AGENCY, OR ANY OTHER PERSON AS TO ANY ALLEGED, SUSPECTED OR KNOWN CRIMINAL ACTIVITIES OF ANY KIND, CRIMINAL HISTORY OR BACKGROUND OF ANY PERSON, OR CRIMINAL INVESTIGATIONS BY LAW ENFORCEMENT AGENCIES OR BY ANY OTHER PERSON (ALL SUCH MATTERS, ACTIVITIES AND INVESTIGATIONS HEREIN REFERRED TO AS "CRIMINAL MATTERS"), regardless of whether the Criminal Matters involve the Subdivision, other areas in the vicinity or any other place or lands. The Association may (but has no obligation to) from time to time disclose and/or transmit information concerning Criminal Matters to Owners, tenants, and any other occupants of Lots and/or any Community Properties, to

any law enforcement agencies, and to any other Person which the Association's officers, directors, agents, employees and other Related Parties in their sole discretion deem advisable. Each Owner and tenant by acceptance of any right, title or interest in any Lot, and every Owner, tenant and occupant of a Lot or any Community Properties by virtue of such occupancy, hereby consents, on their behalf and on behalf of their respective Related Parties, and on behalf of all other Persons coming upon a Lot or any Community Properties at their invitation, or with their consent or permission, to any such disclosure and/or transmittal of information. Any such disclosure and/or transmittal of information shall in no way be deemed an undertaking to do so in the future, either as to the Criminal Matters then involved or as to any other current or future Criminal Matters. All other provisions of this Section apply to any disclosure and/or transmittal of information, and to any failure to disclose and/or transmit information, concerning Criminal Matters, including in particular but without limitation, the provisions of **Section 3.06.2(d)** regarding the indemnity obligations of Owners, their tenants and their respective Related Parties.

3.06.3 Liability Arising From Conduct of Owners. EACH OWNER, THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES MUST INDEMNIFY AND KEEP INDEMNIFIED, AND HOLD HARMLESS, DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES FROM AND AGAINST ALL CLAIMS, DAMAGES, SUITS, JUDGMENTS, COURT COSTS, ATTORNEY'S FEES, ATTACHMENTS AND ALL OTHER LEGAL ACTIONS CAUSED THROUGH THE WILLFUL OR NEGLIGENT ACT OR OMISSION OF AN OWNER, THE OWNER'S TENANTS, OR THEIR RESPECTIVE RELATED PARTIES.

3.06.4 Subsequent Statutory Authority. If the Texas Business Organizations Code, Texas Non-Profit Corporation Law, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code or any other applicable statute, state or federal, is construed or amended to further eliminate or limit liability or authorizing further indemnification than as permitted or required by this **Section 3.06**, then liability will be eliminated or limited and right to indemnification will be expanded to the fullest extent permitted by such construction or amendment.

3.06.5 No Impairment. Any repeal, amendment or modification of this **Section 3.06** may not adversely affect any rights or protection existing at the time of the amendment.

Article IV
Architectural Control Committee

SECTION 4.01 Organization; Compensation. There is hereby established an Architectural Control Committee (herein sometimes referred to as the "ACC"). DECLARANT WILL ACT AS THE ACC (AND AS THE DESIGNATED REPRESENTATIVE OF THE ACC) DURING THE DEVELOPMENT PERIOD. Thereafter, the Board of Directors shall act as the ACC. The act of a majority of the members of the ACC constitutes an act of the ACC; provided, the ACC may from time to time designate any one of its members to act in its stead. No person serving on the ACC is entitled to compensation for services performed, but may be reimbursed for reasonable expenses in such manner and amounts as may be approved by the Board of Directors.

SECTION 4.02 Function and Powers.

4.02.1 Submission of Plans Required. 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 covering all aspects of the Regulated Modification have been

submitted to and approved in writing by the ACC as to compliance with applicable Architectural Review Criteria as set forth in **Section 4.02.3**. One complete set of plans and specifications, and copies of all required permits and any other approvals required by any governmental entity, when applicable, must be submitted with each request for approval unless a greater number is required by applicable Architectural Guidelines. Any plans and specifications to be submitted must specify, as applicable and in such detail and form as the ACC may reasonably require:

(a) the location upon the Lot or within the Subdivision where the Regulated Modification will occur or be placed;

(b) the dimensions, nature, kind, shape, height, and color scheme of and all materials to be used in connection with the Regulated Modification;

(c) appropriate information concerning structural, mechanical, electrical, plumbing, grading, paving, decking and landscaping details; and

(d) intended uses.

4.02.2 Architectural Guidelines; Fees.

(a) Declarant during the Development Period and the ACC at any time may, from time to time adopt, modify and delete such reasonable Architectural Guidelines applicable to the Subdivision, including Lots and Community Properties, as it deems appropriate to maintain or reasonably enhance Prevailing Community Standards of the Subdivision at the time of adoption. Without limitation of the foregoing, Architectural Guidelines may include the amount and manner of payment of any fees or charges reasonably anticipated to cover administrative costs, fees for architectural, engineering, construction, legal or other expert advice or consultation, and all other costs and expenses in connection with review and evaluation of an application (such costs and expenses sometimes herein referred to as "Architectural Review Fees"). Architectural Review Fees may also be determined and assessed on a case by case basis as determined by the ACC without the necessity for adoption of Architectural Guidelines as to the same.

(b) Architectural Guidelines are of equal dignity with, and shall be enforceable in the same manner as, the provisions of this Declaration, provided: (i) such Architectural Guidelines shall not be deemed a waiver, modification, or repeal of any of the provisions of this Declaration; and (ii) such Architectural Guidelines shall not be enacted retroactively except that all repairs, modifications or maintenance performed subsequent to adoption shall be performed in such manner as to bring the Regulated Modification, so far as practicable, in compliance with all then applicable Architectural Guidelines.

4.02.3 Architectural Review Criteria. The ACC must evaluate all submitted applications for ACC approval on the individual merits of the particular application, and based on evaluation of the compatibility of the proposed Regulated Modification with Prevailing Community Standards (including compliance with this Declaration and all other applicable Governing Documents) as of the date of submission of an application. The ACC must also use reasonable efforts to achieve consistency in the approval or disapproval of specific types of Regulated Modifications. To this end, consideration will be given to (but the ACC is not bound by) similar applications for architectural approval and the decisions and actions of the ACC with regard thereto.

4.02.4 Responses; No Waiver or Estoppel. The ACC shall have full and complete authority to approve, conditionally approve or disapprove any request for ACC approval in accordance with **Section 4.02.3**, and its judgment shall be final and conclusive. In the event the ACC fails to approve or disapprove a properly submitted and completed request for ACC approval within thirty days from the date such request is received by the ACC, then ACC approval will not be required. EXCEPT FOR COMPLIANCE WITH THE ACC APPROVAL PROVISIONS OF THIS ARTICLE IV, NO APPROVAL (EXPRESS OR IMPLIED) OR CONDITIONAL APPROVAL BY THE ACC AND NO OTHER ACTION OR OMISSION OF THE ACC SHALL OTHERWISE CONSTITUTE A WAIVER AS TO ANY OTHER PROVISIONS OF THIS DECLARATION OR PRECLUDE BY ESTOPPEL OR OTHERWISE FULL ENFORCEMENT THEREOF.

SECTION 4.03 Variances. The ACC may grant specific variances to Architectural Guidelines and to the architectural and use restrictions set forth in **Articles VII** and **VIII** of this Declaration. A variance may be granted only with respect to specific instances upon written request therefor, is not binding with respect to any other request for a variance whether or not similar in nature, and does not constitute a waiver, modification or repeal of any of the provisions of this Declaration or other Governing Documents except for the limited purpose of and to the extent of the specific variance expressly granted. A variance may be granted only upon specific findings (a) that the variance is necessary due to unusual circumstances which are reasonably beyond the control of the applicant to mitigate or rectify, or in other circumstances, such as due to topography or natural obstructions, as to which the ACC determines a variance will result in a material enhancement to the applicant's Lot and/or to the Subdivision, and (b) that the granting of a specific variance will not materially and adversely affect the architectural, aesthetic or environmental integrity of the Subdivision or the scheme of development therein. WHETHER OR NOT SO STATED IN A VARIANCE AND NOTWITHSTANDING ANYTHING IN A VARIANCE TO THE CONTRARY, A VARIANCE SHALL EXTEND ONLY FOR THE PERIOD OF TIME DURING WHICH AND TO THE EXTENT THAT THE CIRCUMSTANCES THAT FORMED THE BASIS THEREFOR CONTINUE TO EXIST. THE BOARD RETAINS FULL AUTHORITY AS TO ANY VARIANCE AT ANY TIME TO TERMINATE OR MODIFY SAME IN ACCORDANCE WITH ANY SUCH CHANGE IN CIRCUMSTANCES.

SECTION 4.04 Records of Architectural Control Committee. The ACC is not required to maintain records of any of its meetings. The ACC must keep and maintain records evidencing the final decision(s) of the ACC regarding all requests for approval and requests for variance for not less than four years. The ACC must also maintain a record of all current Architectural Guidelines, and must provide copies to Owners upon written request and at the Owner's expense.

SECTION 4.05 Liability of Architectural Control Committee. Except as provided in **Section 3.06**, neither the Association nor the ACC, nor their respective Related Parties are liable to any Owner, the Owner's tenants, the Related Parties of either, or to any other Person for any actions or failure to act or in connection with any approval, conditional approval or disapproval of any application for approval or request for variance, including without limitation, mistakes in judgement, negligence, malfeasance, or nonfeasance. No approval or conditional approval of an application or related plans or specifications and no publication of Architectural Guidelines may ever be construed as representing or implying that, or as a covenant, representation, warranty or guaranty that, if followed, the Regulated Modification will comply with applicable legal requirements, or as to any matters relating to the health, safety, workmanship or suitability for any purpose of the Regulated Modification. In particular but without limitation of the foregoing, each Owner is wholly and solely responsible for compliance with all building codes and requirements of, and all permitting and other requirements of, any governmental entity as applicable to the Owner's Lot, and no approval, conditional approval or any other act or decision of the Association, the Board, the ACC or any

of their Related Parties shall even be deemed a representation, warranty or guarantee regarding any such compliance. The provisions hereof are cumulative of the provisions of **Section 3.06**.

Article V
Maintenance Fund

SECTION 5.01 Obligation for Payments to Maintenance Fund.

5.01.1 Establishment of Maintenance Fund. There is hereby established a Maintenance Fund in to which will be paid all assessments as provided for herein. The Board is responsible for the collection, management, control and expenditure of the Maintenance Fund. Each Owner of a Lot, by acquisition of any rights, title or interest therein or acceptance of an executory contract of conveyance, or a deed or other instrument of conveyance therefore, whether or not so expressed therein, covenants and agrees to pay to the Association regular or annual assessments, special assessments and specific assessments, all as herein set forth.

5.01.2 Purpose of Maintenance Fund. The Maintenance Fund must be used exclusively for the purpose of promoting the recreation, welfare, common benefit and enjoyment of the Owners and occupants of the Subdivision, including the maintenance of all Community Properties (including any maintenance required by any governmental entity), the discharge of all obligations of the Association pursuant to this Declaration and other Governing Documents, and the doing of any other thing necessary or desirable in the opinion of the Board for accomplishment of any of the foregoing, including the establishment and maintenance of reserves for repairs, maintenance, taxes, insurance, and other charges, and the expenditure of funds for the benefit of other properties within the vicinity of the Subdivision if in the judgement of the Board the Subdivision will benefit thereby. The judgement of the Board in establishing any assessments and in the collection, management and expenditure of the Maintenance Fund is final and conclusive.

5.01.3 Commencement and Proration; Personal Obligation; Transferees.

(a) The obligation to pay assessments shall commence as to each Lot upon completion of the initial sale of each Lot (as that phrase is defined in **Section A2.01** of Exhibit "A" hereto). Assessments shall be prorated at the time of closing on said initial sale of each Lot from the first day of the month in which the closing occurs.

(b) In addition to the assessment lien herein established, each assessment is the personal obligation of each Owner of the Lot charged therewith at the time liability for the assessment accrued notwithstanding any subsequent transfer of ownership. Except as to statements of account as provided in **Section 5.01.4** or as to a transferee pursuant to a lawful and valid foreclosure of a superior lien as provided in **Section 5.07**, each Owner's transferee, whether by purchase, gift, devise or otherwise, and whether voluntary or by operation of law, is also jointly and severally liable for payment of all unpaid assessments owed to the Association at the time of transfer without prejudice to the rights of the transferee to recover from the transferor the amounts paid by said transferee.

5.01.4 Statement of Assessments. Any transferee (or prospective transferee upon presentment of an executed earnest money contract or other writing satisfactory to the Board) shall be entitled to a statement from the Association setting forth all assessments due as of the date of the written request. The request must be in writing, must be addressed to the Association and must be delivered by

registered or certified mail, return receipt requested, or by personal delivery with receipt acknowledged in writing. The Board may set a reasonable charge for providing a statement of indebtedness, the payment of which is a condition precedent to the Association's obligation to provide same. Except for fraud or misrepresentation, if the Association fails to respond to a proper written request for a statement of indebtedness within thirty days after receipt of the request by the Association, and upon submission of a properly executed registered or certified mail return receipt or delivery receipt evidencing receipt of the request by the Association, upon transfer the transferee is not liable for, nor shall the Lot transferred be subject to a lien for, any unpaid assessments against the Lot accruing prior to the date of the written request.

SECTION 5.02 Uniform Rates; Application of Payments. Subject to applicable provisions of Exhibit "A" hereto, regular and special assessments on all Lots must be fixed at a uniform rate, and must be determined on a per Lot basis. All payments made by or on behalf of an Owner for assessments (regular, special or specific) are deemed made upon the date of receipt of the payment by the Association or its designated representative. Except as otherwise required by Texas Property Code, Section 209.0063 or as otherwise provided in applicable Association policies, all payments receive, including payments received in consequence of judicial foreclosure, will be applied (i) first to payment of accrued interest, then to payment of accrued late charges, then to payment of compliance costs (including attorneys fees), and then to payment of all other specific assessments listed in **Section 5.06.1** (ii) then to payment of all special assessments; and (iii) finally to payment of all regular assessments. Application within each category shall be on a first in, first out basis.

SECTION 5.03 Base Rate and Subsequent Computation of Regular Assessments.

5.03.1 Initial Base Rate of Regular Assessments; Due Dates. The initial full base rate of the regular annual assessment for 2013 per Lot (and continuing during 2013 and thereafter unless and until modified as herein provided) is ONE THOUSAND ONE HUNDRED FORTY AND NO/100 DOLLARS ($1,140.00) per Lot per year. The Board shall have the right to require regular annual assessments be paid semi-annually, quarterly or monthly, in advance (instead of annually). If the Board does so, the semi-annual, quarterly or monthly installments of regular annual assessments, as the case may be, shall be rounded upward to the next dollar, and the regular annual assessment shall be automatically adjusted upward by the amount of such rounding. UNLESS AND UNTIL OTHERWISE DETERMINED BY THE BOARD AS AFORESAID, THE FULL AMOUNT OF REGULAR ANNUAL ASSESSMENTS IS DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR.

5.03.2 Subsequent Computation of Regular Assessments. DURING THE DEVELOPMENT PERIOD, DECLARANT IS ENTITLED TO SET AND CHANGE THE ANNUAL RATE OF REGULAR ASSESSMENTS AS PROVIDED IN **SECTION 5.10**. Thereafter, the Board shall adopt a budget at least annually to determine sums necessary and adequate to provide for the expenses of the Association for the succeeding twelve month period (including funding of capital, contingency and other reserves). The Board shall set the annual rate of regular assessments based on the budget, and determine whether same will be payable annually, semi-annually, quarterly or monthly. Written notice must be given to Owners of all Lots if any change is made as to the amount of the annual rate of regular assessment or the due date(s) for payment of the same at least thirty days before the initial due date for payment.

SECTION 5.04 No Waiver or Release. Notwithstanding anything to the contrary herein, the omission or failure for any reason of the Association to mail or deliver a notice of annual assessment or due

date for payment thereof does not constitute a waiver, modification or release of an Owner's obligation to pay assessments as otherwise herein provided.

SECTION 5.05 Special Assessments. In addition to the other assessments authorized herein, including other special assessments, the Board may levy special assessments at any time during each fiscal year for purposes of defraying, in whole or in part, any expenses not anticipated by the budget then in effect, or to replace part or all of any contingency, capital or other reserve fund, or for any other purpose as deemed necessary or appropriate by the Board. SO LONG AS THE TOTAL AMOUNT OF SPECIAL ASSESSMENTS IN ANY ONE FISCAL YEAR ALLOCABLE TO EACH LOT DOES NOT EXCEED FIFTY PERCENT (50%) OF THE AMOUNT OF THE REGULAR ANNUAL ASSESSMENT THEN IN EFFECT, THE BOARD MAY IMPOSE THE SPECIAL ASSESSMENT WITHOUT VOTE OR APPROVAL OF ANY OWNER; PROVIDED, AT LEAST THIRTY DAYS WRITTEN NOTICE MUST BE GIVEN TO THE OWNERS OF ALL LOTS OF ANY SUCH SPECIAL ASSESSMENT. Special assessments allocable to each Lot exceeding the foregoing limitation will be effective only if approved by the Owners of a majority of the Lots then contained within the Subdivision. The approval may be obtained in any manner as provided for approval of an amendment of this Declaration. Special assessments are payable as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

SECTION 5.06 Specific Assessments.

5.06.1 Types. Specific assessments must be assessed against individual Lots and the Owner(s) thereafter at the time liability for same accrues as follows:

(a) Utility and Other Services. Assessments for water (and related water and/or storm/sanitary sewer services, if included therein), and for other utilities and/or services provided by the Association, if any, shall be separately and specifically assessed to each Lot and to the Owner of each such Lot as provided in **Section 5.06.2**.

(b) Capitalization Fee. At the time of closing on the sale of each Lot, beginning with completion of the initial sale of each Lot (as defined in **Section 2.01** of Exhibit "A" to this Declaration), and at the time of closing on each subsequent sale of the Lot, the purchaser shall pay to the Association a "Capitalization Fee" as provided in **Section 5.06.3**.

(c) Interest. Interest from the due date at the rate of the lesser of eighteen percent (18%) per annum or the maximum legal rate, or such other rate or rates as from time to time determined by the Board or as set by the Association's assessment collection policies not to exceed the maximum rate allowed by law, will be charged on all delinquent assessments, annual, special or specific, as to each assessment account for each Lot which is not paid in full by the end of each month.

(d) Late Charges. A late charge in the amount of TWENTY FIVE AND NO/100 DOLLARS ($25.00) per month, or such other reasonable amount or amounts as from time to time determined by the Board or as set by the Association's assessment collection policies, is hereby imposed as to each assessment account for each Lot which is not paid in full by the end of each month.

(e) Compliance Costs. All expenses reasonably attributable to or incurred by reason of a breach or violation of or to obtain compliance with any provisions of this Declaration or other Governing Documents must be assessed against the Owner who occasioned the incurrence of such expenses,

including reasonable attorney's fees whether incurred prior to, during the pendency of or after successful completion of any actions in a court of competent jurisdiction. The foregoing shall include, without limitation, all costs, expenses and reasonable attorneys fees incurred in connection with the judicial or non-judicial foreclosure of the Association's assessment lien, including prosecution or defense of any claims or actions relating to any such foreclosure proceedings.

(f) Other Obligations (Including Transfer and ACC Fees). All other monetary obligations established by or pursuant to this Declaration or other Governing Documents or which are otherwise permitted or authorized by law, including without limitation as permitted or authorized by Chapter 204 of the Texas Property Code, and which are intended to apply to one or several but not all Lots must be assessed against the applicable Owner(s). Except for fines, the Board may from time to time contract with Managing Agents to provide statements of assessments or other charges or resale certificates, or to process changes of ownership or tenancy or applications for architectural approval, and in connection therewith (but subject to authority of the Board to waive any specific assessment as herein provided) may by contract or resolution assign to such Managing Agent the right to set the amount of fees or charges for any such services and to receive payment of the applicable charge.

5.06.2 Utility Assessments.

(a) Utility Assessment. IN ADDITION TO ANY OTHER ASSESSMENTS DUE AND PAYABLE AS HEREIN PROVIDED, THE OWNER OF EACH LOT WHICH IS PROVIDED WATER (AND RELATED WATER AND/OR STORM/SANITARY CONVEYANCE SYSTEM SERVICES, AS APPLICABLE) THROUGH THE ASSOCIATION SHALL PAY AS A SPECIFIC ASSESSMENT A UTILITY (WATER) ASSESSMENT TO COVER COSTS AND EXPENSES INCURRED BY THE ASSOCIATION TO PROVIDE SUCH UTILITIES AND SERVICES TO EACH SUCH LOT. All utility assessment rates shall be set by Declarant during the Development Period and the Board thereafter. The utility assessment shall be paid in advance, either annually, semi-annually, quarterly or monthly as Declarant or the Board, as applicable, shall determine, on or before the first day of the month of the applicable payment period. If paid other than annually, then the semi-annual, quarterly or monthly installments of assessments, as the case may be, shall be rounded upward to the next dollar, and the regular annual amount of the utility assessment shall be automatically adjusted upward by the amount of such rounding. The utility assessment rate shall be uniform as to all Lots; provided, the Board may establish a different rate structure and/or apply surcharges to individual Lots to cover added expenses for swimming pools, spas or similar appurtenances, or due to other factors unique to individual Lots which cause higher water usage or otherwise increase expenses related to the Lots. The utility assessment rate will be based on an estimate of future costs and expenses. Accordingly, if actual costs plus maintenance of reasonable reserves exceed the amount of utility assessments then collected, an interim utility assessment may be assessed by Declarant during the Development Period or the Board thereafter. Interim utility assessments are due and payable within ten days after written notice of the same is given to the Owners of each Lot, or such later date as may be expressly stated in the notice. UNLESS AND UNTIL OTHERWISE DETERMINED AS AFORESAID, THE ANNUAL UTILITY ASSESSMENT RATE IS SIX HUNDRED AND NO/100 DOLLARS ($600.00) PER LOT PER YEAR, AND IS DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR.

(b) Facilities Maintenance and Water Usage. All toilets, faucets (including outside faucets), sinks, dishwashers, washing machines and all other plumbing, water and sewer related facilities which service a Lot and any improvements thereon, including all Owner Utilities as provided in **Section 6.02.3**, must be regularly inspected and property maintained at all times to prevent water leakage,

excess water usage and any other waste of water. Nothing shall be done and no condition shall be permitted which may or does cause water leakage, excess water usage or waste of water. If in the opinion of the Board any violation of this Section may or does exist, the Board may install, or require the Owner of the applicable Lot to install, such devices as may be reasonably required to monitor water usage, may require specific modifications, replacements and/or repairs to specific water related facilities and may take such other action as the Board deems appropriate to prevent water leakage, excess water usage and/or any other waste of water. REGARDLESS OF NEGLIGENCE, EACH OWNER IS OBLIGATED TO PAY, AS A SPECIFIC ASSESSMENT, ALL COSTS, EXPENSES AND ANY OTHER DAMAGES WHICH ARE ATTRIBUTED TO THE OWNER'S LOT REGARDING ANY WATER LEAKAGE, EXCESS WATER USAGE OR WASTE OF WATER, EITHER TO THE ASSOCIATION AS TO ANY SUCH COSTS, EXPENSES OR DAMAGES INCURRED BY THE ASSOCIATION, OR DIRECTLY TO ANY OWNER AS TO ANY SUCH COSTS, EXPENSES OR DAMAGES INCURRED BY ANY OWNER.

(c) Trash Collection Service. If trash collection services are provided through the Association, either as to some or as to all Lots, then as to the Lots receiving such services the water utility assessment shall include all costs and expenses incurred by the Association to provide regular trash collection services to the applicable Lots. Such services may be provided in accordance with ordinances, regulations and/or other requirements of the City of Houston, Texas, and/or in accordance with such contracts and agreement as from time to time entered by Declarant during the Development Period or the Board at any time on behalf of the Association. Such services are not required to include pick-up or removal of large items such as sofas, chairs, dishwashers, refrigerators, stoves, televisions, large amounts of construction or remodeling materials or other items or materials other than normal accumulations of household trash, and to the extent not included all such items must be removed by and at the sole cost of the applicable Owner.

(d) Other Utility or Special Service Assessments. Additional utility or other special services assessments (such as, for example, for cable or satellite television services) may be approved by Declarant during the Development Period, and may be approved thereafter by majority vote of the Owners at any special meeting of Owners called for such purpose. NOTICE OF APPROVAL OF ANY SUCH ASSESSMENT MUST BE FILED IN THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY OF HARRIS COUNTY, TEXAS.

5.06.3 Capitalization Fees. At the time of closing on the sale of each Lot, the purchaser shall pay to the Association a "Capitalization Fee" equal to twenty percent (20%) of the amount of the regular annual assessment then in effect, rounded up to the nearest dollar. The initial Capitalization Fee shall be due and payable as to each Lot upon completion of the initial sale of each Lot (as defined in **Section A2.01** of Exhibit "A" to this Declaration), and at the time of closing on each subsequent sale of the Lot. Buyer must pay the applicable Capitalization Fee unless otherwise agreed between buyer and seller. Capitalization Fees shall be deposited in the Maintenance Fund, and may be used by the Association for general operations, funding of any reserves or as otherwise determined by the Board. Capitalization Fees are non-refundable and shall not be deemed in any manner as an advance payment of any other assessments.

5.06.4 Payment; Waiver. Specific assessments are due and payable immediately upon the occurrence of the event giving rise to liability for payment of same. Failure of the Association to impose or collect any specific assessment is not grounds for any action against the Association, or any Director, officer, agent or employee thereof, and does not constitute a waiver of the Association's right to exercise its authority to collect any specific assessments in the future. For good cause shown as determined in the sole opinion of the Board, the Board may waive, wholly or partially, imposition of any specific assessment; provided, any

such waiver is conditioned upon payment in full of all remaining monetary obligations then owed to the Association or receipt of written commitment that same will be paid within a specified period of time.

SECTION 5.07 Lien for Assessments.

5.07.1 Establishment of Lien. All sums assessed against any Lot pursuant to this Declaration, whether by regular, special or specific assessment as provided herein, are secured by a continuing lien on such Lot in favor of the Association.

5.07.2 Perfection of Lien. The recordation of this Declaration constitutes record notice and perfection of the Association's continuing lien, effective from the date of recordation of this Declaration. No further recordation of a claim of lien or other notice of any type or kind whatsoever is required to establish or perfect such lien. To further evidence such lien, the Association may, but is not required to, from time to time prepare and file in the Official Public Records of Real Property of Harris County, Texas, written notice of default in payment of assessments applicable to one or more Lots, in such form as the Board may direct.

5.07.3 Priority of Lien. The Association's continuing lien is superior to all other liens or encumbrances on each Lot except:

(a) a lien for real property taxes and other governmental assessments or charges on a Lot (a "Tax Lien") to the extent so required by law but not otherwise (it being the intent hereof that the Association's continuing lien is superior to any Tax Lien if permitted by law, including as provided in Section 32.05 of the Texas Tax Code);

(b) a first lien securing payment of purchase money for a Lot, or a lien securing payment for work and materials used in constructing improvements on a Lot (a "First Lien") **(i)** as to and only as to assessments (regular, special or specific) the obligation for payment of which accrues from or after the applicable First Lien is duly recorded in the Official Public Records of Real Property of Harris County, Texas, and **(ii)** as to and only to the extent of unpaid sums secured by such First Lien;

(c) an extension of credit (commonly known as a home equity loan) made in accordance with and pursuant to Section 50(a)(6), Article XVI, of the Texas Constitution, as amended;

(d) a reverse mortgage made in accordance with and pursuant to Section 50(a)(7), Article XVI, of the Texas Constitution, as amended; and

(e) such other mortgages, deeds of trust, liens or other encumbrances to which the Board may from time to time by written agreement specifically and expressly agree, subject to such terms and conditions as set forth in the applicable written agreement.

5.07.4 Other Liens. Except as provided in **Section 5.07.3** or as otherwise expressly provided herein, all other Persons acquiring liens or encumbrances on any Lot are deemed to consent that such liens or encumbrances are inferior to the Association's lien for assessments, as provided herein, whether or not consent is specifically set forth in, and notwithstanding any contrary provisions in, any instruments creating such liens or encumbrances.

SECTION 5.08 Effect of Nonpayment of Assessments.

5.08.1 Delinquency Date. Any assessments, regular, special or specific, which are not paid by the due date are delinquent as of midnight of the due date.

5.08.2 Automatic Remedies. Except to the extent otherwise expressly required by law or unless otherwise agreed in writing by the Board, if any assessments are not paid by the due date, then:

(a) late charges, interest from the due date, and all compliance costs (including reasonable attorney's fees), all as set forth in **Section 5.06**, shall be added to and included in the amount of such assessment except as otherwise expressly provided in the Association's current Assessment Collection Policy as provided in **Section 5.09.5** hereof;

(b) the Association may notify any credit bureau and/or any mortgagee or other lienholder with respect to the applicable Lot as to any default under the Governing Documents, including delinquency in payment of assessments and any other monetary amounts due to the Association; and/or

(c) the Association may exercise any other rights and remedies and institute and prosecute such other proceedings as it deems necessary to collect all amounts due.

5.08.3 Elective Remedies After Notice. If any assessments are not paid within thirty days after the due date, then the Association may elect to exercise any or all of the following remedies, in addition to and not in lieu of the automatic remedies as above provided, and without prejudice to any other rights or remedies, provided that notice and opportunity to be heard is first given:

(a) Acceleration of Assessments. The Association may accelerate, through the end of the year in which notice of default and acceleration is given and for an additional six month period thereafter, all regular assessments and all special or specific assessments (including any installment payments) due or to become due during the acceleration period; provided, the maximum period of acceleration may not exceed twelve months after the first day of the month following the month in which notice of default and acceleration is given. All such accelerated assessments are deemed to be specific assessments as to the applicable Lot and Owner thereof.

(b) Suspension of Services. To the fullest extent allowed by law, the Association may suspend until all assessments (including all specific assessments) are paid in full, all rights of the delinquent Owner, the Owner's tenants, and the Related Parties of either, to (i) receive any and all services provided by the Association to the applicable Lot and any improvements thereon, and/or (ii) use, employ or receive the benefits of any other Community Properties and/or Subdivision Facilities, including all rights to use of any and all recreational facilities, if any. Notwithstanding the foregoing, no Owner, Owner's tenant, or any of their Related Parties may be denied any rights of ingress, egress or regress to or from the Subdivision.

5.08.4 Action for Debt; Foreclosure, Including Expedited Foreclosure.

(a) Each Owner, by acquisition of any Lot within the Subdivision or any right, title or interest therein, expressly grants to and vests in the Association **(i)** the right and power to bring all actions against each Owner, personally for the collection of all delinquent assessments as a debt; **(ii)** the right and power to foreclose the Association's continuing lien for assessments by all methods available for the

enforcement of a mortgage, deed of trust or any other contractual lien, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale; and **(iii)** a continuing power of sale in connection with the non-judicial foreclosure of the Association's continuing lien for assessments as herein provided.

(b) The Board or the then President of the Association may appoint, in writing, at any time and from time to time, an officer, agent, trustee, or attorney of the Association (the "Trustee") to exercise the power of sale on behalf of and as the agent of the Association, including without limitation to deliver and file the notices required by Section 51.002 of the Texas Property Code (as amended), and to conduct the sale and to otherwise comply with said statute. The Board or the then President of the Association may, at any time and from time to time, remove any such Trustee and appoint a successor or substitute Trustee without further formality than an appointment and designation in writing. Except as otherwise provided by this Declaration, the Association will exercise its power of sale pursuant to Section 51.002 of the Texas Property Code (as amended). The Association has the right and power to bid on any Lot at any foreclosure sale, either judicial or non-judicial, and to acquire, hold, lease, mortgage, or convey the same.

(c) If directed by the Association to foreclose the Association's continuing lien, Trustee will, either personally or by agent, give notice of the foreclosure sale as required by the Texas Property Code as then in effect, and sell and convey all or part of the applicable property "AS IS", "WHERE IS", and 'WITH ALL FAULTS" to the highest bidder, subject to prior liens, encumbrances and any other matters of record and without representation or warranty, express or implied, by Trustee or the Association. The Association shall indemnify Trustee and hold Trustee harmless from and against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the Association's lien or otherwise pursuant to this Declaration or other Governing Documents, including indemnification for all court and other costs, and attorneys fees incurred by Trustee in defense of any action or proceeding taken against Trustee regarding any of the foregoing.

(d) The filing of suit to collect any sums due hereunder or to foreclose the Association's continuing lien for assessments may never be considered an election so as to preclude exercise of any other rights or remedies, including without limitation foreclosure under power of sale before or after a final judgment. After foreclosure, either judicial or non-judicial, the former Owner and anyone claiming under the former Owner must immediately surrender possession to the purchaser. If not, the former Owner and anyone claiming under the former Owner will be mere tenants at sufferance of the purchaser, and the purchaser may obtain immediate possession pursuant to any actions or remedies permitted by law, including an action for forcible detainer or eviction to be maintainable by the purchaser.

(e) Each owner, by acquisition of any Lot within the Subdivision or right, title or interest therein, specifically covenants and stipulates as to each and every Trustee's foreclosure sale that the recitals in any appointment or designation of Trustee, any conveyance by the Trustee and any affidavit of the Trustee or the Association related thereto shall be full proof and evidence of the matters therein stated, that all prerequisites of the foreclosure sale shall be presumed to have been performed, and that the foreclosure sale made under the powers herein granted shall be a perpetual bar against the Owner(s) of the Lot(s) sold and their heirs, executors and administrators, successors and assigns, and any Persons whatsoever claiming or to claim thereunder.

(f) The provisions of this **Section 5.08.4** are subject to Texas Property Code, Section 209.0092 regarding applications for expedited foreclosure and applicable rules of the Texas Supreme

Court regarding the same. Without limitation of any other provisions of this Declaration or any other Governing Documents, Declarant during the Development Period or the Board thereafter are hereby specifically authorized to amend **Section 5.08** in any manner deemed necessary or appropriate as regarding or to conform to applicable provisions or requirements of the Texas Property Code and/or applicable rules pertaining hereto without the joinder or consent of any Owner or any other Person.

5.08.5 Extinguishment of Inferior Liens. Foreclosure of the Association's continuing lien for assessments terminates, extinguishes and forever discharges all inferior or subordinate liens and encumbrances (being all liens and encumbrances except as provided by **Section 5.07.3)** as to the affected Lot. The foregoing applies to judicial and non-judicial foreclosure of the Association's continuing lien for assessments regardless of whether or not the holder of the inferior or subordinate lien or encumbrance is made a party to or given notice of any proceedings in connection therewith, including without limitation to the fullest extent permitted by law whether or not made a party to or given notice of any judicial foreclosure suit and any other proceedings in connection therewith.

SECTION 5.09 Miscellaneous Provisions.

5.09.1 Effect of Foreclosure or Bankruptcy. The effect of judicial or non-judicial foreclosure of a lien which is superior to the Association's continuing assessment lien under this Declaration, or acceptance of a deed in lieu thereof, and the effect of the discharge of an Owner in bankruptcy is determined as of the date of foreclosure, the date of signing of a deed in lieu which is accepted by the grantee or the date of filing of the bankruptcy in which the Owner is discharged, as the case may be (the "Discharge Date"). Foreclosure or acceptance of a deed in lieu as aforesaid does not relieve the former Owner from the personal obligation for payment of assessments due as of the Discharge Date, but does release the Association's continuing assessment lien as to and only as to assessments due prior to the Discharge Date. The purchaser at foreclosure or grantee under a deed in lieu and an Owner discharged in bankruptcy is also relieved from any obligation for payment of assessments due prior to the Discharge Date, but is obligated to pay all assessments assessed or assessable from and after the Discharge Date and the Association's continuing assessment lien fully secures payment of said assessments. For purposes of the foregoing "assessments assessed or assessable" means **(i)** prorated regular annual assessments based on the number of months remaining in the calendar year in which the Discharge Date occurs regardless of whether the applicable regular annual assessment is payable in advance annually, semi-annually or quarterly, and **(ii)** any installments for special or specific assessments so payable which become due after the Discharge Date.

5.09.2 Revival of Assessment Lien. The Association's assessment lien is automatically revived as to any Owner who reacquires ownership of the applicable Lot within Subdivision within two years after the Discharge Date (as defined in the immediately preceding Section) to the same effect as if none of the events causing the Discharge Date to occur had occurred if ownership is reacquired from the purchaser at foreclosure, the grantee under the deed in lieu of foreclosure, or any successor in title to such purchaser or grantee and the reacquisition of ownership constitutes a fraudulent transfer under Chapter 24 of the Texas Business and Commerce Code or under any other state or federal statutes or laws.

5.09.3 No Merger. The Association's assessment lien is not, by merger or otherwise, extinguished or otherwise effected by acquisition of ownership of a Lot at any time and in any manner by the Association except as otherwise expressly agreed in writing by the Association.

5.09.4 Assessments as Independent Covenant. The obligation to pay assessments is a separate and independent covenant and contractual obligation on the part of each Owner. No off-set, credit,

waiver, diminution or abatement may be claimed by any Owner to avoid or diminish the obligation for payment of assessments for any reason, including, by way of illustration but not limitation **(i)** by nonuse of any Community Properties or abandonment of a Lot, **(ii)** by reason of any alleged actions or failure to act by Declarant, the Association, the Board, the ACC, or any of their Related Parties, whether or not required under this Declaration or other Governing Documents, **(iii)** for inconvenience or discomfort arising from the making of repairs or improvements which may be or are the responsibility of Declarant, the Association, the Board, the ACC, or any of their Related Parties, or **(iv)** by reason of any action taken by Declarant, the Association, the Board, the ACC, or any of their Related Parties, to comply with any law, ordinance, or any order or directive of any governmental authority, or pursuant to any judgment or order of a court of competent jurisdiction.

5.09.5 Assessment Collection Policies. The Association shall adopt assessment collection policies consistent with this Declaration and in accordance with the Texas Property Code, including Sections 209.0059, 209.0062 and 209.0063 of the Texas Property Code. The initial Association Assessment Collection Policy is attached hereto as Exhibit "D" and incorporated by reference herein. Declarant during the Development Period and the Board at any time may from time to time amend the said policies.

SECTION 5.10 Declarant Authority and Exemption as to Assessments. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, ALL PROVISIONS SET FORTH IN EXHIBIT "A" HERETO APPLY REGARDING DECLARANT'S AUTHORITY AND EXEMPTIONS AS TO ASSESSMENTS.

Article VI
Maintenance; Casualty Losses

SECTION 6.01 Association Maintenance Responsibilities.

6.01.1 General. The Association will maintain, repair and replace the Community Properties, including all Subdivision Facilities, and keep the same in good repair. This maintenance includes, without limitation, maintenance, repair, and replacement of all landscaping, irrigation and other improvements situated on the Community Properties.

6.01.2 Landscaping.

(a) The Association will mow, trim, edge and otherwise generally maintain all lawn and landscape areas upon each Lot which is located outside the footprint of the residence thereon, and which is visible from any street. Each Owner must provide proper access for all such maintenance by the Association as provided in **Section 6.01.4**. Without limitation of the Association's right to require and enforce compliance with the foregoing, any Owner who does not provide such access must properly perform the maintenance at such Owner's sole cost and expense (and all other maintenance required by this Declaration, including as required by **Section 6.02**). Maintenance by the Association will include general fertilization, and insect and disease control. Except as otherwise herein expressly provided, maintenance by the Association will not include (i) any type of treatment or control as to termites, carpenter bees or any similar type of wood infestation or other infestations not specific to ordinary landscape maintenance (such as, for example but without limitation, treatment or control as to wasp or bee hives, mice, rats, squirrels or any other type of rodent, vermin or pests), or (ii) any exotic landscaping installed by any Owner (whether or not approved), or any flower beds or similarly landscaped areas or any trees or shrubbery, all of which must be maintained by the Owner of each Lot, or (iii) any other maintenance substantially greater than as generally provided throughout the Subdivision.

(b) Except as otherwise herein expressly provided, the obligations of the Association pursuant to this **Section 6.01.2** are limited to general and routine maintenance of lawn and landscape areas as above provided. Specifically, but without limitation of the foregoing, replacement of any lawn or landscaping, irrigation system and any other improvements upon each Lot due to disease, freezing, hail, hurricane or any other storm, or due to any other weather conditions, or which may be caused or necessitated by any other cause or condition, or for any other reason, is the sole responsibility of the Owner of each Lot.

(c) The Association may replace any lawn or landscape area which is located upon a Lot and which is maintained by the Association, but all costs thereof shall be specifically assessed to the applicable Owner. The Association may also maintain, repair and/or replace such other lawn and landscape areas in such manner and to the extent as from time to time approved by Declarant during the Development Period or the Board at any time, and may specifically assess all costs thereof to the applicable Owner or Owners. Without limitation of any other provisions hereof, no landscaping shall be removed from or added to, and nothing else shall be done within, any area maintained by the Association which may or does increase the Association's cost of maintenance without the prior written approval of Declarant or the Board. Whether or not approved, the Association may specifically assess any such added cost of maintenance to the responsible Owner(s).

(d) DECLARANT DURING THE DEVELOPMENT PERIOD AND THE BOARD THEREAFTER HAVE FULL AUTHORITY TO EXPAND, MODIFY, REPLACE, REMOVE OR IN ANY OTHER MANNER CHANGE ANY AND ALL LANDSCAPING MAINTAINED BY THE ASSOCIATION, INCLUDING ANY SUCH LANDSCAPING LOCATED UPON ANY LOT. IT IS EXPRESSLY STIPULATED AND AGREED THAT THE ASSOCIATION DOES NOT REPRESENT, GUARANTEE OR WARRANT THE VIABILITY, TYPE, QUALITY, QUANTITY OR CONTINUED EXISTENCE OF ANY LANDSCAPING WITHIN OR IN THE VICINITY OF THE SUBDIVISION, INCLUDING ANY LANDSCAPING LOCATED UPON ANY LOT, AND NO OWNER OR OTHER PERSON SHALL EVER HAVE ANY CLAIM WHATSOEVER AGAINST DECLARANT OR THE ASSOCIATION, OR ANY OF THEIR RELATED PARTIES REGARDING, DIRECTLY OR INDIRECTLY, ANY LANDSCAPING.

6.01.3 Other Facilities or Services. The Association shall maintain such other properties, real or personal, and such other facilities, services and improvements as may be required by governmental authorities, any municipal utility districts or other utility providers, any special tax and development districts, and any other similar governmental entities with the authority to require any such maintenance, such maintenance to be in accordance with applicable contracts, agreements, ordinances, rules, regulations and decisions of such authorities. Declarant is specifically authorized to enter any such contracts or agreements on behalf of the Association, and to bind the Association thereto, and Declarant may amend this Declaration at any time either during or after the Development Period to the extent it deems necessary by reason of any such contracts or agreements. The Owners may also approve providing of other Subdivision Facilities, including other services to be provided through the Association, and including special service assessments as provided in **Section 5.06.2**, by majority vote at any special meeting of the Owners called for that purpose.

6.01.4 Access; Cooperation. Each Owner, tenant and their Related Parties must afford to the Association and its Related Parties access upon, above, under and across the Owner's Lot and must otherwise fully cooperate with the Association and its Related Parties to the fullest extent reasonably necessary for any maintenance, repair, reconstruction or replacement by the Association as permitted or

required by this Article, this Declaration or any other Governing Documents. Without limitation of the foregoing, each Owner, tenant and their Related Parties must promptly comply with all policies, decisions and directives of Declarant or the Association as to access and in all other respects as is reasonably necessary for the Association to promptly and properly perform any such maintenance, repair, reconstruction or replacement.

6.01.5 Owner's Liability for Payment of Association Costs. Each Owner, tenant, and their Related Parties, are expressly prohibited from doing anything which could or does **(i)** increase the Association's costs of insurance or result in cancellation or diminution in insurance coverage, **(ii)** cause damage to any Community Properties, including any Subdivision Facilities, or **(iii)** increase costs of maintenance, repair, replacement, management, operation or discharge of any other obligations of the Association regarding the Community Properties, including any Subdivision Facilities, or any other areas maintained by the Association. Regardless of availability of insurance coverage, the Association may charge to each responsible Owner, as a specific assessment, all increased costs and all other damages resulting, directly or indirectly, from the acts or omissions of an Owner, tenants, or their Related Parties, in violation of the foregoing provisions.

SECTION 6.02 Owner Maintenance Responsibilities.

6.02.1 General; Interior Maintenance. Except as otherwise herein expressly provided, all maintenance, repair and replacement of and as to each Lot and all improvements thereon is the sole responsibility of the Owner thereof. Each Owner must maintain their Lot and all improvements thereon at all times in such manner as to obtain and maintain Prevailing Community Standards on a continuing basis 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. Without limitation of the foregoing, each Owner must properly maintain, at each Owner's sold cost and expenses, the interior of the Owner's residence and garage, including all fixtures, equipment, appliances, things and devices located therein. MAINTENANCE WHICH AFFECTS THE EXTERIOR APPEARANCE OF A RESIDENCE OR GARAGE IS SUBJECT TO APPLICABLE PROVISIONS OF ARTICLE IV REGARDING ARCHITECTURAL CONTROL COMMITTEE APPROVAL.

6.02.2 Residences and Other Improvements. Each Owner shall maintain the exterior of each Owner's residence, garage, and all other buildings, structures, fences, walls, recreational equipment and improvements located upon each Owner's Lot, in an attractive, sound and well maintained condition, including proper maintenance and repair as needed of paint, bricks, siding, roofs, exterior walls, driveways, parking areas and all other exterior portions of the Owner's residence and garage. Without limitation of the foregoing, each Owner shall provide proper repair and maintenance as and when needed as follows (the term "residence" includes garage, as applicable):

(a) The exterior paint on each Owner's residence must be maintained so that no portion thereof peels, scales or cracks excessively, and all painted portions remain neat and free of mildew and discoloration. NO CHANGE IN THE EXTERIOR COLOR SCHEME OF A RESIDENCE AS ORIGINALLY CONSTRUCTED (INCLUDING AS TO THE ORIGINAL EXTERIOR PAINT COLOR OR COLORS OR THE CONFIGURATION OF THE COLORS) IS PERMITTED WITHOUT PRIOR WRITTEN APPROVAL FROM THE ACC.

(b) The windows must be maintained so that no caulking thereon is chipped or cracked and no window panes are cracked or broken. All windowsills, door jams and thresholds, framing and

trim for all windows and exterior doors and all hinges, latches, locks and all other hardware which are part of and/or necessary to the proper functioning of all windows and exterior doors must be maintained so that all remain whole, sound, in a neat and attractive condition and fully operational.

(c) All exterior doors, including garage doors, must be maintained, repaired, replaced and/or repainted as needed to prevent an unkept or unsightly appearance, to prevent leaning or listing, and such as to maintain same in proper working condition, including replacement as needed of damaged or dented garage door panels and any cracked or broken glass in any door.

(d) All exterior surfaces on each Owner's residence, including siding, brick, stone and stucco, as applicable, must be properly maintained at all times.

(e) All exterior surfaces of each Owner's residence, including the roof and all walls, windows and exterior doors, must be periodically cleaned as needed to prevent mold, mildew or other discoloration.

(f) The roof on each Owner's residence must be maintained to prevent sagging, to prevent leaks, so that all shingles, tiles or slates are properly secured, curled shingles or damaged shingles, tiles or slates are replaced and no worn areas or holes are permitted to remain, and such that the structural integrity and exterior appearance of the roof is maintained. The appearance of the roof shall not be changed by any such maintenance without the express written approval of the ACC.

(g) The rain gutters and downspouts on each Owner's residence, if any, must be maintained so that all are properly painted or treated to prevent rust and corrosion, are properly secured to roof, eaves, gables or exterior walls (as the case may be), are maintained without holes, and are promptly repaired or replaced if dented or otherwise damaged.

(h) All concrete areas on each Owner's Lot, including sidewalks and driveway, must be maintained so that all cracks are appropriately patched or surfaced as they appear, expansion joints are maintained, repaired or replaced, as needed, and oil, grease and other stains are removed as they appear, and all such areas must be kept free of weeds, grass or other vegetation.

(i) All fences or walls erected on each Owner's Lot must be maintained to prevent any listing or leaning, and all broken or damaged members and all holes and cracks must be repaired so that no portion thereof is permitted to rot or decay, and as otherwise provided in **Section 8.06**. PAINTING OR STAINING OF WOODEN FENCES IS PROHIBITED UNLESS APPROVED IN WRITING BY THE ACC.

(j) All recreational equipment, which may be installed if and only if approved by the Architectural Control Committee, must be maintained to prevent any unsightly or unkept condition, including for example but without limitation, proper maintenance of swing sets to prevent rust and corrosion, and proper maintenance of basketball goals to prevent rust and corrosion and by replacement as needed of torn or worn nets.

6.02.3 Utilities.

(a) Save and except to the extent the Association is expressly required by this Declaration to provide such maintenance or to the extent maintenance of any Owner Utilities is provided and actually performed by any governmental entity or utility company:

(i) the Owner of each Lot must maintain, in proper working order and on a continuing basis, and must properly repair and replace as needed all sanitary sewer lines and facilities, drainage or storm water lines and facilities, water pipelines, water sprinkler system, water meters and related water lines and facilities, electrical and gas lines, meters and facilities, telephone and any other telecommunication lines, devices or facilities, and all other facilities, utilities and services which service each Lot (the "Owner Utilities"), regardless of the location of the Owner Utilities; and

(ii) utilities which service more than one Lot must be maintained, repaired and replaced by all of the Owners of the multiple Lots served, pro rata, or in such other proportions as determined by the Board upon written request when the circumstances clearly demonstrate that a different manner of allocation is required. The Association may provide maintenance, repair and/or replacement regarding any Owner Utilities to the extent and in such manner as from time to time determined by the Board, but all costs thereof shall be specifically assessed to the applicable Owner(s).

(b) UTILITY LINES, DEVICES AND RELATED FACILITIES FOR OWNER UTILITIES WHICH SERVICE EACH LOT MAY BE LOCATED UPON MULTIPLE LOTS AND/OR COMMUNITY PROPERTIES BY OR WITH THE CONSENT OF DECLARANT DURING THE DEVELOPMENT PERIOD OR THE BOARD THEREAFTER. ALL SUCH UTILITY LINES, DEVICES AND RELATED FACILITIES ARE DEEMED TO BE A PART OF THE OWNER UTILITIES FOR THE APPLICABLE LOT OR LOTS SERVICED BY SAME. SUBJECT TO APPLICABLE PROVISIONS OF **SECTION 9.03** REGARDING NOTICE, DURATION, USAGE AND RESTORATION, EACH LOT AND THE COMMUNITY PROPERTIES ARE SUBJECT TO BLANKET EASEMENTS FOR PURPOSES OF CONTINUING MAINTENANCE OF ALL SUCH UTILITY LINES, DEVICES AND RELATED FACILITIES, INCLUDING REGARDING "A/C UNITS" AND AS OTHERWISE PROVIDED IN **SECTION 9.05**, AND FOR MAINTENANCE, REPAIR, RECONSTRUCTION AND REPLACEMENT OF SAME BY THE APPLICABLE OWNER AND SUCH OWNER'S RELATED PARTIES.

6.02.4 Landscaping. All grass, shrubbery, trees, flower beds, vegetation and all other landscaping, either natural or artificial, on each Lot which is not maintained by the Association must be properly irrigated and otherwise properly maintained by and at the sole cost of the Owner of each Lot at all times in accordance with the seasons as reasonably necessary to obtain and maintain on a consistent and continuing basis a sanitary, healthful and attractive condition and appearance and to eliminate any condition which may create any unsanitary condition or become a harborage for rodents, vermin or other pests, including without limitation regular mowing and edging of grass, and, if any grass or shrubs become diseased or die, prompt replacement thereof with grass or shrubs of like kind and quality. IN ANY CASE WHERE A LOT ABUTS A STREET, THE OWNER SHALL IRRIGATE AND MAINTAIN ALL LANDSCAPING TO THE STREET CURB REGARDLESS OF WHETHER THE LOT LINE IN FACT EXTENDS TO THE STREET CURB, IF AND TO THE EXTENT ANY SUCH AREA IS NOT MAINTAINED BY THE ASSOCIATION.

6.02.5 Annual Observations and Maintenance. Without limitation of an Owner's obligation for continuing maintenance as otherwise provided herein, each Owner is responsible for conducting at least annual observations and inspections of the Owner's Lot and all improvements thereon to ascertain all

maintenance and other work needed to obtain and maintain Prevailing Community Standards, including full compliance with this **Section 6.02.** The observations and inspections must include without limitation **(i)** foundations and flatworks, **(ii)** roofs, **(iii)** all wood works, including window and door frames, and **(iv)** all guttering, downspouts, grading and all other matters needed to ensure positive drainage from foundations to promote rapid runoff, to avoid collecting ponded water near any structure which could migrate down any soil/foundation interface and to minimize infiltration of water from rain and lawn watering, and to prevent drainage from one Lot to another Lot or to Community Properties. Each Owner must promptly perform all work which each annual observation and inspection indicates is reasonably necessary.

6.02.6 Adjacent or Adjoining Owners. No Owner or their tenant will allow any condition to exist or fail or neglect to provide any maintenance which materially and adversely affects any adjoining or adjacent Lot, any Community Properties, or any improvements on any such Lot or the Community Properties.

6.02.7 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 must first obtain the written consent of the ACC as to same. All such work 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 ACC, or by the Association at the reasonable expense of the Owner. If the Association performs the work at the expense of the Owner, the ACC may require a security deposit or advance payment of all of the estimated expenses which the Owner must pay upon demand. Such indebtedness will be added to and become a part of the specific assessment to which such Owner and the Owner's Lot are subject, and is secured by the continuing lien hereby established against such Owner's Lot.

6.02.8 Dispute Resolution Among Owners.

(a) Any disputes among Owners regarding any rights or responsibilities pursuant to this Article may be submitted in writing to the Board. The Board also has full authority to direct submission of any dispute to the Board in writing. After notice and opportunity to be heard, the Board has full authority to resolve all such disputes, and its decisions as to same are final. The Board's authority includes without limitation the right and authority (i) to direct the completion of any maintenance, repair or replacement and to allocate costs thereof among the disputing Owners, **(ii)** to authorize one of the disputing Owners or a third party to control the completion of the maintenance, repair or replacement, **(iii)** to order the disputing Owners to mediation or arbitration through a county dispute resolution center or similar organization or under the Rules of the American Arbitration Association, and **(iv)** to allocate among the disputing Owners all costs of the maintenance, repair or replacement and all costs (including attorney's fees) incurred in the dispute resolution process.

(b) Each disputing Owner must pay their allocated share of compliance costs (including attorney's fees) within thirty days after receipt of a statement for payment thereof. A final costs statement may be submitted by the Board or may be submitted by disputing Owners to the Board for resolution as above provided. If any Owner fails to pay their allocated costs as aforesaid, all such costs shall automatically be assessed as a specific assessment against the defaulting Owner as provided in **Section 5.06.** If one Owner has prepaid allocated costs of another and the prepaid sum is later collected by the Association, that sum (without interest if any) will be reimbursed to the Owner who prepaid same. All rights and remedies under this Section are cumulative.

SECTION 6.03 Right of Entry and Inspection; Owner's Default. In the event the Board or ACC determine that (i) an Owner may have or has failed or refused to discharge properly the Owner's maintenance obligations as provided in this Article, or (ii) the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder may have or has been caused through the willful or negligent act or omission of an Owner, the Owner's tenants, or their respective Related Parties, then the Board or ACC may conduct inspections of any affected Lot, the exterior of the residence and all other buildings thereon, and all other structures and improvements thereon (a "Compliance Inspection") and/or perform the repair, replacement or maintenance (the "Required Work") in accordance with this Section. The Board or ACC must give written notice of intent to conduct a Compliance Inspection and/or to perform Required Work. The notice may be given by posting on the front door of the residence at the applicable Lot regardless of any other address maintained by the Owner, or in any other manner permitted by **Section 10.05.** Except in the case of an "emergency" (as defined in **Section 9.03.2**), the notice shall give the applicable Owner ten days to schedule a Compliance Inspection and/or perform Required Work (or to commence and thereafter proceed with diligence to completion of Required Work which cannot be reasonably completed in ten days), failing which the Board or ACC may proceed without further notice. In the case of an emergency the Board or ACC may proceed immediately with any Required Work required to abate the emergency but shall thereafter proceed as aforesaid. All costs and expenses of conducting a Compliance Inspection as to which a violation is determined to exist and all costs and expenses of Required Work performed by the Board or ACC shall be assessed against the applicable Lot and the Owner thereof as a specific assessment which must be paid within ten days after notice of same is given to the applicable Owner. The good faith determination by the Board or ACC as to the need for a Compliance Inspection and as to all aspects of Required Work is final and conclusive, and extends to any thing or condition as to such Lot or which adversely affects any other Lot or Community Properties. The Association, the Board or ACC and their Related Parties are not liable for trespass or any other tort or claim for damages in connection with any actions or failure to act pursuance to this Section.

SECTION 6.04 Casualty Losses - Association Responsibilities. Except as hereafter provided, in the event of damage by fire or other casualty to the Community Properties or regarding any other matters as to which the Association has an obligation to maintain pursuant to this Declaration or other Governing Documents, or if any governmental authority requires any repair, reconstruction or replacement as to same, the Association must perform all repairs, reconstruction or replacement necessitated thereby (the "Casualty Work"). The Casualty Work must be such as will substantially restore the Community Properties to its condition prior to the casualty or as required by the governmental authority. Any insurance proceeds payable as to the Casualty Work must be paid to the Association. Except for Casualty Work which is required by any governmental authority, the Owners may agree not to perform any Casualty Work. Any decision not to perform Casualty Work must be submitted to the Owners at a special meeting of Members called for that purpose, and must be approved by affirmative vote of the Owners of not less than a majority of all Lots then contained in the Subdivision.

SECTION 6.05 Casualty Losses - Owner Responsibilities.

6.05.1 Required Repair; Permitted Removal. Whether or not insured, in the event of damage, casualty loss or other destruction to all or any portion of a residence, garage, building, structure or other improvement (a "Damaged Improvement") (i) any Damaged Improvement other than a Townhouse must be repaired, reconstructed or replaced in its entirety, or it must be demolished and removed as hereafter provided, and (ii) a Townhouse, including its appurtenant garage, must be repaired, reconstructed or replaced, provided that, if all Townhouses in a single building are substantially destroyed, if all Owners of those Townhouses consent, and if approval by majority vote (including the vote of the consenting Owners) at a special meeting

of Owners called for such purpose, then the building and all Townhouses contained therein may be demolished and removed as hereafter provided.

6.05.2 Manner of Repair or Removal. All repair, reconstruction or replacement of any Damaged Improvement must be performed in such manner as to restore the Damaged Improvement to substantially the same exterior dimensions and appearance (including as to color, type and quality of materials and architectural style and details) as, and must be located in substantially the same location as, when the Damaged Improvement was originally constructed, or to such other appearance and condition as approved by the ACC. In the case of demolition and removal, the Damaged Improvement must be removed in its entirety, including removal of any foundation, and all other restoration work performed, including grading and sodding, as is required such that after demolition and removal Prevailing Community Standards are maintained as determined by the ACC.

6.05.3 Time Limits. All work regarding a Damaged Improvement must be completed within one hundred twenty days as to a Townhouse, including appurtenant garage, and within sixty days as to any other Damaged Improvement, after the date of occurrence of the damage, casualty loss or other destruction; or, where such work cannot be completed within the applicable period of time, the work must be commenced within such period and completed within a reasonable time thereafter. In all events, all such work must be completed within one hundred eighty days as to a Townhouse, including appurtenant garage, and within ninety days as to any other Damaged Improvement after the date of occurrence of the damage, casualty loss or other destruction unless, for good cause shown, a longer period is approved by the ACC.

6.05.4 Utilities. Notwithstanding any other provisions hereof to the contrary, and whether or not insured, any damage or destruction to utility lines or other facilities which disrupt or interfere with utility services to any other Lot, Townhouse or Subdivision Facilities must be repaired or replaced as soon as practical. All due diligence must be exercised to complete all such repairs or replacements, including installation of temporary utility lines or other temporary facilities pending completion of the repairs and/or replacements if necessary to prevent disruption of utility services to any other Lot, Townhouse or Subdivision Facilities.

6.05.5 ACC Approval Required. The provisions of **Article IV** apply to all work and to any other activities pursuant to the requirements of this Section.

SECTION 6.06 Owner Insurance.

6.06.1 General. The Owner of each Lot must maintain personal liability insurance and all-risk property and casualty insurance as required by this Section, and of such types and forms, in such amounts and with such deductibles, limits and other terms as from time to time established by applicable Rules and Regulations. In order to more fully effectuate the provisions hereof, the Board is also specifically authorized by applicable Rules and Regulations to alter, amend, repeal or revise any provisions of this Section (including all subparts) without the joinder or consent of any Owner or any other Persons. NOTWITHSTANDING THE FOREGOING OR ANY OTHER PROVISIONS OF THIS SECTION, THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS **(I)** OBTAINING OF LIABILITY AND PROPERTY INSURANCE REGARDING AND FOR EACH LOT AND ALL IMPROVEMENTS THEREON (INCLUDING RESIDENCES AND APPURTENANT STRUCTURES AND THE CONTENTS THEREOF) IS THE SOLE RESPONSIBILITY OF THE OWNER THEREOF, **(II)** DECLARANT, THE ASSOCIATION, THE BOARD AND THEIR RELATED PARTIES MAKE NO REPRESENTATION WHATSOEVER THAT THE LIMITS OR FORMS OF INSURANCE REQUIRED BY THIS SECTION OR THAT COMPLIANCE IN ANY

OTHER RESPECT WITH THE PROVISIONS HEREOF WILL BE ADEQUATE FOR ANY PURPOSE, AND **(III)** DECLARANT, THE ASSOCIATION, THE BOARD AND THEIR RELATED PARTIES HAVE NO OBLIGATION WHATSOEVER TO CONFIRM COMPLIANCE BY ANY OWNER WITH ANY PROVISIONS OF THIS SECTION, OR TO ACT ON BEHALF OF ANY OWNER AS TO OBTAINING OF ANY INSURANCE OR OTHERWISE COMPLYING WITH ANY PROVISIONS OF THIS SECTION OR TO OTHERWISE ASSUME ANY RESPONSIBILITY REGARDING THE FOREGOING.

6.06.2 Required Coverage. At a minimum, the Owner of each Lot must obtain property insurance to insure the residential dwelling thereon, and all fixtures, equipment and other improvements pertaining thereto. Said dwelling coverage must be on a current replacement cost basis in an amount of not less than ninety percent (90%) of the insurable value against risks of loss or damage by fire and other hazards as are covered by standard extended all-risk coverage, with demolition endorsement (or equivalent), and must include coverage against **(i)** fire and lightning, **(ii)** smoke, **(iii)** windstorm, hurricane and hail, **(iv)** explosion, **(v)** aircraft and vehicles, **(vi)** vandalism, malicious mischief and theft, **(vii)** riot and civil commotion, **(viii)** collapse of building in whole or in part, **(ix)** accidental discharge, leakage or overflow of water or steam from within a plumbing, heating or air conditioning system or household appliance, **(x)** falling objects, **(xi)** freezing and **(xii)** flood insurance, if applicable.

6.06.3 Coverage Periods, Policy Provisions. Dwelling coverage as required by this Section must be obtained effective as of the date of acquisition of ownership by an Owner, and must remain continuously in effect through the date of acquisition of ownership by each succeeding Owner. Each policy must to the extent obtainable **(i)** waive any rights of the insurer to subrogation against Declarant, the Association and their Related Parties, **(ii)** provide primary coverage in the event of any other coverage under other insurance carried by Declarant, the Association or their Related Parties, and **(iii)** upon written request by the Association, provide that the insurer may not cancel or refuse to renew the policy until at least thirty days written notice is given to the Association.

6.06.4 Proof of Coverage; Default. At the time of acquisition of any and all coverage required by this Section or applicable Rules and Regulations and at the time of each renewal, a policy declaration signed by the insurer and setting forth the types of coverage, endorsements, deductibles and limits must be delivered to the Association. In addition, at any other time the Board deems appropriate and upon not less than five days written notice, the Board may require any Owner to provide to the Association proof of insurance as required by this Section and any applicable Rules and Regulations in such manner and form as the Board may require. If in the sole opinion of the Board satisfactory proof of insurance is not provided, the Association may obtain (but has no obligation whatsoever to obtain) the required coverage on behalf of the Owner and assess as a specific assessment all premiums and all other costs and expenses related thereto to the defaulting Owner.

SECTION 6.07 Association Insurance. To the extent reasonably available, the Association shall maintain property insurance on all insurable Community Properties insuring against all risk of direct physical loss commonly insured against, including fire and extended coverage, in a total amount of at least eighty percent of the replacement cost or actual cost value of the insured property, comprehensive liability insurance, including medical payments insurance, libel, slander, false arrest and invasion of privacy coverage, and errors and omissions coverage, in amounts determined by the Board and covering all occurrences commonly insured against for death, bodily injury, and property damage, and such other insurance as the Board deems appropriate. The Board shall determine appropriate deductibles for all insurance policies. THE ASSOCIATION, THE BOARD, THE ACC AND THEIR RELATED PARTIES ARE NOT LIABLE FOR FAILURE TO OBTAIN ANY INSURANCE COVERAGE OR TO OTHERWISE COMPLY WITH ANY

OTHER PROVISIONS OF THIS **ARTICLE VI** REGARDING SAME IF SUCH FAILURE IS DUE TO UNAVAILABILITY OR TO EXCESSIVE COSTS AS DETERMINED IN THE SOLE GOOD FAITH OPINION OF THE BOARD, OR FOR ANY OTHER REASON BEYOND THE REASONABLE CONTROL OF THE BOARD. The Board is specifically authorized from time to time to adopt and amend policies, procedures and any other Rules and Regulations to more fully effectuate the purposes and intent of the provisions of this **Article VI.**

SECTION 6.08 Dampness and Humidity. OWNERS AND OCCUPANTS ARE ADVISED THAT THE CONTINUED PRESENCE OF MOISTURE ON COMPONENTS OF THE RESIDENCE (FROM LEAKS, CONDENSATION, SPILLS, ETC.) CAN CAUSE THE PROPAGATION OF MOLD, WHICH MAY CAUSE ALLERGENIC REACTIONS AND OTHER HEALTH PROBLEMS IN SOME INDIVIDUALS. EACH OWNER AND THEIR RELATED PARTIES ARE RESPONSIBLE FOR IMPLEMENTING AND MAINTAINING AN INSPECTION AND MAINTENANCE PROGRAM FOR THE IDENTIFICATION AND ELIMINATION OF MOISTURE IN THE RESIDENCE THAT COULD GIVE RISE TO THE GROWTH OF MOLD OR OTHER CONDITIONS DETRIMENTAL TO FUNCTIONING OF THE RESIDENCE OR THE HEALTH OF ITS OCCUPANTS, INCLUDING WITH REGARD TO ANY LEAKS, WET SPOTS OR DAMPNESS BROUGHT ON BY PLUMBING FITTINGS ON APPLIANCES (DISHWASHERS, WASHING MACHINES, ICE MAKERS, ETC.), AND/OR CONDENSATION ON OR ABOUT WINDOWS, DOORS, AND AIR-CONDITIONING DUCTS. ADDITIONALLY, AFTER COMPLETION OF THE INITIAL SALE OF EACH LOT (AS DEFINED IN **SECTION A2.01** OF EXHIBIT "A" HERETO), ALL OWNERS, SHALL PERIODICALLY RUN THE AIR CONDITIONING SYSTEM TO MAINTAIN THE TEMPERATURE OF THE RESIDENCE, WHETHER OR NOT OCCUPIED, AT NO WARMER THAN 78 DEGREES FAHRENHEIT TO MINIMIZE HUMIDITY IN THE RESIDENCE. OWNERS AND THEIR RELATED PARTIES ARE SOLELY RESPONSIBLE AND LIABLE FOR ANY DAMAGES OR PERSONAL INJURIES CAUSED BY FAILURE TO PROPERLY IMPLEMENT OR MAINTAIN THE AFORESAID INSPECTION AND MAINTENANCE PROGRAM. THE ACC IS SPECIFICALLY AUTHORIZED TO ESTABLISH DAMPNESS AND HUMIDITY ARCHITECTURAL GUIDELINES, INCLUDING WITHOUT LIMITATION, STANDARDS AS TO WALL COVERINGS AND PAINTS, AND WITH REGARD TO MAINTENANCE OF AIR SPACE AND AIR MOVEMENT, AND TO REQUIRE SPECIFIC MAINTENANCE AND REPAIR IN CONJUNCTION THEREWITH. WHILE THE FOREGOING ARE INTENDED TO MINIMIZE THE POTENTIAL DEVELOPMENT OF MOLDS, FUNGI, MILDEW, AND OTHER MYCOTOXINS, EACH OWNER UNDERSTANDS AND AGREES THAT THERE IS NO METHOD FOR COMPLETELY ELIMINATING THE DEVELOPMENT OF MOLDS OR MYCOTOXINS. DECLARANT MAKES NO REPRESENTATION OR WARRANTIES REGARDING THE EXISTENCE OR DEVELOPMENT OF MOLDS OR MYCOTOXINS, AND EACH OWNER SHALL BE DEEMED TO WAIVE AND EXPRESSLY RELEASE ANY SUCH WARRANTY, CLAIM, LOSS OR DAMAGE RESULTING FROM THE EXISTENCE AND/OR DEVELOPMENT OF THE SAME.

SECTION 6.09 Agreement Relating to Common Walls and Other Shared Structural Components.

6.09.1 Irrevocable Agreement. Each Townhouse will share a wall or walls common to the adjacent Townhouse or Townhouses which separates each Townhouse (the "Common Wall"). Each Owner, by acceptance of an executory contract for conveyance, deed or other conveyance to a Lot, hereby irrevocably agrees each of the provisions of this Section shall govern the use, maintenance, repair, replacement and extension of any and all Common Walls. The provisions of this Section shall apply in like manner, as applicable, to shared roofs and foundations, and to any other shared structural components, and to that extent the term "Common Wall" shall include said roofs, foundations and other shared structural components.

6.09.2 Common Usage. Each Owner acknowledges and agrees that the adjoining Townhouse Owner has full right to use the Common Wall for the insertion of beams or otherwise for support and enclosure; provided, however, that such use may not injure the adjoining Townhouse or impair the Common Wall benefits of support and enclosure to which the adjoining Townhouse is entitled; and further provided that prior written notice of such use is given to the Owner by the adjoining Owner as provided in **Section 3.07.1(b)**. To facilitate such use and for the purpose of erecting, extending, repairing or replacing the Common Wall as may be herein provided, each Owner is licensed by the adjoining Owner to enter upon the adjoining Owner's premises to make necessary excavations or to do all other work necessary to exercise the rights provided in the other provisions of this Article.

6.09.3 Extensions. Both the Owner and the adjoining Owner have the right to extend the Common Wall either horizontally or vertically, or both, and to make such extension of greater thickness of the Common Wall or any extension thereof already built; provided, however, such added thickness may not be placed upon the land of the other Owner without that Owner's consent in writing, and any such addition may not injure the adjoining Townhouse or impair the Common Wall benefits of support and enclosure to which the adjoining Townhouse is entitled; and provided further that prior approval of Owners as provided in **Section 3.03** is obtained. In the event the Common Wall is extended as herein provided, either Owner has the right to use the same for any proper purposes for which the extension may be made to the full extent of the length and height thereof and in the same manner that the Owner is entitled under the provisions hereof to use the Common Wall as originally constructed. In the event the Common Wall is extended as herein provided, the cost and expense of the extension must be borne by the Owner causing it to be made; provided, however, that should the adjoining Owner then use the extension or any portion thereof as a Common Wall, then that adjoining Owner must pay to the other Owner, fifty percent (50%) of the cost of the extension or portion thereof used as a Common Wall.

6.09.4 Costs of Repair or Rebuilding. In the event that it becomes necessary to repair or rebuild the Common Wall or any portion thereof as constructed or extended, the cost of repairing or rebuilding the portions of the Common Wall used by both Owners at the time will be at the expense of both Owners in equal shares, and the cost of repairing or rebuilding any remaining portion will be wholly at the expense of the Owner who exclusively uses that portion.

6.09.5 Damage or Destruction. Subject to the next subsection, in the event the Common Wall is totally or partially destroyed by fire or other casualty, the Common Wall must be reconstructed at the expense of both Owners, in equal shares. Such shared expenses shall include all costs of repairs and modifications required in the event of razing and removal of a Townhouse as permitted by **Section 3.04.**

6.09.6 Negligence; Weatherproofing. Notwithstanding any other provisions of this Section, an Owner who by their negligent or willful act causes damages to or destruction of a Common Wall or causes the Common Wall to be exposed to the elements must bear the whole cost of repair and replacement, including furnishing the necessary protection against the elements, and shall otherwise be liable for all damages resulting from same.

6.09.7 Other Shared Components. The Owner of each Townhouse is hereby required to share in the cost of maintenance, repair and replacement of any common roof or foundation, and such other shared components as determined from time to time be determined at a Meeting of Owners. Costs shall be shared, pro rata, based on the relative size of the foundation covered by each Townhouse or the relative size of the roof covering each Townhouse as to maintenance, repair or replacement of a shared foundation, and

as to replacement (including re-shingling) of a shared roof. Costs for maintenance or repair of any portion of a roof which exclusively services only one Townhouse shall be paid by the Owner of the Townhouse so served. The affected Owners by agreement, or the Owners at a Meeting of Owners, may vary the foregoing cost allocations when the circumstances clearly demonstrate a different manner of allocation is required, and may determine allocation of costs as to any other shared components. Owners at a Meeting of Owners are also specifically authorized to adopted Architectural Guidelines regarding any shared components, and to resolve any disputes regarding same. The immediately preceding subsection regarding negligence and any other applicable provisions of this Section also apply to Townhouse shared components.

6.09.8 Duration. The duration of all provisions of this Section extends for a period of time equal to these covenants and restrictions and as long thereafter as reasonably necessary to the use and occupancy of each Townhouse, and constitutes an easement and a covenant running with the land; provided, however, that nothing herein contained shall be construed as a conveyance by either party of any rights in the fee of the land upon which a Common Wall may stand.

6.09.9 Extension of Owners' Access Easement. Notwithstanding any other provisions hereof to the contrary, the blanket access easement as set forth in **Section 3.07.2** is hereby extended to entry to a Townhouse as is necessary to perform needed work as to the Common Wall and other shared structural components, subject however to **(i)** reasonable requirements by the Owner and/or occupant of the Townhouse being accessed to protect the privacy of the occupants and the contents of the Townhouse, and **(ii)** such other rules and regulations as from time to time adopted at a meeting of Owners.

6.09.10 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability of adjacent owners for property damage due to negligence or willful acts or omissions apply to each Common Wall.

SECTION 6.10 Other Townhouse Maintenance.

6.10.1 Sound-Proofing. Owners of each Townhouse and their Related Parties shall exercise reasonable caution to prevent unreasonable sound transmission to adjoining or nearby Townhouses. The ACC is specifically authorized to establish sound transmission Architectural Guidelines as to Common Walls (as defined in **Section 6.08**) and as otherwise deemed appropriate to prevent unreasonable sound transmission, and to require specific maintenance and repairs in conjunction therewith. EACH OWNER ACKNOWLEDGES THAT SOUND TRANSMISSION IN A MULTI-STORY, MULTI-UNIT STRUCTURE IS DIFFICULT TO CONTROL, AND THAT NOISE FROM ADJOINING OR NEARBY TOWNHOUSES AND/OR MECHANICAL EQUIPMENT CAN OFTEN BE HEARD IN OTHER TOWNHOUSES. DECLARANT DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE LEVEL OF SOUND TRANSMISSION BETWEEN OR AMONG TOWNHOUSES. EACH OWNER AND THEIR RELATED PARTIES HEREBY WAIVE AND EXPRESSLY RELEASE DECLARANT FROM ANY SUCH WARRANTY OR ANY CLAIM FOR LOSS OR DAMAGE RESULTING FROM SOUND TRANSMISSION.

6.10.2 Structural Integrity. No Owner of a Townhouse or their Related Parties shall do any act or permit any act to be done in or to any Townhouse which will impair the structural integrity, weaken the support or otherwise adversely affect the Townhouse or building containing the same.

6.10.3 Electrical Devices. No Owner of a Townhouse or their Related Parties shall install or operate within a Townhouse any dishwasher, clothes washer or clothes dryer, or any other appliance or

piece of equipment that has or may have utility requirements exceeding the capacity of any utility system servicing such Townhouse or which may adversely affect any utility system in the project. Misuse or abuse of appliances or fixtures within a Townhouse which affects other Townhouses or any Subdivision Facilities is prohibited. Any damage resulting from such misuse shall be the responsibility of the Owner who caused it. Total electrical usage in any Townhouse shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes. THE FOREGOING SHALL APPLY, AS APPLICABLE, REGARDING ALL LOTS, THE RESIDENCES THEREON, AND THE OWNERS THEREOF AND THEIR RELATED PARTIES.

6.10.4 Exterior Changes Not Permitted. The exterior of each Townhouse shall not be painted or otherwise decorate or change in any manner whatsoever which changes the appearance of any portion of the exterior of the Townhouse, including any balcony exterior, windows or exterior doors, and garage door, without prior written approval obtained in accordance with **Section 3.03** and the prior written consent of the Owner or Owners of all attached Townhouses.

Article VII
Use Restrictions

SECTION 7.01 Residential Use; Group Homes; Treatment Facilities.

7.01.1 General. Each and every Lot is hereby restricted to single family residential use only. No residence may be occupied by more than one single family.

7.01.2 No Business, Professional, Commercial or Manufacturing Use. No business, professional, commercial or manufacturing use may be made of any Lot or any improvement located thereon, even though such business, professional, commercial or manufacturing use be subordinate or incident to use of the premises as a residence, and regardless of whether or not done for profit or remuneration. Notwithstanding the foregoing, a single family residence may be used for maintenance of a personal professional library, keeping of personal or professional records or accounts, or handling personal business or professional telephone calls, or for other business activity, but if and only if such business activity **(i)** is limited to the business of the Owner or the Owner's tenant (but not both), and is secondary to use of the residence as a single family residence, **(ii)** is not detectable by sight, sound or smell from outside the residence, and there is no other external evidence thereof (including signs), **(iii)** does not involve the storage of any equipment, materials or devices which are hazardous or constitute any type of threat to health or safety or other nuisance, and **(iv)** complies with all applicable governmental ordinances (including zoning ordinances), and with any other governmental laws, rules, regulations and permitting or licensing requirements applicable to same.

7.01.3 Residential Use Only. Without limitation of the foregoing, as used in this Declaration the term "residential use" shall be construed to prohibit the use of any Lot or the residence thereon for apartment houses or other type of dwelling designed for multi-family dwelling, or use for or operation of a boarding or rooming house or residence for transients, or the use of any permitted outbuilding as an apartment or residential living quarters.

7.01.4 Single Family Defined. As used in this Declaration the term "single family" means either: **(i)** husband and wife, their dependent children and their dependent parents, grandparents, grandchildren, brothers and sisters who are maintaining a common household and who are members of a single family related by blood, marriage or adoption; or **(ii)** one or more natural persons not so related but who are maintaining a common household in a single family residence on a noncommercial basis with a common

kitchen and dining area; and **(iii)** the bona fide domestic servants of either. "Dependent parents, grandparents and grandchildren" means such relatives who due to physical or mental impairment are not reasonably capable of maintaining, and who do not in fact maintain, a separate residence. Without limitation of the foregoing, "single family" does not include temporary household groups such as persons living together while attending an educational program (such as college), lodgers or boarders, or any other similar temporary or transient living arrangement.

7.01.5 Group Homes; Day-Care Center; Treatment Facilities. To the fullest extent allowed by law, no Lot or any part of the single family residence thereon may be used for the operation of a group home, half-way house, 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 matters. The foregoing does not include a "community home" established and maintained pursuant to and in strict compliance with Chapter 123 of the Texas Health and Safety Code, and all applicable governmental licensing requirements, rules and regulations.

SECTION 7.02 Pets, Animals and Livestock.

7.02.1 Permitted Pets; Leashing Required.

(a) No animals, hogs, horses, livestock, reptiles, fish or poultry of any kind may be raised, bred, kept or maintained on any Lot at any time except "Permitted Pets" which are dogs, cats and other usual and customary household pets. Not more than two Permitted Pets are allowed per Lot unless authorized in writing by the Board or applicable Rules and Regulations, and no Permitted Pets may be raised, bred, kept or maintained for commercial purposes. Subject to **Section 7.04**, the foregoing limitation on the number of Permitted Pets does not apply to hamsters, small birds, fish or other similar usual and customary household animals, birds or fish which are continuously kept completely within a residence, nor shall it apply to require the removal of any litter born to a Permitted Pet prior to the time that the animals in such litter are three months old. Notwithstanding the foregoing, the following are hereby excluded as Permitted Pets and shall not be allowed within any residence, upon any Lot or at any other place within the Subdivision: (i) any dog whose breed is known for its viciousness or ill temper, in particular, the American Staffordshire Terrier, known as a "Pit Bull Terrier", and any dog which in fact exhibits viciousness or ill temper, and (ii) any animal of any kind that has venom or poisonous or capture mechanisms, or if let loose would constitute vermin.

(b) All Permitted Pets must be kept on a leash or carried, and must otherwise be maintained under the control of their owner when outside the owner's residence or when not maintained in an enclosed yard from which the Permitted Pet cannot escape.

(c) Owners of a Permitted Pet must immediately remove and dispose of, in a sanitary manner, feces and any other excretions left by any Permitted Pet at any location in the Subdivision outside of the Owner's Lot. Owners of a Permitted Pet must periodically remove and dispose of, in a sanitary manner, feces and any other excretions left by any Permitted Pet at any location upon the Owner's Lot and/or within the Owner's residence as necessary to prevent any unsafe, unsanitary or odorous conditions. No Permitted Pet shall be allowed to cause or create any nuisance, annoyance, or unreasonable disturbance or noise. Owners must also fully comply with all applicable laws, statutes and ordinances of the City and other governmental agencies regarding each and all of each Owner's Permitted Pets, including without limitation all licensing and vaccination requirements.

(d) The Board may adopt Rules and Regulations to further regulate Permitted Pets, including without limitation a mandatory program for registration of all Permitted Pets with the Association, regulations to further specify types of usual and customary household pets to be included or excluded as Permitted Pets, regulations as to maximum permitted size or weight of any Permitted Pet, regulations as to number or type of animals, birds or fish which may be kept within a residence and/or other conditions or limitations as to same, and regulations as to areas outside a residence where Permitted Pets are permitted or from which they are excluded. NO PETS OF ANY KIND ARE PERMITTED UPON ANY COMMUNITY PROPERTIES EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PERMITTED BY APPLICABLE RULES AND REGULATIONS AND THEN ONLY IN STRICT COMPLIANCE THEREWITH, AND EXCEPT AS TO LEGITIMATE SEEING-EYE DOGS.

7.02.2 Removal. As to any animals or livestock not permitted by this Section, and as to any Permitted Pet which is allowed to roam free, or which in the sole opinion of the Board endanger 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, or which is otherwise raised, bred, kept or maintained in violation of this Declaration or applicable Rules and Regulations, 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 responsible Owner or Owner's tenant and without liability of any kind whatsoever to the Association, including the ACC, their Related Parties, or any Person which the Board may direct to remove any such animal, livestock or Permitted Pet.

SECTION 7.03 Vehicles; Parking.

7.03.1 Prohibited Vehicles; Covers Prohibited. No boat, mobile home, trailer, boat or truck rigging, truck larger than a three-quarter ton pick-up, recreational vehicle, bus, unused vehicle, inoperable vehicle of any kind (including any vehicle requiring same which does not have both a current and valid license plate and current and valid state inspection sticker), no over-sized vehicle, and no unsightly vehicle or vehicle (including without limitation, any motor bikes, motorcycles, motorscooters, go-carts, golf-carts or other similar vehicles) which by reason of noise, fumes emitted, or by reason of manner of use or operation, constitute a nuisance, as may be determined in the sole opinion of the Board, may be parked, stored or kept at any time at any location within the Subdivision, including without limitation upon any street or upon any other part of any Lot, unless such vehicle is stored completely within a garage. "Oversized vehicle" means any vehicle which exceeds in size six feet six inches (6'6") in height, seven feet six inches (7'6") in width, and/or twenty-one feet (21') in length. Use of vehicle covers of any kind (except for vehicles parked completely in a garage) is prohibited.

7.03.2 Prohibited Parking - General. No vehicle of any kind may be parked, stored or otherwise permitted to remain at any time **(i)** on grass or any other similar portion of any Lot or any other place within the Subdivision not intended customarily for use for parking of vehicles, or **(ii)** in a slanted or diagonal manner across any driveway or other designated parking space, or in any other manner other than as is customary for the type of parking space being used, or **(iii)** in such manner as to obstruct or impede sidewalk, driveway or street access or usage, or in such manner that any part of the vehicle extends in to any part of any street or common drive. No Owner or resident is permitted to park or store any vehicle on the Lot of another Owner or resident.

7.03.3 PARKING.

(a) OCCUPANT VEHICLES.

1. IN THIS SECTION (AND THIS DECLARATION), "OCCUPANT VEHICLES" MEANS ANY PERMITTED VEHICLES AS TO EACH LOT WHICH ARE OWNED AND/OR OPERATED BY **(I)** ANY SINGLE FAMILY MEMBER OF THE RESIDENTS OF EACH LOT, AND **(II)** ANY OTHER PERSON VISITING OR STAYING AT THE LOT WHO PARKS THE VEHICLE WITHIN THE SUBDIVISION AT ANY TIME FOR MORE THAN THREE CONSECUTIVE DAYS OR FOR MORE THAN FIVE DAYS IN ANY 30-DAY PERIOD. EXCEPT AS OTHERWISE PROVIDED BY APPLICABLE RULES AND REGULATIONS, "OCCUPANT VEHICLES" INCLUDES ONLY FOUR WHEEL CARS, FAMILY VANS AND SUV'S, AND PICK-UP TRUCKS AS OTHERWISE PERMITTED BY THIS **SECTION 7.03**.

2. NO LOTS WITHIN THE SUBDIVISION WILL HAVE PRIVATE DRIVEWAYS OF SUFFICIENT SIZE TO PERMIT PARKING THEREIN OF ANY OCCUPANT VEHICLES. ACCORDINGLY (i) PARKING OF ANY OCCUPANT VEHICLE IS PROHIBITED IN ANY SUCH PRIVATE DRIVEWAY, AND (ii) AT LEAST TWO OCCUPANT VEHICLES MUST BE PARKED IN THE GARAGE OF THE APPLICABLE LOT BEFORE ANY OTHER OCCUPANT VEHICLE AS TO THAT LOT IS PARKED ON ANY AREA PUBLIC STREET.

3. EXCEPT FOR TEMPORARY PARKING AS HEREAFTER PERMITTED, NO VEHICLE OF ANY KIND MAY BE PARKED OR STORED AT ANY TIME AT ANY LOCATION UPON ANY SHARED DRIVE (AS DEFINED IN **SECTION 2.05**).

4. PARKING OF OCCUPANT VEHICLES UPON AREA PUBLIC STREETS LOCATED OUTSIDE OF THE SUBDIVISION IS PERMITTED, SUBJECT TO APPLICABLE PROVISIONS OF SUBSECTION (2) ABOVE, AND SUBJECT TO THE RIGHT OF APPLICABLE GOVERNMENTAL AUTHORIZES TO RESTRICT OR PROHIBIT THE SAME AT ANY TIME AND FROM TIME TO TIME.

5. THE BOARD MAY (BUT IS NOT OBLIGATED TO) (i) ADOPT RULES AND REGULATIONS TO PERMIT PARKING OF OCCUPANT VEHICLES UPON A SHARED DRIVE WITHIN THE SUBDIVISION TO THE EXTENT DEEMED APPROPRIATE IN GENERAL AND/OR (ii) OTHERWISE PERMIT SUCH PARKING IN INDIVIDUAL CASES TO ACCOMMODATE UNUSUAL CIRCUMSTANCES OR ALLEVIATE UNDUE HARDSHIP. THE BOARD IS ALSO SPECIFICALLY AUTHORIZED TO ADOPT RULES AND REGULATIONS (y) TO LIMIT THE TYPE AND SIZE OF VEHICLES PERMITTED WITHIN THE SUBDIVISION, AND (z) TO OTHERWISE REGULATE TRAFFIC AND PARKING WITHIN THE SUBDIVISION.

(b) GUEST PARKING. NO AREAS ARE EXPECTED TO BE PROVIDED FOR GUEST PARKING WITHIN THE SUBDIVISION, AND GUEST PARKING UPON ANY AREA STREET MAY ALSO BE RESTRICTED OR PROHIBITED. GUEST PARKING WITHIN THE SUBDIVISION IS THEREFORE RESTRICTED TO THE PERMITTED AREAS FOR PARKING OF OCCUPANT VEHICLES AS APPLICABLE TO THE LOT THE GUEST IS VISITING. IF GUEST PARKING IS PROVIDED, AND UNLESS OTHERWISE PROVIDED BY APPLICABLE RULES AND REGULATIONS (i) OCCUPANT VEHICLES MAY NOT BE PARKED IN ANY GUEST PARKING AREA AT ANY TIME, (ii) ONLY GUEST VEHICLES OF THE TYPE DESCRIBED IN **SECTION 7.03.3(a)** MAY

BE PARKED IN ANY GUEST PARKING AREA, (iii) GUEST VEHICLE PARKING IN AVAILABLE GUEST PARKING SPACES IS ON A FIRST-COME, FIRST-SERVE BASIS, AND (iv) NO GUEST VEHICLE MAY REMAIN PARKED IN ANY GUEST PARKING SPACE FOR MORE THAN THREE CONSECUTIVE DAYS, OR FOR MORE THAN FIVE DAYS IN ANY 30-DAY PERIOD.

(c) Temporary Parking. Temporary parking upon a street within the Subdivision (including any Shared Drive as defined in **Section 2.05**) is permitted (i) by Occupant Vehicles, guests and invitees, and by pick-up or delivery services, but solely for purposes of loading and unloading of passengers and cargo, and (ii) by other vehicles in connection with the maintenance, repair or reconstruction of a residence or other improvement. Any such temporary parking is subject to applicable provisions of this **Section 7.03** not inconsistent with this subsection, to such Rules and Regulations as from time to time promulgated by the Board and to other applicable ordinances and laws (such as prohibitions against parking in fire lanes, or in such manner as to block entry to or exit from the Subdivision or any Lots). "Temporary parking" means only for so long a period of time as is reasonably necessary to complete loading, unloading, pick-up or delivery, with such activity commenced promptly after the vehicle is parked and completed promptly thereafter, and only during such period of time as is reasonably required with the exercise of due diligence to commence and complete maintenance, repair or reconstruction. Any parking in excess of twenty consecutive minutes or one hour in any day is presumed not to be temporary. Pick-up or deliveries (such as moving in or out of a residence), or maintenance, repair or reconstruction requiring longer than twenty consecutive minutes or one hour in any day must be coordinated with the Board and/or the Association's Managing Agent, shall be conducted in such manner as to minimize interference with traffic and pedestrian ingress and egress, and shall otherwise be conducted in accordance with directives of the Board and/or Managing Agent and applicable Rules and Regulations. The Board may prohibit very large and/or heavy vehicles which may cause damage to streets from entering the Subdivision, and in all events, each Owner and their tenant, as applicable, is liable for all damages caused to any street or other property by entry into or parking of any such vehicle in the Subdivision at the request of or on behalf of such Owner or tenant.

(d) STREET PARKING AND OBSTRUCTION. WHEN PARKING OF OCCUPANT OR GUEST VEHICLES IS ALLOWED ON ANY STREET, AS ABOVE PROVIDED, THE VEHICLES MUST BE PARKED ALONG THE SIDE OF THE STREET IN FRONT OF, AND ON THE SAME SIDE OF THE STREET OF, THE LOT AT WHICH THE OPERATOR OF THE OCCUPANT VEHICLE RESIDES OR WHICH THE GUEST IS VISITING, OR AS CLOSE THERETO AS CIRCUMSTANCES PERMIT. STREET OBSTRUCTIONS ARE PROHIBITED AS PROVIDED IN **SECTION 7.10**.

(e) RESPONSIBILITIES OF OWNERS AND TENANTS. OWNERS AND THEIR TENANTS MUST OBTAIN FULL COMPLIANCE WITH THE PROVISIONS OF THIS SECTION (INCLUDING RULES AND REGULATIONS ADOPTED PURSUANT TO THIS DECLARATION) BY THEIR RESPECTIVE RELATED PARTIES, AND EACH IS JOINTLY AND SEVERALLY LIABLE FOR ALL VIOLATIONS BY THEIR RESPECTIVE RELATED PARTIES.

(f) NOTICE OF LIMITED PARKING. EXCEPT FOR TEMPORARY PARKING AS ABOVE PROVIDED. PARKING OF VEHICLES WITHIN THE SUBDIVISION IS STRICTLY LIMITED TO PARKING WITHIN THE AREAS AS ABOVE SET FORTH. PARKING ON AREA PUBLIC STREETS MAY ALSO BE LIMITED OR UNAVAILABLE. IN ADDITION, GARAGE SIZES MAY LIMIT AVAILABLE PARKING AS PROVIDED IN **SECTION 8.01.2**. ANY LIMITATIONS AS TO AVAILABLE PARKING UPON ANY LOT, OR ELSEWHERE WITHIN THE SUBDIVISION, OR WITHIN THE AREA, OR AS TO GARAGE SIZE, SHALL NOT CONSTITUTE A BASIS FOR NON-

COMPLIANCE WITH ANY APPLICABLE RESTRICTIONS SET FORTH HEREIN, OR FOR ANY CLAIM OR LIABILITY WHATSOEVER AS TO DECLARANT, THE ASSOCIATION OR ANY OF THEIR RELATED PARTIES. EACH OWNER OR OCCUPANT ASSUMES ALL RISKS REGARDING ANY AND ALL PARKING LIMITATIONS.

7.03.4 Repair, Rental or Sale of Vehicles Prohibited. No work on any vehicle within the Subdivision, including on any street, or on any Community Properties, or on any Lot, may be performed at any time other than temporary emergency repairs or other work required in order to promptly remove an inoperable or disabled vehicle from the Subdivision or to and completely within a garage. Repair work on any vehicle within a garage is limited to occasional minor repairs on Occupant Vehicles (such as oil changes, headlight bulb replacements and similar minor repairs). Extensive or frequent work (such as in connection with an auto repair or racing hobby or profession) on any vehicles, including any Occupant Vehicles, is prohibited. Without limitation of the foregoing and except for the limited purposes expressly permitted by the foregoing, no vehicle repair, rental or sales business or activities of any kind, whether or not for profit, may be conducted at any time at any location upon any Lot or elsewhere within the Subdivision.

7.03.5 Vehicle Defined. Except as otherwise provided in this **Section 7.03**, as used in this Section "vehicle" means a device in, on, or by which a person or property may be transported, including an operable or inoperable automobile, truck, motorcycle, recreational vehicle, trailer, and such other devices as from time to time specified by applicable Rules and Regulations.

7.03.6 Presumptive Violations. Repairs or other work extending over a period exceeding eight hours is conclusively presumed not to be "temporary". Any vehicle is conclusively presumed to be "unused" or "inoperable" if the vehicle has not been operated outside the Subdivision for seven or more consecutive days or the vehicle has not been operated outside the Subdivision more than twice in any fourteen day period. The provisions hereof do not prejudice the right of the Association to otherwise establish a violation. The foregoing provisions do not apply to any vehicle completely stored within a garage. The Board may grant reasonable exceptions to the foregoing upon receipt of written request from an Owner or their tenant.

7.03.7 Towing; Other Remedies. The Board or its designated representative may, after two written warnings, cause any vehicle which is parked, stored or maintained in violation of this Declaration or other Governing Documents, or in violation of any ordinance, statute or other governmental regulation, 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 or tenant), and/or the Owner and/or tenant as to whom such Person is a visitor, guest, invitee or other Related Party. Any such removal may be in accordance with any applicable statute or ordinance, including Chapter 2308 of the Texas Occupations Code, as amended.

7.03.8 LIMITATION OF LIABILITY. DECLARANT, THE ASSOCIATION, THEIR RELATED PARTIES, AND ANY PERSON REMOVING ANY VEHICLE AS HEREIN PROVIDED (THE "INDEMNITEES") HAVE NO LIABILITY WHATSOEVER IN CONSEQUENCE OF REMOVAL OF ANY VEHICLE AS HEREIN PROVIDED. THE PERSON OWNING EACH TOWED VEHICLE (WHETHER OR NOT SUCH PERSON IS AN OWNER) AND THE OWNER AND OWNER'S TENANT AS TO WHOM SUCH PERSON IS A VISITOR, GUEST, INVITEE, OR OTHER RELATED PARTY, SHALL HOLD ALL SUCH INDEMNITEES HARMLESS FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LIABILITIES OR DAMAGES ARISING, DIRECTLY OR INDIRECTLY, AS RESULT OF SUCH REMOVAL. THE PROVISIONS HEREOF ARE CUMULATIVE OF THE PROVISIONS OF **SECTIONS 3.06** and **7.03.3.**

SECTION 7.04 Nuisance; Unsightly or Unkempt Conditions.

7.04.1 General. It is the continuing responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Lot. No Lot may be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition, or that will be obnoxious to the eye. No hobbies or activities which will cause disorderly, unsightly, or unkempt conditions, including without limitation the assembly or disassembly of or repair work on motor vehicles or other mechanical devices, may be performed within the Subdivision. There may not be maintained any plants, animals, devices, thing, use or activities of any sort which in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the residents of the Subdivision.

7.04.2 Nuisance or Annoyance. No substance, thing, or material may be kept upon any Lot 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 occupants of surrounding property. No noxious or offensive trade or activity may be carried on upon any Lot, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or a nuisance to any residents of the Subdivision or to any Person using any property adjacent to the Lot. No spirituous, vinous, malt, medicated bitters, alcohol, drugs or other intoxicants may be sold or offered for sale on any part of any Lot or any other place within the Subdivision. No Lot or any part thereof may be used for any immoral or illegal purposes.

7.04.3 Pollutants; Hazardous Materials. Without limitation of any other provisions of this Section, no Owner or tenant, and Related Parties of either, shall dump grass clippings, leaves or other debris, detergents, petroleum products, fertilizers, or other pollutants or potentially hazardous or toxic substances, in any sewer system, water system, drainage ditch, stream, pond or lake within the Subdivision, or do any thing or maintain or permit any condition in violation of applicable environmental, toxic or hazardous waste or similar laws, rules or regulations. Storage of gasoline, heating or other fuels, or of any hazardous or toxic materials upon any Lot is strictly prohibited (except that up to five gallons of fuel may be stored upon a Lot for emergency purposes and operation of lawn mowers and similar tools or equipment if properly kept and stored in a safe and non-hazardous manner). THE FOREGOING DOES NOT PLACE UPON DECLARANT, THE ASSOCIATION, THE ACC OR ANY OF THEIR RELATED PARTIES ANY OBLIGATION FOR ENFORCEMENT OF ANY APPLICABLE ENVIRONMENTAL, TOXIC OR HAZARDOUS WASTE OR SIMILAR LAWS, RULES OR REGULATIONS.

7.04.4 Sound Devices; Excessive Noise. No exterior speaker, horn, whistle, bell or other sound device shall be located, placed or used upon any Lot or improvement thereon. The foregoing shall not apply to fire or security devices used exclusively for such purpose; provided, such devices must be installed such as not to be visible from any street and otherwise in as inconspicuous a manner as possible. The foregoing also shall not prohibit the placement of not more than two exterior speakers each within an exterior patio area and/or balcony area for purposes of transmitting music or television sources, provided that the volume and video must be maintained so as not to be audible from inside of any adjacent or area residence or otherwise unreasonably audible or visible from outside of the Lots lines of the applicable residence, or to constitute an annoyance or nuisance to any other resident as determined in the sole opinion of the Board, and provided further that no such exterior speakers shall be operated in any area at any time when the Owner, tenant or their Related Parties are not in the area. No stereo, television, speaker, horn, whistle, bell or other sound device shall be operated within, and no other sound emitting activity (such as practice of a band, excessively loud social gatherings and similar activities) shall be conducted within, a residence, garage or other structure which is audible from inside of any closed adjoining or area residence or which is

unreasonably audible outside the Lot lines of the applicable residence, garage or other structure, or which is otherwise an annoyance or nuisance to any other residents as determined in the sole opinion of the Board.

SECTION 7.05 Disposal of Trash. No trash, rubbish, garbage, manure, debris or offensive material of any kind may be kept or allowed to remain on any Lot, nor may any Lot be used or maintained as a dumping ground for such materials. No incinerator may be maintained on any portion of the Subdivision, and disposal of any materials by incineration within the Subdivision is strictly prohibited. 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 ten (10) hours prior to a scheduled pickup day, and all receptacles therefor 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 7.06 Firearms and Fireworks Prohibited. The use of firearms in the Subdivision is strictly prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and small or large firearms of all types. Fireworks of any type are strictly prohibited upon any Lot or at other location within the Subdivision.

SECTION 7.07 Leases.

7.07.1 Restrictions. No Lot may be leased other than for use as a single family residence as herein provided and defined. No Owner may lease a Lot and attendant use of the residence and improvements thereon for transient or hotel purposes. No lease may be for an initial term of less than six months. No Owner may lease less than an entire Lot and attendant use of the residence and improvements thereon. All leases: **(i)** must be in writing; and **(ii)** are specifically subject in all respects to all provisions of this Declaration and all other Governing Documents (whether or not expressly stated in the lease), and any failure by lessee to comply with this Declaration or any other Governing Documents will be a default under the lease.

7.07.2 Default. In the event of default under any lease due to violation of this Declaration or any other Governing Documents, the Board may (but has no obligation to) initiate any proceedings, actions or litigation under the lease to enforce compliance or to terminate the lease and/or for eviction. With regard to the foregoing, each Owner hereby irrevocably appoints the Board or its designated representative as their attorney-in-fact, agrees to indemnification in regard thereto to the fullest extent herein provided (including as set forth in **Section 3.06**) and agrees to be solely responsible for all costs thereof (including as provided in **Section 5.06**). NO PROCEEDINGS, ACTION OR LITIGATION UNDER THIS SECTION OR ANY OTHER PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS SHALL EVER BE CONSTRUED AS AN ASSUMPTION BY THE ASSOCIATION OR ITS RELATED PARTIES OF ANY OBLIGATION WHATSOEVER UNDER ANY LEASE OR REGARDING ANY LEASEHOLD INTEREST, INCLUDING WITHOUT LIMITATION, ANY OBLIGATION REGARDING SECURITY

DEPOSITS, MAINTENANCE AND ANY OTHER OBLIGATIONS PURSUANT TO TITLE 8 OF THE TEXAS PROPERTY CODE, ALL SUCH OBLIGATIONS BEING HEREBY EXPRESSLY DISCLAIMED.

7.07.3 Joint and Several Liabilities. Lessor(s) and lessee(s) are jointly and severally liable for the observance and performance of all of the terms and provisions of this Declaration and all other Governing Documents, including without limitation joint and several liability for all damages, costs and expenses resulting from any violation, by either, or by their respective Related Parties, all fines and assessments imposed hereby and with respect to all other rights and remedies regarding enforcement of this Declaration and all other Governing Documents.

7.07.4 Surrender of Use of Community Properties by Lessor(s). During all periods of time during which a Lot is occupied by lessee(s), lessor(s) automatically surrender all of lessors' rights as an Owner to the use of all of the Community Properties unto such lessee(s), including without limitation all rights of use of recreational facilities. The provisions of this Section do not impair the voting rights of the lessor(s), the right to inspect the leased premises or the exercise of any other rights or remedies customarily reserved for the protection of lessor(s).

SECTION 7.08 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.

SECTION 7.09 Children and Other Dependents.

7.09.1 Supervision; Compliance. All Owners and tenants shall insure that their children and other dependents, and the children and other dependents of any of their Related Parties, are properly supervised at all times, and shall not permit their children or other dependents to engage in any activity or conduct in violation of this Declaration or other Governing Documents. Owners and tenants are liable for all consequences of any lack of supervision or violations.

7.09.2 Notice of Limited Play Area. No play area or equipment intended for children are expected to be constructed, installed or otherwise provided in the Subdivision, and as provided in **Section 7.10** no persons, including children, are permitted to play, loiter or congregate, or roam about in or on any Streets. ACCORDINGLY, NO PLAY AREA OUTSIDE OF THE LOT WHERE A CHILD RESIDES MAY EVER BE AVAILABLE WITHIN THE SUBDIVISION AS A RECREATIONAL OR PLAY AREA, AND IN ANY EVENT THE AVAILABILITY OF ANY SUCH RECREATIONAL OR PLAY AREA WITHIN THE SUBDIVISION WILL BE EXTREMELY LIMITED.

SECTION 7.10 Use of Streets. All streets in the Subdivision, whether public or private, are restricted to use for vehicular ingress, egress and regress, parking of vehicles to the extent otherwise permitted by this Declaration, and incidental pedestrian ingress, egress and regress. No object, thing or device shall be placed, stored, or maintained within or upon any street, and no activities are permitted thereon which would impede or impair the aforesaid intended uses. Without limitation of the foregoing, no street may be used as a play area or for any other recreational use, no toys, barbeque or other cooking equipment, or any recreational equipment shall be placed, maintained or stored within or upon any street, and no persons are permitted to play, loiter, congregate, or roam about within or upon any street. ALL OWNERS AND TENANTS, AND THEIR RELATED PARTIES, ASSUME SOLE RESPONSIBILITY FOR ALL CONSEQUENCES OF ANY VIOLATIONS OF THE FOREGOING, INCLUDING AS TO ALL DAMAGES FOR PERSONAL INJURY

OR OTHERWISE, AND MUST INDEMNIFY AND HOLD DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HARMLESS AS TO ANY AND ALL SUCH CONSEQUENCES.

SECTION 7.11 Mineral Production. No drilling, development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

SECTION 7.12 Rules and Regulations. Declarant during the Development Period and the Board at any time may from time to time adopt and amend reasonable Rules and Regulations, provided that (i) Rules and Regulations may not be enacted retroactively (except that if any use or 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 use or activity thereafter), and (ii) Rules and Regulations will not become effective until filed in the Official Public Records of Real Property of Harris County, Texas, or such later date as stated therein. Notice of adoption or amendment of Rules and Regulations must be given to all Owners within a reasonable time after filing of the same (certification by the Association that proper notice was given in accordance with this Section to be conclusive absent proof of fraud).

Article VIII
Architectural Restrictions

SECTION 8.01 Type of Residence.

8.01.1 Single Family Residence. No building other than one single family residence not to exceed four stories which is to be occupied as a residence by one single family, an appurtenant garage and such outbuildings if and as may be approved in writing by the ACC, may be constructed, placed or permitted to remain on each Lot. Without limitation of the foregoing, the term "single family residence" shall be construed to prohibit duplex houses, garage apartments, apartment houses, and any other multi-family dwelling. The foregoing shall not be construed to prohibit construction of any Townhouse as herein provided.

8.01.2 Garages and Garage Doors.

(a) General. All single family residences must have an enclosed attached or detached garage for parking of not less than two or more than three cars. Each such garage must contain a minimum of three hundred fifty (350) square feet of interior floor space. The garage must be architecturally similar and compatible to the appurtenant residence, including as to roof line and appearance. Except for porte-cocheres, carports on Lots are prohibited. All garages must be enclosed with permanent walls and their fronts enclosed with standard type overhead doors customarily used in the building industry which garage doors must be maintained in good working order at all times. ANY REPLACEMENT GARAGE DOOR MUST BE OF EQUAL OR BETTER QUALITY AND SUBSTANTIALLY THE SAME DESIGN AS THE GARAGE DOOR FOR THE GARAGE AS ORIGINALLY CONSTRUCTED, AND MUST BE PAINTED TO MATCH THE COLOR SCHEME OF THE RESIDENCE AS ORIGINALLY CONSTRUCTED OR A SUBSEQUENT COLOR SCHEME WHICH HAS BEEN APPROVED IN WRITING BY THE ACC. Except for interior modifications of a garage wholly consistent with its use as a garage and which do not alter the use or exterior appearance of the garage as originally constructed, no modification of the interior or exterior of any garage as originally constructed is permitted without prior written approval of the ACC. GARAGE DOORS MUST BE KEPT CLOSED AT ALL TIMES EXCEPT FOR ENTRY AND EXIT OF VEHICLES

OR DURING BRIEF PERIODS WHEN THE GARAGE IS BEING ACTIVELY USED FOR CUSTOMARY PURPOSES.

(b) NOTICE OF SIZE LIMITATION; NO LIABILITY. GARAGES MAY NOT BE OF SUFFICIENT SIZE TO PERMIT PARKING THEREIN OF THE SAME NUMBER OF LARGE VEHICLES AS THE CUSTOMARY DESCRIPTION OF THE GARAGE. FOR EXAMPLE, A "TWO-CAR GARAGE" MAY NOT BE LARGE ENOUGH TO PERMIT PARKING THEREIN OF TWO LARGE SEDANS, TWO SUV'S OR TWO OTHER LARGE VEHICLES. THIS SIZE LIMITATION IS NOT A BASIS FOR NON-COMPLIANCE WITH APPLICABLE PROVISIONS OF THIS DECLARATION OR OTHER GOVERNING DOCUMENTS (INCLUDING APPLICABLE RULES AND REGULATIONS), AND SHALL NOT BE A BASIS FOR ANY CLAIM WHATSOEVER AGAINST DECLARANT OR THE ASSOCIATION, OR THEIR RELATED PARTIES.

8.01.3 New Construction and Continued Maintenance Required. All residences, buildings and structures must be of new construction, and no residence, building or structure may be moved from another location to any Lot without prior written approval of the ACC. All residences, buildings and structures must be kept in good repair, must be painted (as applicable) when necessary to preserve their attractiveness and must otherwise be maintained in such manner as to obtain and maintain Prevailing Community Standards.

8.01.4 Prohibited Homes and Structures. No tent, shack, mobile home, or other structure of a temporary nature shall be placed upon any Lot or elsewhere in the Subdivision. Manufactured homes, industrialized homes, industrialized buildings and any other type of residence, including any garage, which is constructed or assembled other than primarily on site are not permitted on any Lot. No residence, building or structure may be moved from another location to any Lot without prior written approval of the ACC. The foregoing prohibition does not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Lot, provided it receives the prior written approval of the ACC.

SECTION 8.02 Living Area Requirements. The living area (air-conditioned space) for each single family residence shall not be reduced by reconstruction or other modification in any manner to less than the square footage of the living area as originally constructed. Square footage will be measured to the outside of exterior walls (i.e., outside of brick, siding stone, or stucco); stairs and two-story spaces are counted only once. A/C returns, pipe chases, fireplaces and non-structural voids are excluded.

SECTION 8.03 Location of Residence. No single family residence may be located upon any Lot except in accordance with building setback lines shown on any applicable Plat, and as established by this Declaration or applicable governmental requirements. Subject to the foregoing, no part of any residence, garage or other structure shall be located nearer than three feet from any boundary line of any Lot; provided, however, Declarant and only Declarant may locate or approve location of (i) one or more walls of a single family residence or garage on or within one foot of any side Lot line (a "Zero Lot Line"), and/or (ii) two or more Townhouses within a single residential building such that the Common Wall separating the Townhouses is located on a common interior side boundary line of adjacent Lots, and in such event all provisions of this Declaration applicable to Common Walls apply. For the purposes of this Section, eaves, roof overhangs, steps, fireplaces, chimneys, bay windows, unroofed terraces and similar architectural detail which is a part of a permitted residence or garage shall not be considered as part of a residence or garage.Unless otherwise approved by Declarant during the Development Period or the ACC thereafter, each main residence must face the front building line. Unless otherwise approved by Declarant during the Development Period or the ACC thereafter, no patios, pools, spas, decks, storage units, water slides, or playground equipment shall encroach

within five feet of the rear or side Lot lines, and no such encroachment shall be allowed within the front setback.

SECTION 8.04 Construction Standards.

8.04.1 Applicability. Except as may be otherwise authorized in writing by the ACC and in addition to all other applicable requirements of this Declaration and other Governing Documents, initial construction of all single family residences and appurtenant structures must be in accordance with, and such residences and appurtenant structures must thereafter be maintained to the extent applicable in accordance with, the provisions of this **Section 8.04.**

8.04.2 Maximum Period for Completion of Construction. Upon commencement of construction of a single family residence, the work thereon must be prosecuted diligently to the end that the same will not remain in a partly finished condition any longer than reasonably necessary for completion thereof. In any event construction must be substantially completed within nine months after pouring of the slab for a single family residence. The foregoing period will be extended in the event of and only for the duration of delays due to strikes, war, acts of God or other good causes beyond the reasonable control of the Builder or Owner.

8.04.3 New Construction Materials Required. Only new construction materials (except for used brick if approved by the ACC) may be used.

8.04.4 Storage of Materials; Clean-Up. No building materials of any kind or character shall be placed or stored upon any Lot more than thirty days before construction is commenced. Except as otherwise permitted by the ACC, all materials permitted to be placed on a Lot shall be placed within the boundaries of the Lot. Upon completion of construction, any unused materials shall be promptly removed from the Lot and the Subdivision and in any event not later than thirty days after construction is completed.

8.04.5 Drainage.

(a) Drainage Devices. During the Development Period Declarant is hereby specifically authorized to excavate as necessary for and to establish, construct and maintain drainage swales, erosion control systems and such other things and devices (herein referred to as "Drainage Devices") upon, over, across or under any part of the Subdivision, including any Lot, as Declarant deems appropriate to properly maintain and control water drainage and erosion. Declarant may also permit any Authorized Builder to establish, construct and maintain Drainage Devices as aforesaid. Declarant hereby reserves for itself and Authorized Builders a blanket easement upon, over, under and across the Subdivision, including each Lot, for purposes of establishment, construction and maintenance of Drainage Devices as aforesaid; provided, such easement may not be exercised and no Drainage Device may be established, constructed or maintained in any manner as to encroach upon the foundation or any other part of any single family residence or its appurtenant garage. Declarant during the Development Period and the Board thereafter may designate any Drainage Devices as part of the Subdivision Facilities in which case same shall be maintained by the Association. Otherwise, all Drainage Devices shall be maintained by the Owners as hereafter provided. THE FOREGOING SHALL NOT BE CONSTRUED TO OBLIGATE DECLARANT OR ANY AUTHORIZED BUILDER TO ESTABLISH, CONSTRUCT OR MAINTAIN ANY DRAINAGE DEVICES OF ANY TYPE OR KIND WHATSOEVER, AND ANY REPRESENTATION, WARRANTY OR IMPLICATION AS TO SAME IS HEREBY SPECIFICALLY DISCLAIMED.

(b) Encroachments. In the event of encroachment by any Drainage Device, including any overhead and overhanging encroachments and any encroachments which are completely underground, such as for example but without limitation any overhang by gutters or underground drainage lines for such gutters (including downspouts for same), it shall be deemed that the Owner of the Lot encroached upon (or into) has granted a perpetual easement for the continuing maintenance and use of the encroaching Drainage Device, and for maintenance, repair or replacement thereof. The provisions hereof shall be subject to reasonable Rules and Regulations as may hereafter be imposed by Declarant during the Development Period or the Board thereafter.

(c) Owner Obligations. Once established and for so long as continued maintenance thereof is reasonably necessary, all Drainage Devices shall remain unobstructed, and shall be properly maintained by and at the sole cost of the Owner of each Lot to which same pertains or, when any Drainage Device serves more than one Lot (such as in the case of guttering on residences connected to a common line), then maintenance and the costs thereof of the Drainage Device which serves the multiple Lots (being the common line in the aforesaid example but not the guttering or connections for same to the common line) shall be shared pro rate by all of the Owners to which same pertains. Each Owner must refrain from permitting any construction, grading and any other work, act or activity upon such Owner's Lot which would obstruct, alter, divert, impede or impair the proper functioning of any Drainage Device. In addition, each Owner must perform such work, act or activities and install and maintain such Drainage Devices **(i)** as is reasonably necessary to prevent so far as practical drainage from the Owner's Lot to any other Lot, other than drainage along established swales and along drainage patterns as established by Declarant during the Development Period or the ACC thereafter, and **(ii)** as needed to maintain so far as practical positive drainage away from the foundation of the residence located upon the Owner's Lot. Without limitation of the foregoing, no Owner may place or permit placement of any flower bed or other landscaping, or any other structure or thing along or near any Lot line which would obstruct, alter, divert, impede, or impair drainage along any Lot line within any swale or otherwise within drainage patterns as established by Declarant during the Development Period or by the ACC thereafter. To obtain and maintain proper drainage, including as required by this Section, and/or as changing circumstances may require, the ACC is hereby specifically authorized to require any Owner to construct, install and maintain such gutters and/or downspouts, drains, drainage lines and any other Drainage Devices as the ACC determines, and/or to remove any obstruction, thing or device or cease any activity, either upon initial construction of any residence or other improvement, or at any time thereafter that circumstances reasonably require.

8.04.6 Roof Materials. Roofs of all residences must be constructed so that the exposed material is composition type shingles, or such other material which is compatible in quality and appearance to the foregoing as may be approved by the ACC. All garage roofs, and roofs of any gazebo or outbuildings as may be approved by the ACC, must match the residence. Wood shingles of any type are prohibited on any residence, building or structure. "Energy Efficient Roofing" is permitted as provided in **Section 8.14**. Architectural metal roofs not to exceed 10% of the total roof are allowed as otherwise approved by the ACC.

8.04.7 Swimming Pools. All swimming pools must be in ground, not above ground, and must be made of gunite or other materials as approved by the ACC.

8.04.8 Pre-Fabricated Homes Prohibited. No mobile homes, modular homes, manufactured home or similar pre-fabricated residential structures of any kind is permitted upon any Lot.

8.04.9 Mailboxes. To the extent mail service is provided in mailbox banks as permitted by **Section 9.05** hereof, Owners must exclusively use their assigned mailbox therein and must strictly comply

with all applicable rules and regulations of the Association and the United States Postal Service regarding same. Otherwise, one mailbox must be maintained at all times upon each Lot, and the mailbox must be properly maintained at all times to accommodate regular reception of mail in accordance with applicable rules and regulations of the United States Postal Service and the Association. Installation and any subsequent modification of a mailbox and post or other housing for same on each Lot must be approved by the ACC. All mailboxes must be either mounted on a black metal post with a black painted finish (or as otherwise approved), or installed in a mailbox type housing constructed of brick which matches the applicable residence, as approved by the ACC. All mailboxes, and the mounting post or housing for same, must be properly maintained at all times, including maintenance as needed to avoid any leaning or listing, periodic cleaning and painting, and, as needed, repair or replacement of damaged or deteriorated mailboxes, posts and/or housing.

8.04.10 Compliance With Laws. All construction of any single family residence must be in compliance with applicable governmental laws, ordinances and regulations, including applicable building codes or permit or licensing requirements.

SECTION 8.05 Lot Resubdivision or Combination. No Lot as originally conveyed by Declarant to any other Person, including any builder, may be thereafter subdivided or combined with any other Lot, or the boundaries thereof otherwise changed.

SECTION 8.06 Lot Fences, Walls and Hedges; Subdivision Fencing.

8.06.1 Definitions. As used in this Section (i) "Lot Fencing" means any and all fences and freestanding fence type walls, gateposts, hedges and planters, whenever and wherever located on any Lot, excluding, however, any Subdivision Fencing which is included in the Subdivision Facilities, and (ii) "hedge" means a row of bushes, shrubs and similar plants which, at natural maturity, will exceed three feet (3') in height and have sufficiently dense foliage as to present a visual and physical barrier substantially similar to a fence.

8.06.2 ACC Approval Required; No Lot Fencing may be constructed, placed or maintained on any Lot without prior written approval of the ACC.

8.06.3 General Requirements: Except for Subdivision Fencing as hereafter provided or as to other Lot Fencing as installed by or with the approval of Declarant during the Development Period, or unless otherwise approved in writing by the ACC, all Lot Fencing must comply with the following:

(a) No Lot Fencing may be more than seven feet (7') in height.

(b) All Lot Fencing (other than hedges) must be constructed of redwood or cedar vertical pickets with treated pine (or equivalent) post and supports, or ornamental wrought iron, brick or masonry, or combinations thereof, or composite materials which substantially simulate the appearance of the foregoing, as approved by the ACC.

(c) NO CHAIN LINK TYPE FENCING OF ANY TYPE IS PERMITTED ON ANY LOT.

(d) NO LOT FENCING SHALL BE ERECTED OR MAINTAINED NEARER TO THE FRONT BUILDING SETBACK LINE THAN THE PLANE OF THE FRONT EXTERIOR WALL

OF THE RESIDENTIAL STRUCTURE ON SUCH LOT WHICH IS FURTHERMOST FROM THE FRONT BUILDING SETBACK LINE.

8.06.4 Ownership and Maintenance. Ownership of all Lot Fencing passes with title to the Lot. All Lot Fencing must be continuously maintained in a structurally sound condition, in a neat and attractive condition, in good repair and otherwise as required to obtain and maintain Prevailing Community Standards. The foregoing shall include, without limitation, such maintenance, repair or replacement as is required to prevent listing or leaning, repair of all damaged or broken pickets and other members, and all holes and cracks, and repair or replacement as required to prevent rot or decay, and any other visible signs of dilapidation or deterioration. Lot Fencing which has been defaced with graffiti or other markings shall be restored to its prior condition within 72 hours of such defacement or markings. PAINTING OR STAINING OF WOODEN FENCES IS PROHIBITED UNLESS APPROVED IN WRITING BY THE ACC. All maintenance, repair or replacement of Lot Fencing which separates adjoining Lots, or which is otherwise shared in common by two or more adjoining Lots, is the joint responsibility of, and the costs thereof shall be shared equally by, the adjoining Owners. Otherwise, all such maintenance, repair or replacement shall be the responsibility of, and at the sole cost of, the Owner upon whose Lot the Lot Fencing is located. ONCE INSTALLED, THE LOCATION, STYLE, FINISH, APPEARANCE AND ALL OTHER FEATURES OF LOT FENCING MAY NOT BE MODIFIED OR CHANGES WITHOUT PRIOR WRITTEN APPROVAL OF THE ACC.

8.06.5 Subdivision Fencing, Including Gates; Easements.

(a) "Subdivision Fencing" means (i) all fences and freestanding fence type walls located along the perimeter boundaries of the Subdivision, or which are otherwise designated as Subdivision Fencing by Declarant during the Development Period or the Board thereafter, (ii) all access limiting gates, including vehicle and pedestrian gates, and all associated controllers, operators and related devices and facilities ("access limiting devices"), and (iii) fences, walls, and/or entry and other identification monuments. All Subdivision Fencing is a part of the Subdivision Facilities and shall be maintained as such. NO OWNER OR THEIR RELATED PARTIES, AND NO OTHER PERSON MAY MODIFY, ALTER OR IN ANY MANNER CHANGE OR ATTACH ANYTHING TO, ANY SUBDIVISION FENCING WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT DURING THE DEVELOPMENT PERIOD OR THE BOARD THEREAFTER.

(b) During the Development Period Declarant is specifically authorized to locate, establish, construct and maintain any and all Subdivision Fencing upon, over, access and under any part of the Subdivision, including any Lot, as Declarant deems appropriate. Declarant hereby reserves blanket easements upon, over, across, and under the Subdivision, including any Lot, for purposes of locating, establishing, constructing and maintaining any Subdivision Fencing. In addition to and without limitation of the blanket access easement as set forth in **Sections 9.04 and/or 9.05**, a specific easement is hereby reserved upon, under and across each Lot for purposes of maintenance, repair, reconstruction and replacement of any Subdivision Fencing.

(c) THE EASEMENTS ESTABLISHED BY THIS SECTION INCLUDE WITHOUT LIMITATION EASEMENTS AS TO ALL AREAS OF ANY LOT, INCLUDING ANY PRIVATE DRIVEWAY THEREIN, ALL AREAS OF ANY STREET WITHIN THE SUBDIVISION, AND ALL AREAS OF THE COMMUNITY PROPERTIES AFFECTED BY PLACEMENT OR OPERATION THEREIN OR THEREON OF ANY ACCESS LIMITING DEVICES, AND DECLARANT, THE BOARD AND THEIR RELATED PARTIES HAVE NO LIABILITY WHATSOEVER BY REASON OF ANY LOSS

OF USAGE OR ANY OTHER CONSEQUENCES RESULTING FROM ANY SUCH EASEMENTS AS TO ANY LOT OR OTHER AREAS AFFECTED THEREBY. It is the responsibility of each Owner, such Owner's tenants and their Related Parties to keep all such areas open and unobstructed, and to otherwise prevent any interference with the proper functioning, operation maintenance, repair or replacement of any access limiting devices. Without limitation of the foregoing, parking (including temporary parking) as otherwise herein permitted is expressly prohibited within any area which would impede or impair operation of any access limiting devices.

SECTION 8.07 Antennas and Satellite Dish Systems.

8.07.1 General Rule. Except as otherwise expressly approved by the ACC in writing, or as otherwise expressly permitted by applicable Architectural Guidelines or by law, no antenna or satellite dish system of any kind is permitted upon any Lot, or the residence or other improvement thereon, except one dish antenna, one meter or less in diameter or diagonal measurement which is designed to receive direct broadcast satellite or to receive or transmit "fixed wireless signals" (as defined by the Federal Communications Commission), and one television antenna to the extent necessary for reception of local television broadcasts, either or both of which must be installed so as not to be visible from any street. Declarant during the Development Period, and the Board or ACC at any time, are hereby specifically authorized to adopt and amend Architectural Guidelines or policies regarding any antenna or satellite dish system in accordance with this Declaration, subject to the aforesaid laws.

8.07.2 Prohibited Antenna. In no event shall any antenna, "dish" or other device be used for transmitting electronic signals of any kind except as to fixed wireless signal transmission as above provided. Antenna and similar devices of any type used for citizen band ("CB") radio, amateur ("HAM") radio, AM/FM radio, or Digital Audio Radio Service ("DARS"), are prohibited and shall not be erected, placed or permitted to remain on any Lot, on any improvement located on any Lot, or elsewhere in the Subdivision. Without limitation as to the authority of the ACC to grant variances as provided in **Section 4.03**, the ACC is specifically authorized to (but shall not in any event be required to) grant variances as to prohibited antenna, and the ACC may condition granting of any such variance upon placement of the applicable antenna in the attic of a residence

SECTION 8.08 Signs.

8.08.1 Definition; General Rule. As used in this **Section 8.08**, "sign" means and includes any billboards, posters, banners, pennants, displays, symbols, advertising devices of any kind, and any other type of sign of any kind, including without limitation business, professional, promotional or institutional signs. "Sign" also means and includes flags of any kind, subject to applicable provisions of **Section 8.08.3**. No sign of any kind is permitted on any Lot, or upon any residence, or within any residence if visible from the exterior of the residence, or within the Subdivision except as may be approved in writing by the ACC and except as otherwise expressly permitted in this **Section 8.08**. The provisions of this **Section 8.08** do not apply to any sign placed within the Subdivision by Declarant, or by an Authorized Builder as permitted by Declarant, as provided in Exhibit "A" to this Declaration regarding Development Activities..

8.08.2 Prohibited Signs. No sign is permitted which contains language, graphics or any display that is vulgar, obscene or otherwise offensive to the ordinary person. Permitted signs must be professionally printed and prepared, and must be properly installed and maintained, to avoid unsightly appearance. The good faith determination of the ACC as to any of the foregoing is final. No sign may be illuminated. No sign may be placed on any Lot closer than the lesser of ten feet or the closest building setback

line from any street or any side or back Lot line, or within any traffic sight line area as defined in **Section 8.09.** No Owner, Owner's tenant or their Related Parties, is permitted to place any sign on another Owner's Lot or upon any Community Properties. Foreclosure, bankruptcy and other distressed sale references are specifically prohibited. Signs disparaging, defaming or demeaning any Person, including Declarant, the Association, the ACC or their Related Parties, on account of race, creed, gender, religion or national origin, regarding any Development Activities (as defined in Exhibit "A" hereto), or for any other reason, are specifically prohibited.

8.08.3 Permitted Signs. Subject to **Section 8.08.2**, the following signs are permitted: (i) one "For Sale" or one "For Lease" sign not to exceed six square feet (which may be displayed only during such period of time that the Lot is in fact for sale or lease); (ii) security service signs, not to exceed two in number per Lot, provided that security service signs must be located near the front and/or rear entrances of the residence unless otherwise approved in writing by the ACC, may not exceed eighteen inches by twelve inches in size, and must be professionally printed, prepared and provided by a professional security service company; (iii) "Political Signs" and "Permitted Flags" as defined in and subject to all applicable provisions of **Section 8.14**; and (iv) such other signs as may be permitted by applicable Architectural Guidelines or as may be approved in writing by the ACC.

8.08.4 Default. Any sign of any kind placed within the Subdivision in violation of this **Section 8.08**, may be removed at any time by or at the direction of Declarant, the Board or the ACC, and may be discarded as trash without liability for trespass, conversion or damages of any kind. In addition, the Board or the ACC may, after notice and opportunity to be heard, assess as a specific assessment a fine for each day any sign is placed within the Subdivision in violation of this **Section 8.08** not to exceed seventy-five dollars ($75.00) per day per sign, or as otherwise provided by applicable Architectural Guidelines and/or Rules and Regulations.

SECTION 8.09 Traffic Sight Line Areas. No fence, wall, hedge, tree, shrub planting or any other thing or device which obstructs sight lines at elevations between two and eight feet (2' & 8') above a street shall be permitted (i) on any corner Lot within the triangular area formed by the two (2) boundary lines thereof abutting the corner streets and a line connecting them at points twenty-five feet (25') from their intersection, or (ii) on any Lot within the triangular area formed by the boundary line abutting a street, the edge line of any driveway pavement and a line connecting them at points ten feet (10') from their intersection. Notwithstanding the foregoing, wrought-iron fencing which incorporates vertical bars spaced not less than four inches apart (measured from center to center of each bar) may be placed within either of the aforesaid sight-line areas. The foregoing also shall not be construed to prohibit construction of any residence or garage at any location permitted by this Declaration, the Plat or applicable governmental regulations even if the residence or garage encroaches upon either of the aforesaid sight line areas.

SECTION 8.10 Tree Removal. No living tree with a trunk diameter of six inches or greater shall be cut down or removed from any Lot without the prior written approval of the ACC except for trees within the footprint of a single family residence to be constructed on the Lot or within five feet thereof. Dead or damaged trees which may create a hazard to property or persons within the Subdivision must be promptly removed or repaired at the Owner's sole cost and expense. The ACC may require replacement of any tree which is removed or of any tree which is substantially damaged as determined by the ACC at the Owner's sole cost and expense.

SECTION 8.11 Window and Door Glass Covers. Glass in windows, doors and other similar openings must be maintained as installed during original construction except as otherwise permitted in writing by the

ACC. Glass film and similar tinting, and aluminum foil and similar reflective materials, are in all events prohibited for use as a cover for any window or door; provided, factory tinted glass may be approved by the ACC. Only blinds, curtains or drapes with backing material which is white, light beige, cream, light tan or light gray, and blinds or miniblinds of the same color, are permitted, unless otherwise first approved in writing by the ACC. No other window treatment color may be visible from the exterior of any residence or other improvement. Temporary or disposable coverings, including sheets, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made or commonly used by the general public for permanent window coverings, are expressly prohibited.

SECTION 8.12 Utilities; Lighting.

8.12.1 Maintenance Of Utilities Required. All utility services intended to be provided to each single family residence as originally constructed, including without limitation water, sewage, electric and gas services, must be maintained by the Owner at all times when a residence is occupied.

8.12.2 Private Utility Lines. All electrical, telephone and other utility lines and facilities which are located on a Lot and which are not owned and maintained by a governmental entity or a utility company must be installed underground unless otherwise approved in writing by Declarant during the Development Period or the ACC, and must be maintained at all times by the Owner of the Lot upon which same is located.

8.12.3 Air Conditioners. No window, wall or exterior roof mounted type air conditioners or heating units, or any part thereof, and no air conditioners or heating units, or any part thereof, which is visible from any street will be permitted. Notwithstanding the foregoing, during the Development Period Declarant may place or approve placement of air conditioner condensing units and related pads, wiring, conduits and devices (an "A/C Unit") such that the A/C Unit is visible from a street, provided that shrubbery shall be maintained around the A/C Unit to minimize the visual impact of the A/C Unit as determined by Declarant during the Development Period or the ACC thereafter.

8.12.4 Exterior Lighting. Excepting customary Christmas lighting, any exterior lighting of a residence or Lot must be approved by the ACC in accordance with **Article IV.** No exterior lighting (including Christmas lighting) may be directed outside property lines of the Lot upon which same is located. All lighting fixtures (except Christmas lighting) must be compatible in style and design to the residence where located. Christmas lighting and related decorations and ornamentation may be displayed between November 15 and January 10, and the ACC may in particular instances or through Architectural Guidelines permit other holiday lighting, decorations and ornamentation (all of which for purposes of this Section are referred to as "Christmas Lighting"); provided, the ACC is authorized to fully regulate all Christmas Lighting in particular instances or by Architectural Guidelines to avoid any annoyance, nuisance, safety hazard or unsightly condition or appearance as determined in the sole opinion of the ACC.

SECTION 8.13 Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, canals or other ground or surface waters shall be installed, constructed or operated upon any Lot or elsewhere in the Subdivision. Private irrigation wells are prohibited upon any Lot. Sprinkler and irrigation systems installed as Subdivision Facilities will be maintained by the Association. No other sprinkler or irrigation system may be installed upon any Lot or elsewhere in the Subdivision except with the prior written consent and approval of the ACC obtained as provided in **Article IV.**

SECTION 8.14 Protected Property Uses and Devices.

8.14.1 Applicability; Definition. This Section applied to any protected property uses established pursuant to Chapter 202 of the Texas Property Code, and to any structure, object, thing or device specifically pertaining to the protected property use (a "Protected Property Use Device").

8.14.2 Prior Approval Required. Except as otherwise expressly provided in this Section in applicable Architectural Guidelines, if any, prior written approval must be requested and obtained as to any Protected Property Use Device in accordance with **Article IV** of this Declaration. Each approval request must also contain sufficient information and/or documentation as necessary to confirm compliance with applicable provisions of this **Section 8.14** and applicable Architectural Guidelines and/or Rules and Regulations, if any.

8.14.3 General Location Requirements. Subject to and without limitation of any other specific location requirements as otherwise stated in this Section or applicable Architectural Guidelines, no Protected Property Use Device may be located, placed or maintained at any location within the Subdivision (i) on any property which is owned by the Association, or owned in common by the Members of the Association and the Association, or (ii) at any other location within the Subdivision except upon the Lot owned by the owner of the Protected Property Use Device.

8.14.4 Maintenance Requirement. Each Protected Property Use Device must be properly maintained in good condition and appearance at all times. Any deteriorated, damaged, or structurally unsound Protected Property Use Devise must be promptly repaired, replaced or removed.

8.14.5 Energy Efficient Roofing.

(a) This Section applies to "Energy Efficient Roofing" which means shingles that are designed primarily to (i) be wind and hail resistant, (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles, or (iii) provide solar generation capabilities.

(b) The Association or the ACC shall not prohibit installation of Energy Efficient Roofing provided that when installed the shingles:

(1) will otherwise comply with all applicable provisions of the Declaration and all other applicable Architectural Guidelines;

(2) resemble the shingles used or otherwise authorized for use in accordance with subsection (1) above on property in the Subdivision;

(3) are more durable than and are of equal or superior quality to the shingles described by subsection (1) above; and

(4) match the aesthetics of the property surrounding the Owners' property.

8.14.6 Political Signs. Political signs advertising a political candidate or ballot item for an election (a "Political Sign") are permitted, subject to the following:

(a) No Political Sign is permitted earlier than the 90th day before the date of the

election to which the sign relates, and each Political Sign must be removed in its entirety by the 10th day after the election date.

(b) No more than one Political Sign for each candidate or ballot item may be displayed per Lot.

(c) Each Political Sign must be ground-mounted.

(d) No Political Sign may (i) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component; (ii) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object; (iii) include the painting of architectural surfaces; (iv) threaten the public health or safety; (v) be larger than four feet by six feet; (vi) violate a law; (vii) contain language, graphics, or any display that would be offensive to the ordinary person; or (viii) be accompanied by music or other sounds or by streamers or be otherwise distracting to motorists.

8.14.7 Permitted Flags.

(a) Subject to other applicable provisions of this Section, any Owner may locate and display upon the Owner's Lot (i) one American flag as permitted by the Freedom to Display the American Flag Act of 2005, and (ii) one flag of the State of Texas, and one flag each of any branch of the United States armed forces (official or replica) as permitted by Section 202.011 of the Texas Property Code (a "Permitted Flag"). Only Permitted Flags may be displayed. All other flags are deemed to be a "sign," and are thereby subject to all applicable provisions of this Declaration.

(b) Permitted Flags must be displayed from a pole attached to the residence (a "Flagstaff") or a free-standing pole (a "Flagpole"). All Permitted Flags must be displayed in a respectful manner in accordance with 4 U.S.C., Section 5-10, Texas Government Code, Section 3100, and applicable military codes, as applicable.

(c) In addition to the general location requirements set forth in **Section 4.0** hereof (i) no Flagstaff or Flagpole may be located or displayed on any property which is maintained by the Association, including any part of a Lot as to which the Association provides lawn or landscape maintenance, (ii) all Flagstaffs and Flagpoles must be located within all applicable setback lines, and (iii) no Flagstaff or Flagpole may be located in violation of any applicable easements.

(d) A Flagstaff may not be more than six feet (6') in length, and must be securely attached by a bracket at an angle of 30 to 45 degrees down from vertical. A Flagpole may not exceed twenty feet (20') in height and nine inches (9") in diameter, and must be permanently installed in the ground in accordance with the manufacturer's instructions.

(e) Permitted Flags are limited in size to a maximum of three feet (3') tall and five feet (5') wide.

(f) Not more than one Permitted Flag is permitted to be displayed on a Flagstaff or on a Flagpole which is less than twelve feet (12') in height. Not more than two Permitted Flags are permitted to be displayed on a Flagpole that is twelve feet (12') to twenty feet (20') in height.

(g) A Permitted Flag may be illuminated if it will be displayed at night and if existing ambient lighting does not provide essentially equivalent lighting as next provided. Any such illumination (i) must be ground mounted in the vicinity of the Permitted Flag, (ii) must be pointed towards the center of the flag and face the main residence located on the applicable Lot, (iii) must utilize a fixture that screens the bulb and directs light in the intended direction with minimal spillover, and (iv) may not provide illumination exceeding the equivalent of a 60 watt incandescent bulb.

(h) Flagstaffs and Flagpoles must be (i) commercially made for flag display purposes, (ii) constructed of permanent, long-lasting materials with a finish appropriate to the materials use in the construction of the Flagstaff or Flagpole, and (iii) harmonious with the main residence located on the applicable Lot.

8.14.8 Rainwater Harvesting Systems.

(a) Subject to other applicable provisions of the Section, rain barrels or other rainwater harvesting system (a "Rainwater Harvesting System") may be installed and maintained on a Lot.

(b) In addition to the general location requirements set forth in **Section 4.0** hereof, the Rainwater Harvesting System may not be located between the front of the main residence located on the applicable Lot and any adjoining or adjacent street.

(c) The Rainwater Harvesting System must be of a color which is consistent with the color scheme of the main residence on the applicable Lot, and may not display any language or other content that is not typically displayed by the Rainwater Harvesting System as it is manufactured.

(d) This subsection applies if and as to each Rainwater Harvesting System which will be installed on or within the side yard area of a Lot, or which would otherwise be visible from any street, or from any Common Area, or from another Lot. In each such case the proposed Rainwater Harvesting System is subject to regulation as to the size, type, shielding and materials used in the construction of the system as part of the approval process as provided in **Section 3.0**; provided that the economic installation of the system may not be prohibited thereby. The Owner seeking approval of any Rainwater Harvesting System subject to the foregoing must submit with the Owner's approval request a description of methods proposed to shield and otherwise minimize the visibility and visual impact of the system.

(e) Harvested water must be used, and may not be allowed to become stagnant or otherwise cause or create any threat to health or safety. Any unused Rainwater Harvesting System must be removed if any part thereof is visible from any Street, Common Area or another Lot, or if the unused system may or does cause or create any threat to health or safety.

8.14.9 Solar Energy Devices.

(a) In this Section, "solar energy device" means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power. The term also includes all components of the solar energy device as applicable, including any related mast, frame, brackets, support structures, piping and wiring.

(b) No solar energy device may be installed or maintained upon any residence or Lot or at any other location in the Subdivision during the Development Period without the prior written consent of Declarant. No solar energy device may be installed or maintained upon any residence or Lot or at any other location within the Subdivision either during or after the Development Period except in accordance with this Section.

(c) All solar energy devices must be installed and thereafter maintained in compliance with the manufacturer's instructions and requirements, and must be installed and thereafter maintained in a manner which does not void any material warranties.

(d) All solar energy devices must be installed and thereafter maintained in such manner as not to cause or create (i) any threat to public health or safety, (ii) any violation of any law, or (iii) any substantial interference with the use and enjoyment of land by causing unreasonable discomfort or annoyance to any adjoining property owner of ordinary sensibilities.

(e) In addition to the general location requirements as set froth in **Section 4.0** hereof, a solar energy device must comply with the following:

(1) No solar energy device may be located on any property which is maintained by the Association, including any part of a Lot as to which the Association provides lawn or landscape maintenance.

(2) No solar energy device may be located on a Lot at any location other than (i) entirely on the roof of the main residence located on the applicable Lot, (ii) entirely within a fenced yard area of the applicable Lot, or (iii) entirely within a fenced patio located on the applicable Lot.

(f) A solar energy device which is mounted on the roof of the main residence of the applicable Lot must comply with the following:

(1) No portion of the solar energy device may extend higher than or beyond the roof line, or extend beyond the perimeter boundary or boundaries of the roof section to which it is attached.

(2) The solar energy device must conform to the slope of the roof to which attached, and must have a top edge that is aligned parallel to the roof ridge line for the roof section to which attached.

(3) The solar energy device must have a frame, brackets, and visible piping or wiring that is a color that matches the roof shingles or a silver, bronze or black tone commonly available in the marketplace.

(4) The solar energy device may not have any advertising slogan, logo, print or illustration upon the solar energy device other than the standard logo, printing or illustration which may be included by the applicable manufacturer of the solar energy device.

(5) The solar energy device must be located on the roof so as not to be visible from any street or Common Area. Notwithstanding the foregoing, approval of an alternative roof location may be requested upon submission of proof that (i) the alternate location will increases the estimated

annual energy production of the device, as determined by using a publically available modeling tool provided by the National Renewable Energy Laboratory, by more than ten percent (10%) above the energy production of the device if located in an area which is not visible from any street or common area, and (ii) the alternative roof location provides the least visibility from any street or Common Area from which an increase in the estimated annual energy production as aforesaid can be obtained.

(g) A solar energy devise which is installed within a fenced yard or patio area must comply with the following:

(1) No portion of the solar energy device may extend above any part of the fencing which encloses the device.

(2) If the fence which encloses the solar energy device is not solid or does not otherwise block the view of the device from the outside of the fence, the Association may require the device be located behind a structure or otherwise require visual screening.

(3) The Association may consider approval of a solar energy device on a Lot without a fenced yard or patio if adequate screening, as determined by the Association, is provided to block or minimize visibility of the device from any street or common area.

8.14.10 Display of Certain Religious Items.

(a) Subject to other applicable provisions thereof, an Owner or resident may display or attach one or more religious items to the entry to their residence. Such items include any thing related to any faith that is motivated by the Owner's or resident's sincere religious belief.

(b) Individually or in combination with each other, the items at any entry may not exceed 25 square inches total in size.

(c) The items may only be displayed on or attached to the entry door or door frame, and may not extend beyond the outside edge of the door frame.

(d) To the extent allowed by the Texas state constitution and the United States constitution, any such displayed or affixed religious items may not (i) threaten public health or safety, or (ii) violate any law; or (iii) contain language, graphics or any display that is patently offensive to a passerby.

(e) Approval from the ACC is not required for displaying religious items so long as displayed strictly in compliance with these guidelines.

(f) The Association may remove any religious items displayed in violation of these guidelines as provided in Section 202.018 of the Texas Property Code.

8.14.11 Architectural Guidelines. Declarant during the Development Period, and the Board or ACC at any time, are hereby specifically authorized to adopt and amend Architectural Guidelines and/or Rules and Regulations regarding any Protected Property Use Device in accordance with this **Section 8.14** and this Declaration.

Article IX
Easements

SECTION 9.01 Incorporation of Easements. All easements, dedications, limitations, restrictions and reservations shown on any Plat and all validly existing grants and dedications of easements and related rights heretofore made or hereafter established as herein provided affecting the Subdivision or any Lots and filed in the Official Public Records of Real Property of Harris County, Texas, are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by any Person covering any portion of the Subdivision, including any Lot. In the event of any conflict between any of the foregoing filed after the date of filing of this Declaration and any provisions of this Declaration, the provisions of this Declaration control. The foregoing shall not be construed as in any manner giving effect to any instrument of record which would not otherwise be effective or other than in accordance with the instrument and applicable law.

SECTION 9.02 Easements for Encroachment and Overhang. In the event of encroachment by any building, structure or other improvement, including without limitation, any portion of any roadway, walkway, parking area, driveway, water line, sewer line, utility line, sprinkler system, building steps, fences, fireplaces, chimneys, bay windows and similar architectural details, paving, driveway approaches and inturns, decking, footings, piers, piles, grade beams and similar improvements, which encroachment originates during original construction or results at any time from settling or shifting, on or into any adjoining Lot or on or into the Community Properties, not more than thirty inches (30") from any point on the common lot line ("Encroachment"), it shall be deemed that the Owner of the Lot encroached upon (or into) or the Association (as the case may be) has granted a perpetual easement for continuing maintenance and use of such encroaching improvements, and for maintenance, repair or replacement thereof if performed in substantial compliance with the original construction, over, above, under, and upon the adjoining, encroached upon Lot (or Community Property) for a distance co-existent with the Encroachment. An "Encroachment" as aforesaid includes, without limitation, overhead encroachments and overhangs of walls, roofs or other part of any building or structure, and encroachments which are completely underground. In addition, any such Encroachment is permitted to extend over any otherwise applicable setback line up to thirty inches (30") when the Encroachment originates during original construction or results at any time from settling or shifting as aforesaid. The term "original construction" as used in this Section means construction, placement or modification of improvements which occurs through "completion of the initial sale" of a Lot as that phrase is defined in **Section A2.01** of Exhibit "A" hereto.

SECTION 9.03 Owners' Access Easement.

9.03.1 Defined. Each Lot and the Community Properties are subject to a non-exclusive access easement for the inspection, construction, maintenance, repair and replacement of improvements located upon any adjacent Lot (the "Accessing Lot") for usage by an Accessing Lot Owner or occupant, or their agents or employees. The Lot or Community Properties being accessed is herein referred to as the "Easement Lot". This access easement area on the Easement Lot (the "Access Area") consists of a strip of land abutting the nearest boundary line of the Accessing Lot of not less than three feet nor more than six feet, as may be reasonably required, and to such additional area as may be approved in writing by the ACC upon written request stating a reasonable necessity for same, provided that the Access Area shall not in any event extend past the exterior wall of any residence or garage, or the foundation of either. THIS ACCESS EASEMENT AREA MAY BE UTILIZED ONLY WHEN AND TO THE EXTENT SAID CONSTRUCTION, MAINTENANCE, REPAIR OR REPLACEMENT CANNOT BE REASONABLY CONDUCTED WITHIN

THE BOUNDARIES OF THE ACCESSING LOT. Except in the case of an Emergency, in no event will such easement extend to any part of the single family residence garage, or other building located on the Easement Lot.

9.03.2 Notice; Duration; "Emergency" Defined.

(a) Prior to use of the Access Area, the Owner or occupant of the Accessing Lot must give written notice of intent to utilize the Access Area stating therein the nature of intended use and the duration of such usage. Such notice must be delivered to the Owner or occupant of the Easement Lot by regular or certified mail or personal delivery, or by attaching same to the front door of the residence located upon the Easement Lot. If by mail, such notice must be given at least ten days prior to use of the Access Area; and if by personal delivery or affixing to the front door, such notice must be given at least seven days prior to use of the Access Area. In case of emergency the Accessing Lot Owner or occupant may commence and continue usage of the Access Area without giving the foregoing notice for so long as is reasonably necessary to control the emergency and complete work necessitated thereby, but must proceed with giving of the required notice as soon as practical after commencement of usage.

(b) As used in this Section (and in this Declaration, and in any other Governing Documents when applicable), "emergency" means **(i)** any condition which may or does cause an imminent risk of infestation by termites, rats or other vermin, or any other health, fire or safety hazard, **(ii)** any condition which may or does cause water infiltration into another Lot, Community Properties or any improvements located thereon, and **(iii)** any other thing, condition or exigent circumstances which may or does present an imminent risk of harm or damage to any Lot or Community Properties, or any improvements thereon or to any Owners or occupants thereof. The determination of the Board or its Related Parties that an emergency exists is final.

9.03.3 Usage. Usage of the Access Area is limited to the minimum reasonable amount of time and area required to complete necessary work to preserve, protect, construct, maintain, repair, and replace the residence or other structures and improvements located on the Accessing Lot. Work during the usage period must be conducted in such manner as to minimize so far as reasonably possible inconveniences and disruptions to the Easement Lot and its occupants. Except in case of emergency or unless otherwise authorized by the Owner or occupant of the Easement Lot, work during the usage period may not be conducted during legal holidays or any Sunday and must otherwise be confined to the hours of 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 6:00 p.m. on Saturdays.

9.03.4 ACC Approval of Access Area Improvements. No structure or improvements other than grass, and customary, non-exotic flower and shrubbery beds, may be placed within the Access Area at any time without the prior written approval of the ACC. The ACC may not approve any such structures or improvements which would substantially interfere with, or be unduly burdensome to, or which would cause excessive expense to any potential Accessing Lot if access becomes necessary as herein provided.

9.03.5 Restoration. Promptly after completion of usage of an Access Area, the Accessing Lot Owner or occupant must thoroughly clean the Access Area and repair and restore same to substantially the same condition that existed at the time of commencement of usage; provided, such obligation for restoration does not apply to any structures or improvements which have been placed in the Access Area without written ACC approval. At the time of receipt of notice, the Easement Lot Owner or occupant must promptly notify the Accessing Lot Owner or occupant as provided in **Section 9.03.2** of any structures or improvements within the Access Area which have been approved by the ACC.

SECTION 9.04 Association and ACC Blanket Access Easement. The Association, the ACC and their Related Parties have a continuing non-exclusive easement upon, over, under and across each Lot, and as to the exterior of the residence and garage thereon, and as to the exterior and interior of any other improvement thereon, to the extent reasonably necessary for the performance of any of the functions or duties of the Association or ACC or exercise of any of their rights under this Declaration. Prior to exercise of such easement rights written notice must be given to the Owner or occupant of the affected Lot stating the expected date of commencement of usage, the nature of the intended use and anticipated duration of such usage. The notice may be given by attaching the notice to the front door of the applicable residence, or in any other manner as permitted by **Section 10.05**. In case of an emergency the right of entry and usage shall be immediate without notice, but in such case notice as aforesaid shall be given as reasonable soon as practicable.

SECTION 9.05 Governmental Functions, Utilities and Other Services.

9.05.1 Governmental Functions; Removal of Obstructions. Blanket non-exclusive easements and rights-of-way are hereby granted to all applicable governmental authorities, to all police, fire protection, ambulance and other emergency vehicles, to garbage and trash collection vehicles and other service vehicles , to the United States Post Office and similar services, and to the respective agents and employees of all of the foregoing, for access, ingress and egress upon, over and across any portion of each Lot and throughout the Subdivision for purposes of the performance of any official business without liability of any kind. APPLICABLE GOVERNMENTAL AUTHORITIES AS AFORESAID ARE ALSO SPECIFICALLY AUTHORIZED TO REMOVE OBSTRUCTIONS IF NECESSARY FOR EMERGENCY AND SERVICE VEHICLE ACCESS, AND TO ASSESS THE COST OF REMOVAL TO THE OWNER OF THE OBSTRUCTION.

9.05.2 Utilities.

(a) Easements as shown on an applicable recorded Plat or otherwise of record and rights of entry to them for installation, maintenance and operation of utilities and drainage facilities are reserved. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation, maintenance or operation of utilities. The easement areas of each Lot and all improvements therein or thereon shall be maintained by the Owner of the Lot, except those improvements of a public authority or utility which shall be maintained by such authority or utility. The title to a Lot shall not include title to any utility facilities located within easements or streets. No public authority or utility shall be liable for damage to any plants, structure or buildings located in or on such easements or streets because of the installation or maintenance of the utility facilities.

(b) In addition to all other applicable easements as established herein or by any Plat, a private non-exclusive easement is hereby granted under any street located within the Subdivision for purposes of erecting, installing, operating, maintaining, replacing, inspecting and removing any electrical, water, sewer, gas, cable television and any other utilities as determined by the Board, together with rights of ingress and egress to or from any such easement. This easement shall not include by implication or otherwise any appurtenant aerial easement.

(c) No pipe, conduit, cable, or line for water, gas, sewage, drainage, steam, electricity or any other energy or service shall be installed or maintained (outside of any building) above the surface of the ground upon any Lot or at any other place within the Subdivision unless otherwise approved in writing by Declarant during the Development Period or the Board thereafter.

(d) Declarant during the Development Period and the Board thereafter may also extend, from time to time and at any time, any part of or all of the Drainage Easements established by **Section 8.04.5** to permit temporary or permanent usage of same for the purposes of installing, maintaining, repairing, replacing or removing any utilities, including but not limited to, water, sewer, gas, electric, cable or telecommunication (a "Utility Easement"). Without limitation, the foregoing shall include the right of Declarant during the Development Period to locate and maintain upon any Lot or Community Properties any meters, submeters, backflow valves and any other lines, pipes, equipment or facilities related to providing of any utilities and/or related services to the Subdivision, or to any Lot or the Community Properties. The provisions of **Section 8.04.5** regarding encroachments also apply to any Utility Easements.

9.05.3 Certain Subdivision Facilities (Including Gate Easements).

(a) During the Development Period, Declarant may establish easements within the Subdivision (and shall be deemed to have established such easements as hereafter provided), including upon, under, over and across any Lot or Community Properties, as Declarant may determine for the placement, installation, operation, maintenance, repair or replacement of (i) mail box banks, water banks, master water meters, electrical banks and/or other utilities, facilities or services designed to serve two or more single family residences, (ii) Subdivision entry and/or other identification signs and/or monuments, (iii) patrol or security access limiting type structures or devices maintained by the Association (an "access limiting device"), including without limitation controlled access gates, gate operators, guardhouses and related structures or devices, (iv) lines, wires, conduits, cables, pipes, manholes, hydrants and any and all other components, equipment, facilities or devices relating to any of the foregoing, and (v) reasonable working space, and necessary rights of access, ingress, egress and regress relating to any of the foregoing. Nothing in this Section, including the foregoing, shall be construed to require Declarant or the Association to maintain, repair or replace any of the foregoing if and to the extent any of same is otherwise maintained by any utility provider or governmental or quasi-governmental agency.

(b) THE EASEMENTS ESTABLISHED BY THIS SECTION INCLUDE WITHOUT LIMITATION EASEMENTS AS TO ALL AREAS OF ANY LOT OR COMMUNITY PROPERTIES AFFECTED BY PLACEMENT OR OPERATION THEREIN OR THEREON OF ANY ACCESS LIMITING DEVICES, AND DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HAVE NO LIABILITY WHATSOEVER BY REASON OF ANY LOSS OF USAGE OR ANY OTHER CONSEQUENCES RESULTING FROM ANY SUCH EASEMENTS AS TO ANY AREAS AFFECTED THEREBY. Such affected areas may include for example loss of use of a private driveway area for parking in order to permit proper opening and/or closing of controlled access gate within the affected area. It is the responsibility of the Owner of any Lot containing any such affected area, such Owner's tenants and their Related Parties to keep all such areas open and unobstructed, and to otherwise prevent any interference with the proper functioning, operation maintenance, repair or replacement of any access limiting device. Without limitation of the foregoing, parking (including temporary parking) as otherwise herein permitted is expressly hereby prohibited within any area which would impede or impair operation of any access limiting device.

(c) PERMANENT EASEMENTS SHALL BE DEEMED TO HAVE BEEN ESTABLISHED BY DECLARANT REGARDING, COVERING AND AS TO ANY SUBDIVISION FACILITIES PLACED OR CONSTRUCTED UPON ANY LOT OR COMMUNITY PROPERTIES BY DECLARANT DURING THE DEVELOPMENT PERIOD. AS TO EACH SUCH SUBDIVISION FACILITY, THE AFORESAID EASEMENTS SHALL EXTEND TO THE AREA OF LAND COVERED BY THE SUBDIVISION FACILITIES, TOGETHER WITH REASONABLE WORKING SPACE AND

NECESSARY RIGHTS OF INGRESS, EGRESS AND REGRESS FOR PURPOSES OF THE INSTALLATION, MAINTENANCE, OPERATION, REPAIR AND REPLACEMENT OF THE FACILITY. Declarant may, but is not required to, file a formal easement or easements covering any such Subdivision Facilities in the Official Public Records of Real Property of Harris County, Texas, either during or after termination of the Development Period, and the Board may do so at any time after termination of the Development Period.

9.05.4 A/C Condensing Units.

(a) General. Declarant may place or approve placement of air conditioner condensing units and related pads, wiring, conduits and devices (an "A/C Unit") along any Lot line of a residence in such manner that the A/C Unit encroaches on an adjacent Lot, adjacent reserve subject to Association control or adjacent Community Properties (i) to a distance of not more than forty-eight inches (48") in the case of an A/C Unit located along the Zero Lot Line of a residence, and (ii) to a distance of twenty-four inches (24") in any other case. In either case, it shall be deemed that the Owner of the encroached upon property, including the Association, has granted perpetual easements (x) for continuing placement of the A/C Unit(s) thereon, and (y) for maintenance, repair and replacement of the A/C Unit(s) in substantial compliance with the original installation of the A/C Unit(s). To the extent the Owner of the Lot with the encroaching A/C Unit(s) or their Related Parties do not otherwise have reasonable outside access from the front of the residences to the rear of the residence, the Owner of the encroached upon property shall also be deemed to have granted a perpetual easement for ingress, egress and regress around the A/C Unit(s) and over the encroached upon property to the extent reasonably necessary for such access. The A/C Unit(s) may also be enclosed by property line fencing around the part(s) of the A/C Unit(s) which extend over the Lot line in such manner as may be approved by Declarant or the ACC. Declarant or the ACC may also prohibit fencing along the common boundary line along which one or more A/C Units encroach, and/or limit fencing to enclosure at the front and back of the residence sharing the common boundary line (with gates).

(b) A/C Unit Banks. Without limitation of the preceding subsection, during the Development Period Declarant may place or authorize placement of multiple A/C Units upon one or more Lots such that the multiple A/C Units service one or more Lots other than the Lot(s) upon which the A/C Units are located. In such event the easements as established by **Sections 9.03 and 9.04** and as provided in the preceding subsection regarding placement, maintenance, repair and replacement apply to all such multiple A/C Units and also extend to any wires, lines, conduits and devices extending from each such A/C Unit to the Lot to be serviced by the applicable A/C Unit.

9.05.5 Other Easements. The Association shall have the right to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public, quasi-public or private utility purposes, including, without limitation, gas, electricity, telephone, sanitary or storm, cable television and similar services, along, over, above, across and under the Subdivision and any Lot; provided, such additional easements shall not be located in such manner as to encroach upon the footprint or foundation of any then existing building (including any residence) or any swimming pool. Any such easement shall not be effective unless and until notice thereof is filed in the Official Public Records of Real Property of Harris County, Texas.

SECTION 9.06 Access.

9.06.1 Egress/Regress to Public Way Required. All single family residences shall be constructed, and thereafter same and related improvements shall be maintained, such that a continuous and unobstructed means of ingress, egress and regress to a common public way is maintained in accordance with applicable building codes and ordinances.

9.06.2 Reciprocal Street Easements. The Owner of each Lot in the Subdivision irrevocably grants to each other Owner of a Lot in the Subdivision, and to Declarant, the Association, the ACC and their Related Parties, reciprocal, perpetual, and non-exclusive rights-of-way and roadway easements for purposes of ingress, egress, passage, and travel by vehicles and pedestrians over and across each and all streets located within the Subdivision. In addition, each said Owner hereby grants perpetual easements to Declarant, the Association and their Related Parties for, and irrevocably designates the Association as their agent in fact for, purposes of **(i)** installation, maintenance, repair, or replacement of all private streets and all other improvements incident thereto as determined in the sole opinion of Declarant and/or the Board, and **(ii)** regulation of all aspects of usage of all private streets by Owners, their tenants, their Related Parties, and all other Persons, in accordance with applicable Governing Documents, and in connection therewith each Owner agrees that no other easements or rights of usage of any kind may be granted by any Owner in, upon, under, over or across any private street without the prior written consent of Declarant or the Association. Each Owner hereby additionally grants to Declarant, the Association and the ACC a secondary easement not to exceed four feet from each side of any private street, and as to as much additional surface of each Owner's Lot per **Section 9.04** as reasonably necessary for the installation, maintenance, repair, or replacement of a any private street and related improvements.

SECTION 9.07 Easements Perpetual and Not Conveyed. Title to any Lot conveyed by contract, deed or other conveyance may not be held or construed in any event to include the title to any easement established by or pursuant to this Declaration , including this **Article IX**, and including but not limited to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way or any pipes, lines, poles, or conduits on or in any utility facility, service equipment or appurtenances thereto. Easement rights established by or obtained pursuant to this **Article IX** may not, once established or obtained, be adversely effected by any amendment of this Declaration. The foregoing does not limit subsequent abandonment or other modification of easement rights in accordance with applicable instruments covering any easement, by consent or agreement of the affected parties, or as otherwise provided by law.

Article X
General Provisions

SECTION 10.01 Development Period. All provisions set forth in Exhibit "A" attached hereto and entitled "Development Period" are incorporated by reference herein. Notwithstanding any other provisions of this Declaration or any other Governing Documents to the contrary, all provisions set forth in Exhibit "A" apply during the Development Period (and thereafter as therein provided).

SECTION 10.02 Enforcement.

10.02.1 Right to Enforce. The Association, its successors and assigns, and any Owner have the right to enforce observance and performance of all restrictions, covenants, conditions and easements set forth in this Declaration and in other Governing Documents, and in order to prevent a breach thereof or to enforce the observance or performance thereof have the right, in addition to all legal remedies, to an injunction either prohibitive or mandatory.

10.02.2 Confidentiality. In order to encourage open communications between the Association and its Related Parties and any Owner, tenant, their Related Parties and other affected parties, and in an effort to minimize confrontations among neighbors and other affected parties, the identity of all Persons who provide or from whom any violation report is obtained shall so far as practical be kept confidential except as otherwise

required by law; and all documentation and other communications relating to any such violation reports shall likewise be kept confidential. The foregoing shall not preclude the Association from disclosing any of the foregoing information when in the opinion of the Board the best interests of the Association requires such disclosure, and all Owners hereby consent to such disclosure.

10.02.3 Verification of Defaults. Declarant, the Board, or any of their Related Parties, may photograph any violations or suspected violation at any time and otherwise obtain evidence to confirm the existence or nonexistence of any suspected violation in any reasonable manner without liability in trespass or otherwise. Each Owner, tenant and their Related Parties must fully cooperate with Declarant, the Board and their Related Parties regarding verification of the existence or nonexistence of any violation, including conducting of on-site inspections and in any other reasonable manner upon request. No notice of any kind is required regarding verification which does not require entry into any area enclosed by any Lot Fencing or into the interior of a residence. Otherwise, the notice provisions of **Section 9.03.2** apply.

10.02.4 Liability for Conduct of Others ("Related Parties"). Each Owner and the tenant of each Owner must ensure that their respective Related Parties strictly comply with all applicable provisions of this Declaration and all other Governing Documents. Each Owner is liable for all consequences of any such violation by the Owner's tenant and by Related Parties of the Owner, and each Owner and the Owner's tenant are jointly and severally liable for all consequences of any such violation by Related Parties of the tenant. To the same extent as aforesaid each Owner and each tenant must indemnify and hold harmless the Association and its Related Parties from any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, made or asserted by Related Parties of the Owner or the Owner's tenants attributable directly or indirectly, to any such violation, said indemnification to be secured and paid as provided in **Section 10.02.5.**

10.02.5 Obligation for Payment of Costs and Expenses Resulting from Violations. Each Owner and tenant of an Owner found to have committed, or who is responsible for, a violation or violations of any of the provisions of this Declaration or any other Governing Documents, irrespectively of any negligence or other fault (or lack thereof), is jointly, severally and strictly liable for payment to the Association for, and to indemnify and to hold and save harmless the Association and its Related Parties from, any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, incurred or attributable to any such violation(s), and must pay over to the Association all sums of money which the Association or its representatives may pay or become liable to pay as a consequence, directly or indirectly, of such violation(s). All such sums are assessed as a specific assessment, and are secured by the continuing lien established by **Article V** hereof. All such sums are due and payable upon demand by the Association or its representative without the necessity of any other or further notice of any act, fact or information concerning the Association's rights or such Owner's or their tenant's liabilities under this Section; provided, in the case of indemnification the demand shall contain a statement setting forth the Association's payment or liability to pay the claim with sufficient detail to identify the basis for the payment or liability to pay.

10.02.6 Fines.

(a) After notice and opportunity to be heard, fines may be imposed as specific assessments by the Board for any violation of this Declaration or other Governing Documents except non-payment of assessments. The Board may fix the amount of a fine for each violation on a case by case basis,

or the Board may adopt fining schedules and other applicable Rules and Regulations regarding fines. In the latter event the Board shall nonetheless retain full authority to adjust any fines as in its sole judgment the circumstances in any case may require. Fines may be progressive such as setting of increasing fine amounts for a first violation, second violation and subsequent violations, a second or subsequent violation meaning any violation which is similar to any prior violations which occur within six months after the date of the first violation notice given in accordance with Chapter 209 of the Texas Property Code.

(b) Unless otherwise determined by the Board as above provided, a fine in the amount of $75.00 shall be assessed as to each violation of this Declaration or other Governing Documents (other than non-payment of assessments). The $75.00 fine shall be assessed for each calendar month or any part thereof during which the violation continues, commencing with the calendar month following expiration of thirty days from the date notice of the violation is given in accordance with Chapter 209 of the Texas Property Code. The foregoing provisions are in addition to any other costs and expenses for which the violating Owner (and the Owner's tenant(s), as applicable) are responsible under this Declaration or any other Governing Documents.

10.02.7 Filing of Notices of Non-Compliance. At any time the Board determines there exists any noncompliance with any provisions of this Declaration or other Governing Documents, the Board may at its option direct that a Notice of Noncompliance be filed in the Official Public Records of Real Property of Harris County, Texas covering the affected Lot or Lots and the Owner(s) thereof at the sole cost and expense of such Owner(s). All such costs and expenses are due and payable upon demand, are deemed a specific assessment applicable to the affected Lot(s) and are secured by the Association's continuing assessment lien.

10.02.8 No Waiver; Cumulative Rights. Failure of the Association or any Owner to enforce any of the provisions of this Declaration or any other Governing Documents will in no event be deemed a waiver of the right to do so thereafter (including without limitation as to the same or similar violation whether occurring prior or subsequent thereto). No liability may attach to Declarant, the Association, or any of their Related Parties for any failure to enforce any provisions of this Declaration or any other Governing Documents. Each right and remedy set forth in this Declaration and any other Governing Documents is separate, distinct and non-exclusive, and all are cumulative. The pursuit of any right or remedy so provided for or by law shall be without prejudice to the pursuit of any other right or remedy, and the failure to exercise any particular right or remedy shall not constitute a waiver of such right or remedy or any other right or remedy.

SECTION 10.03 Term. Subject to the provisions hereof regarding amendment, these covenants, conditions, restrictions, reservations, easements, liens and charges run with the land and are binding upon and inure to the benefit of the Association, all Owners, their respective legal representatives, heirs, executors and administrators, predecessors, successors and assigns, and all Persons claiming under them for a period of twenty years from the date this Declaration is filed in the Official Public Records of Real Property of Harris County, Texas, after which time said covenants, conditions, restrictions, reservations, easements, liens and charges will be automatically extended for successive periods of ten years each.

SECTION 10.04 Amendment.

10.04.1 By Owners. Except as otherwise expressly herein provided, and subject to applicable provisions of Exhibit "A" hereto, the Owners of seventy-five percent (75%)of the total number of Lots then contained within the Subdivision always have the power and authority to amend this Declaration, in whole

or in part, at any time and from time to time. The Owner's approval of any amendment of this Declaration may be obtained **(i)** by execution of the amending instrument or a consent thereto by any Owner of each Lot so approving, **(ii)** by affirmative vote, in person or by proxy, at a special meeting called for consideration of any such amendment, or **(iii)** by any combination of the foregoing.

10.04.2 By Association. Subject to applicable provisions of Exhibit "A" hereto, the Board of Directors has the right in its sole judgment, from time to time and at any time, to amend this Declaration without joinder of any Owner or any other Person for the following purposes:

(a) to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors or omissions herein; or

(b) to conform this Declaration to the requirements of any lending institution; provided, the Board has no obligation whatsoever to amend this Declaration in accordance with any such lending institution requirements, and the Board may not so amend this Declaration if in the sole opinion of the Board any substantive and substantial rights of Owners would be adversely affected thereby; or

(c) to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency, Veterans Administration or Federal Housing Administration, and in this respect the Board shall so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance; or

(d) to conform this Declaration to any state or federal constitutional requirements, or to the requirements of any local, state or federal statute, ordinance, rule, ruling or regulation, or to any decisions of the courts regarding the same, including, without limitation regarding the foregoing or regarding Declarant's authority to otherwise amend this Declaration or any other Governing Documents, as required to conform this Declaration or any other Governing Documents to, or as deemed necessary or appropriate by the Board as a result of, any amendments to the Texas Property Code.

10.04.3 Effective Date. Any lawful amendment of this Declaration will be effective from and after filing of the amending instrument in the Official Public Records of Real Property of Harris County, Texas, or such later date as may be stated in the amending instrument.

10.04.4 "Amendment" Defined. In this Declaration and all other Governing Documents the terms "amend", "amendment" or substantial equivalent mean and refer to any change, modification, revision or termination of any provisions of this Declaration or other Governing Documents.

SECTION 10.05 Notices.

10.05.1 General; "Notice" Defined.

(a) "Notice" means and refers to all notices or other communications permitted or required under this Declaration, as amended. ANY NOTICE IS DEEMED PROPERLY GIVEN ONLY IF GIVEN IN ACCORDANCE WITH THIS **SECTION 10.05** EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS DECLARATION. ALL NOTICES MUST BE GIVEN IN WRITING, MUST BE PROPERLY DATED, AND MUST IDENTIFY ALL PERSONS GIVING THE NOTICE AND ALL PERSONS TO WHOM THE NOTICE IS BEING GIVEN. ALL NOTICES MUST ALSO BE SIGNED BY

THE SENDER(S). NOTICE BY ELECTRONIC MEANS GIVEN IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THIS DECLARATION CONSTITUTES WRITTEN AND SIGNED NOTICE.

(b) Delivery. Except as otherwise expressly provided herein, all notices may be given by personal delivery acknowledged in writing, by certified or registered mail, return receipt requested, or by Electronic Means, all in accordance with this **Section 10.05**. Notices by mail must be by deposit of the notice, enclosed in a postpaid properly addressed wrapper, in a post office or official depository under the case and custody of the United States Postal Service. Personal delivery may be made to any person at the recipient's address, or in the case of any Owner or tenant by posting on the front door at the Owner's Lot address (or alternate street address, if applicable). Any such personal delivery may be acknowledged either by the recipient or by a third-party delivery service.

10.05.2 To Whom and Where Given.

(a) Declarant. All notices to Declarant either during or after the Development period must be given to Declarant as provided in Section 5.255 of the Texas Business Organizations Code, as amended, at Declarant's registered office or at Declarant's principal office. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, ALL NOTICES TO DECLARANT MAY BE GIVEN ONLY BY PERSONAL DELIVERY OR BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

(b) Association or ACC. All notices to the Association or the ACC during the Development Period must be given to Declarant as above provided. Thereafter, all notices to the Association or the ACC must be given (i) to the Association's registered agent at its registered office in accordance with the records of the Texas Secretary of State, or (ii) to any Director in the case of the Association or to any member of the ACC in the case of the ACC in the same manner as permitted for delivery of notice to the Director or member of the ACC as an Owner, or (iii) if the Association has a Managing Agent, then to the Association manager at the offices of the Managing Agent, or (iv) in accordance with the Association's most recently filed management certificate.

(c) Owners; Tenants. All notices to an Owner must be delivered to the Owner at the Owner's Lot address, or to the Owner's alternate street mailing address provided to the Association by the Owner as hereafter set forth. All notices to the tenant of an Owner must be delivered to the Lot address of the Lot at which the tenant resides.

(d) By Electronic Means. In lieu of (or in addition to) delivery to a street mailing address as above provided, notice may be given by Electronic Means (i) to an Owner or Owner's tenant according to the records of the Association, or (ii) to the Association, the ACC or the Association's Managing Agent, if any, in accordance with procedures as provided by the same upon written request of any Owner or tenant, or as otherwise provided by the Association (such as by publication in an Association newsletter, or as set forth in the Association's most recently filed management certificate).

(e) Owner/Tenant Responsibilities as to Electronic Means. IT IS THE OBLIGATION OF EACH OWNER AND THEIR TENANT(S) TO OBTAIN AND MAINTAIN CONFIRMATIONS OF RECEIPT OF ALL NOTICES AND OTHER COMMUNICATIONS FROM THE ASSOCIATION OR DECLARANT BY ELECTRONIC MEANS, AND TO PROVIDE THE SAME TO THE ASSOCIATION OR DECLARANT UPON REQUEST. IT IS THE OBLIGATION OF EACH OWNER AND EACH TENANT (i) TO PROVIDE AND KEEP THE ASSOCIATION UPDATED AS TO CURRENT "CONTACT INFORMATION' AS PROVIDED IN **SECTION 10.05.3**, AND (ii) TO MAINTAIN THE

CAPABILITY TO RECEIVE ANY NOTICES OR OTHER COMMUNICATIONS FROM THE ASSOCIATION OR DECLARANT BY, AND TO PARTICIPATE IN ANY MEETINGS AS PROVIDED IN THIS DECLARATION, THE BYLAWS OR OTHER GOVERNING DOCUMENTS BY, ELECTRONIC MEANS. BY ACCEPTANCE OF ANY RIGHT, TITLE OR INTEREST IN ANY LOT, OR BY OCCUPANCY THEREOF, EACH OWNER AND THEIR TENANT(S) CONSENT TO THE USE OF ELECTRONIC MEANS BY THE ASSOCIATION OR BY DECLARANT AS TO ANY NOTICES, COMMUNICATIONS OR MEETINGS IN ACCORDANCE WITH THIS DECLARATION, INCLUDING THIS **SECTION 10.05**, AND IN ACCORDANCE WITH THE BYLAWS AND OTHER GOVERNING DOCUMENTS. AS TO EACH OWNER AND EACH TENANT, ONCE THE MEANS OF COMMUNICATION BY ELECTRONIC MEANS IS ESTABLISHED, THOSE MEANS SHALL REMAIN IN EFFECT UNLESS AND UNTIL THE EXPIRATION OF FIVE BUSINESS DAYS FOLLOWING RECEIPT OF NOTICE BY THE ASSOCIATION STATING ALL APPLICABLE CHANGES REQUIRED FOR SUBSEQUENT COMMUNICATIONS BY ELECTRONIC MEANS.

(f) When Delivered. Notices or other communications are considered to be delivered, as applicable, on the day of personal delivery or deposit in the United States mail in accordance with this **Section 10.05**, or on the day and at the time the communication by Electronic Means is successfully transmitted, provided that transmission of any facsimile or email after 5:00 o'clock p.m. and before 8:00 o'clock a.m. of the following day, local time of the recipient, shall be deemed to be delivered at 8:00 o'clock a.m. on the following day.

(g) Deemed Delivery. REFUSAL BY ANY OWNER OR TENANT TO RECEIVE OR ACCEPT DELIVERY OR TRANSMISSION OF ANY NOTICE GIVEN IN ACCORDANCE WITH THIS **SECTION 10.05**, OR FAILURE BY ANY OWNER OR TENANT TO PROPERLY MAINTAIN THE MEANS FOR DELIVERY OR TRANSMISSION (SUCH AS FOR EXAMPLE BUT WITHOUT LIMITATION, FAILURE TO PROPERLY MAINTAIN A MAILBOX, OR FAILURE TO MAINTAIN RECEPTION CAPABILITIES BY ELECTRONIC MEANS), SHALL BE DEEMED ACTUAL NOTICE AND ACTUAL KNOWLEDGE OF THE MATERIALS DELIVERED OR TRANSMITTED IN ACCORDANCE WITH THIS **SECTION 10.05**.

10.05.3 Owner/Tenant Contact/Occupancy Information Required.

(a) Contact Information Required. As used in this Section (and this Declaration or other Governing Documents, when applicable), "contact information" means name, Lot address, alternate Owner street mailing address, if applicable, home and work telephone numbers, email address, and as applicable, mobile and facsimile numbers. Not later than thirty days after acquiring an ownership interest in a Lot, the Owner of the Lot must give notice to the Association of the contact information for all Persons who are Owners of the applicable Lot, and the name(s) of any other person(s) occupying the Lot other than the Owner. Not later than thirty days after acquiring a leasehold interest or other right of occupancy in a Lot, the Owner of the Lot must give notice to the Association of the contact information for all Persons who are tenants as to or who have otherwise acquired a right to occupy the applicable Lot. Not later than ten days after any change in any contact information, the Owner of the applicable Lot must give notice to the Association of all such changes. ANY OWNER OR TENANT MUST ALSO PROVIDE, CONFIRM, VERIFY AND UPDATE ALL CONTACT INFORMATION UPON WRITTEN REQUEST FROM THE ASSOCIATION WITHIN TEN DAYS FROM THE DATE OF THE REQUEST OR SUCH LATER DATE AS MAY BE STATED IN THE REQUEST.

(b) Required Procedure. ANY NOTICE UNDER SUBSECTION (a) ABOVE, INCLUDING ANY CONTACT INFORMATION NOTICE OR REPLY TO A REQUEST FOR CONTACT INFORMATION, MUST BE GIVEN SEPARATELY AND FOR THE SOLE PURPOSE OF PROVIDING THE CONTACT OR OTHER INFORMATION. FOR EXAMPLE, SENDING AN EMAIL FROM A DIFFERENT OR NEW EMAIL ADDRESS, OR INCLUDING A NEW EMAIL ADDRESS IN A COMMUNICATION SENT FOR OTHER PURPOSES, DOES NOT CONSTITUTE NOTICE AND SHALL NOT IN ANY MANNER OBLIGATE THE ASSOCIATION TO MAKE ANY CHANGE IN THE RECORDS OF THE ASSOCIATION BASED THEREON.

(c) Conflicts; Effective Date of Change. IN THE EVENT OF ANY CONFLICT BETWEEN ANY NOTICES RECEIVED BY THE ASSOCIATION, THE NOTICE LAST RECEIVED BY THE ASSOCIATION WILL CONTROL. EACH NOTICE RECEIVED BY THE ASSOCIATION WILL CONTROL UNTIL THE EXPIRATION OF FIVE BUSINESS DAYS FOLLOWING RECEIPT OF A PROPER SUBSEQUENT NOTICE.

10.05.4 One Address/Number and Delivery Limit. NO OWNER MAY MAINTAIN MORE THAN ONE CURRENT MAILING ADDRESS WITH THE ASSOCIATION FOR PURPOSES OF NOTICE. NO OWNER OR OWNER'S TENANT MAY MAINTAIN MORE THAN ONE CURRENT EMAIL ADDRESS AND ONE CURRENT FACSIMILE NUMBER WITH THE ASSOCIATION FOR PURPOSES OF NOTICE. THE ASSOCIATION IS NOT REQUIRED TO GIVE NOTICE BY MORE THAN ONE DELIVERY METHOD, AND ANY REQUEST, DIRECTIVE OR AGREEMENT TO THE CONTRARY IS VOID. WHEN MORE THAN ONE PERSON IS THE OWNER OR TENANTS OF A LOT, THE GIVING OF NOTICE AS AFORESAID TO ANY SINGLE OWNER OR TENANT CONSTITUTES NOTICE GIVEN TO ALL OWNERS OR TENANTS.

10.05.5 Other Information and Governing Documents. The Association may from time to time by written request require any Owner or tenant to provide, confirm, verify and update any information covered by this **Section 10.05** and/or by **Section 10.06**, or to provide other information or documentation relevant to the functions of the Association by submission of such information and documentation as the Association may reasonably require.

SECTION 10.06 Contact/Other Information To and From Mortgagees. AS USED IN THIS SECTION, "MORTGAGE" MEANS AND REFERS TO ANY MORTGAGE, DEED OF TRUST AND ANY OTHER LIEN OR ENCUMBRANCE AGAINST A LOT, AND "MORTGAGEE" MEANS AND REFERS TO THE CURRENT HOLDER OF EACH MORTGAGE. Upon written request of the Association an Owner must provide to the Association a written statement setting forth the name, mailing address, telephone number, and if known or reasonably ascertainable, the facsimile number and email address of each mortgagee for each mortgage covering the Owner's Lot, and each insurer or guarantor thereof, and as to each such mortgagee, insurer and guarantor, the nature of the loan or other encumbrance (such as purchase money loan, home equity loan or tax lien), and the account or similar identifying number or other designation applicable to the mortgage. The Association may at any time and from time to time provide to any mortgagee, or the insurer or guarantor of a mortgage, and upon receipt of written request of any mortgagee or the insurer or guarantor of a mortgage, the Association shall provide to such mortgagee, insurer or guarantor, a statement of any unpaid assessments or other amounts payable to the Association and of any violations of the Governing Documents then known to the Association. If an Owner is delinquent in payment of assessments (regular, special or specific) to the Association, upon written request of the Association a mortgagee, or the insurer or guarantor of a mortgage, shall provide the Association with information setting forth the status of such Owner's debt secured by the mortgage and other relevant information as set forth in the Association's request.

EACH OWNER EXPRESSLY CONSENTS TO THE ASSOCIATION PROVIDING SUCH INFORMATION TO A MORTGAGEE, INSURER OR GUARANTOR, AND TO A MORTGAGEE, INSURER OR GUARANTOR PROVIDING SUCH INFORMATION TO THE ASSOCIATION.

SECTION 10.07 Managing Agent. Declarant during the Development Period or the Board thereafter have the authority, from time to time and at any time, to retain, hire, employ or contract with any one or more Persons to provide management services to the Association, including discharge of such functions and duties of the Association and/or the Board and/or the ACC as determined by the Board (any such Person herein referred to as a "Managing Agent"). Any Managing Agent shall be retained, hired, employed or contracted for on such terms and conditions as the Declarant or the Board, as applicable, may determine; provided, the Association shall retain the right in all cases as to any Managing Agent to remove the Managing Agent, with or without cause, upon not more than sixty days written notice.

SECTION 10.08 Conflicts In Governing Documents. In the event of any conflict in the Governing Documents which cannot be reasonably reconciled after application of rules of interpretation as provided herein or by law, this Declaration shall control over any other Governing Documents, and all other Governing Documents shall control in the following order of priority: **(i)** Architectural Guidelines; **(ii)** Rules and Regulations; **(iii)** certificate of formation; **(iv)** bylaws; **(v)** Board and Member resolutions; and **(vi)** all others.

SECTION 10.09 Effective Date. This Declaration is effective from and after the date of filing of same in the Official Public Records of Real Property of Harris County, Texas, subject to amendment in accordance with this Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Declaration to be effective as above stated.

EXECUTED this 21st day of March, 2013.

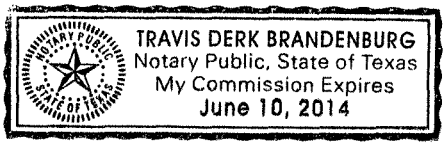
INTOWNHOMES, LTD.
a Texas limited partnership
"Declarant" By: InTown Builder GP, LLC., its GP

By: _____
Name: Helen Ghozali
Title: VP

DECLARANT'S ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 21st day of March, 2013, by Helen Ghozali, as VP of INTOWNHOMES, LTD., a Texas limited partnership, on behalf of the partnership.



Notary Public, State of Texas
Name: Travis Brandenburg
My Commission Expires: 6-10-14

ER 044 - 49 - 1494

MORTGAGEE/LIENHOLDER CONSENT

The undersigned mortgagee/lienholder,, being the owner and holder of an existing mortgage or lien upon and against the land and property described as the Subdivision in the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for Silver Commons, as such mortgagee and lienholder, does hereby consent to said Declaration as if the same had been recorded prior to the creation of such lien.

This consent will not be construed or operate as a release of said mortgage or liens owned and held by the undersigned, or any part thereof. Notwithstanding any other provisions of this Declaration or any other governing documents of the Association, the said mortgage or lien shall be superior to the Association's lien securing payment of any assessments.

EXECUTED this 9 day of April, 2013.

Compass Bank
(Print Name of Mortgagee/Lienholder)

By: _____
Name: Brock Tautenhahn
Title: Senior Vice President

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 9 day of April, 2013, by Brock Tautenhahn, SVP, of Compass Bank, a Alabama banking corporation, on behalf of said corporation.

MARIA CAMARILLO
Notary Public
STATE OF TEXAS
My Comm. Exp. April 23, 2013

Maria Camarillo
Notary Public, State of Texas
Name: _____
My Commission Expires: _____

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ER 044 - 49 - 1496

MORTGAGEE/LIENHOLDER CONSENT

The undersigned mortgagee/lienholder,, being the owner and holder of an existing mortgage or lien upon and against the land and property described as the Subdivision in the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for Silver Commons, as such mortgagee and lienholder, does hereby consent to said Declaration as if the same had been recorded prior to the creation of such lien.

This consent will not be construed or operate as a release of said mortgage or liens owned and held by the undersigned, or any part thereof. Notwithstanding any other provisions of this Declaration or any other governing documents of the Association, the said mortgage or lien shall be superior to the Association's lien securing payment of any assessments.

EXECUTED this 9 day of April, 2013.

Bank of America NA
(Print Name of Mortgagee/Lienholder)

By: _____
Name: Patricia Cascante
Title: Vice President

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 9TH day of APRIL, 2013, by PATRICIA CASCANTE, VICE PRESIDENT, of BANK OF AMERICA, NA, a NATIONAL banking ASSOCIATION, on behalf of said ASSOCIATION.

MARK L GHENT
Notary Public
STATE OF TEXAS
My Comm. Exp. 11-27-14

_____
Notary Public, State of Texas
Name: _____
My Commission Expires: _____

F:\wp\LWB\ba\lov\15+ SUB-2013\Silver Commons\Decl.wpd

MORTGAGEE/LIENHOLDER CONSENT

The undersigned mortgagee/lienholder,, being the owner and holder of an existing mortgage or lien upon and against the land and property described as the Subdivision in the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for Silver Commons, as such mortgagee and lienholder, does hereby consent to said Declaration as if the same had been recorded prior to the creation of such lien.

This consent will not be construed or operate as a release of said mortgage or liens owned and held by the undersigned, or any part thereof. Notwithstanding any other provisions of this Declaration or any other governing documents of the Association, the said mortgage or lien shall be superior to the Association's lien securing payment of any assessments.

EXECUTED this 10th day of April, 2013.

Texas Capital Bank, N.A.
(Print Name of Mortgagee/Lienholder)

By: _____
Name: Jerry Schillaci
Title: Senior Vice President

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 10th day of April, 2013, by Jerry Schillaci, Sr. Vice President, of Texas Capital Bank, a National Banking Association banking _____, on behalf of said _____.

AVAN BLAIR
NOTARY PUBLIC
State of Texas
Comm. Exp. 01-28-2014

Avan Blair
Notary Public, State of Texas
Name: _____
My Commission Expires: _____

F:\wp\LWB\ba\lov\15+ SUB-2013\Silver Commons\Decl.wpd

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

SILVER COMMONS

EXHIBIT "A": DEVELOPMENT PERIOD

A1.01 Application. Notwithstanding any other provisions of the Declaration or any other Governing Documents to the contrary, the provisions of this Exhibit "A" apply during the Development Period (and thereafter as herein provided).

A2.01 Declarant Rights; Architectural Control; Builder Approval.

A2.01.1 Declarant Rights. Notwithstanding any other provisions of the Declaration or any other Governing Documents, during the Development Period (and thereafter as applicable) Declarant is fully authorized to exercise all Declarant rights and authority as provided in or permitted by the Declaration, including this Exhibit "A", and all other applicable Governing Documents, independently and unilaterally, and without the joinder, vote or consent of the Board, the ACC, any other Owner or any other Person.

A2.01.2 Appointment of Directors, Officers and ACC Members. During the Development Period, Declarant has exclusive authority to appoint, re-appoint, elect or remove all members of the Board, the ACC (including any designated representative of the ACC) and any officers of the Association. Any provisions of the Declaration or any other Governing Documents regarding qualifications for members of the Board, the ACC or of any officers are hereby specifically declared inapplicable regarding any such members or officers who are appointed, re-appointed, elected or removed by Declarant.

A2.01.3 Declarant As Member. Declarant is deemed to be a Member of the Association for all purposes during the Development Period whether or not Declarant continues to own any Lot.

A2.01.4 Declarant's ACC Exemption and Authority. DECLARANT IS NOT REQUIRED TO OBTAIN ACC APPROVAL OR OTHERWISE COMPLY WITH ANY PROVISIONS OF **ARTICLE IV** OF THE DECLARATION UNTIL COMPLETION OF THE INITIAL SALE OF ALL LOTS, WHETHER OR NOT THE INITIAL SALE OCCURS DURING OR AFTER THE DEVELOPMENT PERIOD. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DECLARANT ALSO HEREBY RESERVES AND RETAINS FULL AND EXCLUSIVE AUTHORITY OF THE ACC AS TO EACH LOT, AND THE RIGHT TO ENGAGE IN (AND TO AUTHORIZE ANY AUTHORIZED BUILDER TO ENGAGE IN) ANY AND ALL DEVELOPMENT ACTIVITIES (AS DEFINED IN **SECTION A8.01** HEREOF) REGARDING EACH LOT, UNTIL COMPLETION OF THE INITIAL SALE OF EACH LOT, WHETHER OR NOT COMPLETION OF THE INITIAL SALE OCCURS DURING OR AFTER THE DEVELOPMENT PERIOD, AND REGARDING THE COMMUNITY PROPERTIES AND ANY OTHER PROPERTIES WITHIN THE SUBDIVISION UNTIL EXPIRATION OR TERMINATION OF THE DEVELOPMENT PERIOD. DECLARANT'S AUTHORITY INCLUDES WITHOUT LIMITATION THE RIGHT TO ASSESS (ON A CASE BY CASE BASIS AND WITHOUT FORMAL ADOPTION OF ARCHITECTURAL GUIDELINES)

AND TO RECEIVE PAYMENT OF ARCHITECTURAL REVIEW FEES AS AUTHORIZED BY **SECTION 4.02** OF THE DECLARATION.

A2.01.5 Approval of Builder ("Authorized Builder") By Declarant Required. During the Development Period no builders are permitted to construct any residence or appurtenant improvements upon any Lot or otherwise conduct any Development Activities (as defined in **Section A8.01** hereof) within the Subdivision other than those builders (if any, and whether one or more) which have been approved in advance in writing by Declarant (said approved builder or builders sometimes herein referred to as an "Authorized Builder"). Notwithstanding designation of a builder as an Authorized Builder, Declarant expressly reserves the right from time to time and at any time to regulate the activities of any Authorized Builder, and to limit, modify or remove any rights of an Authorized Builder which may otherwise be granted pursuant to the Declaration. Declarant's approval of any builder does not pass to any successor builder, and may not be otherwise transferred or assigned. Declarant's right to approve (or disapprove) any builder during the Development Period may be assigned only to another "Declarant" as so designated in accordance with applicable provisions of the Declaration.

A2.01.6 "Completion of the Initial Sale" of Lot Defined. As used in the Declaration, including this Exhibit "A", and as to each Lot, "completion of the initial sale" means and occurs upon substantial completion of the construction of a single family residence and related improvements upon the Lot and the sale of the Lot to a Person other than Declarant or an Authorized Builder for use and occupancy of the Lot for a single family residence.

A3.01 Declarant Authority and Exemption as to Assessments.

A3.01.1 DURING THE DEVELOPMENT PERIOD DECLARANT IS ENTITLED TO ESTABLISHED ALL ASSOCIATION BUDGETS AND TO SET AND CHANGE THE RATE OF ANY REGULAR ASSESSMENTS AND/OR TO IMPOSE SPECIAL ASSESSMENTS AND/OR TO SET OR IMPOSE SPECIFIC ASSESSMENTS WITHOUT THE JOINDER, VOTE OR CONSENT OF THE BOARD, ANY OWNER OR ANY OTHER PERSON, AND WITHOUT FURTHER FORMALITY THAN GIVING OF NOTICE THEREOF TO THE EXTENT NOTICE BY THE ASSOCIATION WOULD OTHERWISE BE REQUIRED BY THE DECLARATION. DURING THE DEVELOPMENT PERIOD DECLARANT WILL ONLY BUDGET FOR SUCH OPERATING EXPENSES OF THE ASSOCIATION AS DECLARANT DEEMS TO BE ESSENTIAL TO THE OPERATION OF THE ASSOCIATION, AND DECLARANT'S DETERMINATIONS AS TO SAME (AND AS TO ANY OTHER MATTERS PERTAINING TO THE PROVISIONS OF THIS **SECTION A3.01**) ARE FINAL. IN ADDITION TO AND NOT IN LIMITATION OF THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DURING THE DEVELOPMENT PERIOD DECLARANT IS NOT REQUIRED TO BUDGET FOR OR TO OTHERWISE COLLECT ANY FUNDS FOR PAYMENT OF ANY CAPITAL EXPENDITURES (DETERMINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES), OR FOR PAYMENT TO OR FUNDING OF ANY CAPITAL, CONTINGENCY OR OTHER RESERVES.

A3.01.2 NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DECLARANT IS EXEMPT FROM PAYMENT OF ANY ASSESSMENTS, ANNUAL, SPECIAL OR SPECIFIC, UNTIL THE FIRST DAY OF JANUARY FOLLOWING TERMINATION OF THE DEVELOPMENT PERIOD. DURING THE DEVELOPMENT PERIOD DECLARANT MAY ALSO EXEMPT ANY AUTHORIZED BUILDER (AS DEFINED IN **SECTION A2.01**) FROM PAYMENT OF REGULAR, SPECIAL OR SPECIFIC ASSESSMENTS AS

AFORESAID, IN WHOLE OR IN PART. IN THE EVENT OF RE-ACQUISITION OF OWNERSHIP OF ANY LOT BY DECLARANT, THE AFORESAID EXEMPTION AS TO PAYMENT OF ASSESSMENTS SHALL AGAIN APPLY IN ACCORDANCE WITH THIS SECTION. The forgoing shall also apply to any Lot used by Declarant for a model residence or other development, marketing or sales purposes regardless of whether record title remains in Declarant (such as, for example but without limitation, in the case of the sale of a resident to an Owner and lease back to Declarant for use as a model). In such cases, completion of the initial sale as provided in **Section A2.01** shall not be deemed to have occurred until the first day of the month following termination of any such use of the Lot by Declarant.

A3.01.3 In lieu of payment of assessments, Declarant will pay to the Association during the Development Period an amount, if any, equal to the Actual Operating Expenses of the Association less all funds available to the Association regardless of source and regardless of any principles of accrual or other accounting which might otherwise be applicable; PROVIDED, DECLARANT SHALL NEVER BE REQUIRED TO CONTRIBUTE MORE THAN AN AMOUNT EQUAL TO ONE-FOURTH OF THE AMOUNT OF REGULAR ANNUAL ASSESSMENTS WHICH WOULD OTHERWISE BE PAYABLE BY DECLARANT AS A CLASS A OWNER OF ONE OR MORE LOTS. "Funds available to the Association" shall include, without limitation, all assessments received from all other Owners subject to payment of assessments plus all other income received by the Association from any source (such as, for example, interest income). "Actual Operating Expenses" means only those expenses reasonably necessary during the Development Period for the discharge of the Association's functions and duties under the Declaration, and does not include payment of or funding for any capital expenditures (determined in accordance with generally accepted accounting principles), or any capital, contingency or other reserves, or any prepaid items, inventory or similar expenses attributable to periods after expiration or termination of the Development Period. Declarant will contribute to the Maintenance Fund as aforesaid from time to time as Declarant may determine.

A3.01.4 Notwithstanding anything to the contrary herein, Declarant may pay any deficit funding as above provided in services or materials or a combination of services and materials rather than in money (herein collectively called "in kind payment"). The amount of any in kind payment shall be the fair market value of the in kind payment.

A3.01.5 FROM TIME TO TIME DECLARANT MAY MAKE DEMAND FOR REPAYMENT BY THE ASSOCIATION FOR OR OFFSET ANY SURPLUS FUNDS OF THE ASSOCIATION (BEING ALL FUNDS REMAINING AFTER PAYMENT OF ACTUAL OPERATING EXPENSES AS HEREIN DEFINED) AGAINST ALL DECLARANT CONTRIBUTIONS MADE BY DECLARANT DURING THE DEVELOPMENT PERIOD. "DECLARANT CONTRIBUTIONS" MEANS ALL DEFICIT FUNDING OR OTHER SUBSIDY PAYMENTS BY DECLARANT, ANY OTHER MONIES PAID BY DECLARANT ON BEHALF OF OR FOR THE BENEFIT OF THE ASSOCIATION AND/OR THE SUBDIVISION, INCLUDING WITHOUT LIMITATION ALL AD VALOREM TAXES AND OTHER ASSESSMENTS IN THE NATURE OF PROPERTY TAXES PAID FOR OR FAIRLY ALLOCABLE TO ANY COMMUNITY PROPERTIES, AND ALL IN KIND PAYMENTS, IF ANY. DECLARANT MAY FROM TIME TO TIME OFF-SET OR DEMAND AND RECEIVE REPAYMENT FROM SUCH SURPLUS FUNDS UP TO THE FULL AMOUNT OF DECLARANT CONTRIBUTIONS, AT ANY TIME EITHER DURING OR WITHIN TWO YEARS AFTER THE EXPIRATION OR TERMINATION OF THE DEVELOPMENT PERIOD. EACH SUCH REPAYMENT SHALL BE DUE AND PAYABLE WITHIN THIRTY DAYS AFTER DEMAND OR SUCH LONGER PERIOD AS MAY BE STATED IN THE DEMAND. REPAYMENT SHALL BE WITHOUT INTEREST IF PAID WITHIN THIRTY DAYS OR SUCH LONGER PERIOD AS STATED IN THE DEMAND. THEREAFTER,

INTEREST WILL ACCRUE AT THE RATE OF EIGHTEEN PERCENT (18%) PER ANNUM OR THE HIGHEST RATE ALLOWED BY LAW, WHICHEVER IS LESS.

A3.01.6 DECLARANT'S GOOD FAITH DETERMINATION OF ACTUAL OPERATING EXPENSES, SURPLUS FUNDS, DECLARANT CONTRIBUTIONS AND ANY OTHER MATTERS PERTAINING TO THE PROVISIONS OF THIS SECTION ARE FINAL.

A4.01 Meetings of Owners; Election of "Owner Directors".

A4.01.1 Annual and Other Meetings. The provisions of this **Section A4.01.1** apply to any meeting of Owners until the Declarant Control Transfer Date as defined in **Section 5.01.1**. Within one year following completion of the initial sale of the first Lot in the Subdivision and annually thereafter, the Board of Directors shall call an annual meeting of the Members of the Association. Declarant or the Board may call such other meetings of Owners as determined by either. Until the Declarant Control Transfer Date, each meeting other than the First Annual Election Meeting of Owners will be primarily informational in nature. Declarant will set the place, time and date of each meeting of Owners (the "Meeting Date"), and notice thereof must be given to all Owners. Except as hereafter provided regarding the First Annual Election Meeting of Owners, Declarant or the Board will appoint the chairperson for each meeting. The chairperson for each meeting will appoint a secretary for the meeting, and will otherwise determine procedures for and conduct the meeting. The chairperson or secretary may be personnel of Declarant or of the Association's Managing Agent. All costs to call, notice and conduct any meeting of Owners, including the First Annual Election Meeting of Owners, shall be paid from the Maintenance Fund.

A4.01.2 Election of Owner Directors.

(a) Owners will elect a Director or Directors ("Owner Director(s)") as hereafter provided. Until the Declarant Control Transfer Date, the Association will be managed by a Board of three Directors. Thereafter, the number of Directors may be changes as provided in the Association's Bylaws. Except as herein provided, Declarant has sole authority to appoint all Directors, and has sole authority to from time to time and at any time remove and replace any Director until the Declarant Control Transfer Date as defined in **Section A5.01.1**.

(b) The Declaration does not include the number of Lots that may be created and made subject to the Declaration. Accordingly, if the Owners do not elect all members of the Board of Directors as hereafter provided by the tenth anniversary after the date the Declaration was recorded, then at least one-third of the Board of Directors must be elected by Owners other than Declarant by the said tenth anniversary Any such Owner Director will serve until the next annual meeting of Owners at which a successor will be elected by Owners other than Declarant, or until the First Annual Election Meeting of Owners, whichever first occurs.

(c) Declarant shall call the first meeting of Owners for election of all members of the Board of Directors (the "First Annual Election Meeting") within 120 days after termination or expiration of the Development Period, or such earlier date as determined by Declarant. The sole purpose of the First Annual Election Meeting is to conduct the election of all members of the Board of Directors by Owners unless otherwise permitted by Declarant in writing.

(d) Declarant shall set the place, the time and the date (the "First Election Meeting Date") of the First Annual Election Meeting, and notice thereof must be given to all Owners. Declarant may

appoint any persons to act as a chairperson and secretary for the First Annual Election Meeting, or, if Declarant does not do so, then the Owners shall elect the chairperson and/or secretary, as applicable, for the meeting as the first order of business of the meeting. The First Annual Election Meeting of Owners will be otherwise conducted as provided in the Declaration and in the Bylaws of the Association, and Declarant need not attend the meeting.

(e) If one or more but less than all Owner Directors are elected at the First Annual Election Meeting of Owners, then the Owner Director(s) who have been elected, through less than a quorum, may appoint as many Owner Directors as needed to fill all remaining directorship positions. If no Owner Director is elected at the First Annual Election Meeting of Owners, then at any time until the expiration of 120 days after the Meeting Date of the First Annual Election Meeting. Declarant may appoint one Owner Director who may in turn appoint all remaining Owner Directors. If no Owner Director is elected or appointed as aforesaid, then after expiration of the aforesaid 120-day period any Owner may call, notice and conduct an alternate First Annual Election Meeting of Owners for the sole purpose of electing Owner Directors.

A4.01.3 FAILURE TO ELECT/APPOINT OWNER DIRECTORS. IF THE OWNERS FAIL TO ELECT AND NOTIFY DECLARANT AS HEREIN PROVIDED AND DECLARANT DOES NOT APPOINT AT LEAST ONE OWNER DIRECTOR NOT LATER THAN TWO YEARS PLUS ONE DAY AFTER THE FIRST ANNUAL ELECTION MEETING DATE, THEN **(i)** ALL FUNDS REMAINING IN THE MAINTENANCE FUND, IF ANY, WILL BE DEEMED ABANDONED AND EXCLUSIVE OWNERSHIP THEREOF SHALL BE AUTOMATICALLY TRANSFERRED TO DECLARANT, AND **(ii)** ANY BOOKS AND RECORDS OF THE ASSOCIATION OR ACC IN THE POSSESSION OR CONTROL OF DECLARANT OR DECLARANT'S RELATED PARTIES MAY BE STORED AT THE EXPENSE OF THE ASSOCIATION AND MAY THEREAFTER BE DESTROYED IN ACCORDANCE WITH THE ASSOCIATION'S DOCUMENTS RETENTION POLICY IN EFFECT AS OF THE FIRST ELECTION MEETING DATE.

A5.01 Transfer of Declarant Control; Effect.

A5.01.1 THE DATE OF TRANSFER OF DECLARANT CONTROL REGARDING APPOINTMENT, REMOVAL OR REPLACEMENT OF DIRECTORS, ACC MEMBERS AND ASSOCIATION OFFICERS (THE "**DECLARANT CONTROL TRANSFER DATE**") IS THE DATE OF OCCURRENCE OF THE EARLIER OF (i) ELECTION BY OWNERS OR APPOINTMENT BY DECLARANT OF AT LEAST ONE OWNER DIRECTOR AT THE FIRST ANNUAL ELECTION MEETING OR THEREAFTER AS HEREIN PROVIDED, OR (ii) 120 DAYS AFTER THE FIRST ELECTION MEETING DATE.

A5.01.2 ON THE DECLARANT CONTROL TRANSFER DATE (i) ALL OFFICERS, DIRECTORS AND/OR ACC MEMBERS THERETOFORE APPOINTED OR ELECTED BY DECLARANT (OTHER THAN ANY OWNER DIRECTOR) ARE AUTOMATICALLY REMOVED FROM OFFICE AND FULLY RELIEVED THEREAFTER FROM ANY FURTHER RIGHTS, DUTIES, LIABILITIES AND RESPONSIBILITIES REGARDING THE ASSOCIATION, THE ACC OR THE SUBDIVISION, AND (ii) THE ASSOCIATION AND ITS MEMBERS BECOME WHOLLY AND SOLELY RESPONSIBLE FOR THE MANAGEMENT, MAINTENANCE AND OPERATION OF THE ASSOCIATION AND ACC, AND OF THE SUBDIVISION, INCLUDING WITHOUT LIMITATION FULL AND SOLE ASSUMPTION BY THE ASSOCIATION OF ALL MAINTENANCE RESPONSIBILITIES OF THE ASSOCIATION.

A5.01.3 Required Notices to Declarant. Until expiration of two years following the Declarant Control Transfer Date, Declarant must be (i) provided with true and correct copies of any and all notices given to Owners or Members and all other documents provided with each notice at the same time each notice and/or other document is given to Owners or Members, and (ii) given written notice of the name, mailing address, and, as applicable, the home, work and facsimile telephone numbers, and the email address of each Owner Director who is elected or appointed by Owners or by Owner Directors within ten days after any applicable election or appointment.

A6.01 Community Properties; Landscaping.

A6.01.1 REGARDLESS OF DESIGNATION BY ANY PLAT OR OTHERWISE, DURING THE DEVELOPMENT PERIOD DECLARANT MAY AT ANY TIME AND FROM TIME TO TIME (i) DESIGNATE, CONSTRUCT, OR EXPAND COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES, AND (ii) MODIFY, ELIMINATE, DISCONTINUE, RECONFIGURE, REDESIGN, REDESIGNATE OR IN ANY OTHER MANNER CHANGE THE COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT SPECIFICALLY RESERVES THE RIGHT AT ANY TIME DURING THE DEVELOPMENT PERIOD TO SELL OR OTHERWISE DISPOSE OF ANY "RESERVES" AND ANY OTHER SIMILAR AREAS, REGARDLESS OF DESIGNATION OF ANY SUCH AREA BY ANY PLAT OR OTHERWISE AS "RESTRICTED", "UNRESTRICTED", 'COMPENSATING OPEN SPACE' OR OTHER DESIGNATION. NEITHER THE FOREGOING NOR ANY OTHER PROVISIONS HEREOF SHALL BE CONSTRUED AS IN ANY MANNER CONSTITUTING ANY REPRESENTATION, WARRANTY OR IMPLICATION WHATSOEVER THAT DECLARANT OR ANY BUILDER WILL UNDERTAKE ANY SUCH DESIGNATION, CONSTRUCTION, MAINTENANCE, EXPANSION, IMPROVEMENT OR REPAIR, OR IF AT ANY TIME OR FROM TIME TO TIME UNDERTAKEN, THAT ANY SUCH ACTIVITIES WILL CONTINUE, AND ANY SUCH REPRESENTATION, WARRANTY OR IMPLICATION IS HEREBY SPECIFICALLY DISCLAIMED.

A6.01.2 During the Development Period Declarant may provide and construct such Community Properties as Declarant may desire. Once provided or constructed, and for so long as the same remain as part of the Community Properties, all costs and expenses of the operation, management, maintenance, repair and replacement of Community Properties, including all costs and expenses of insurance thereon and all ad valorem taxes and other assessments in the nature of property taxes covering or fairly allocable thereto, will be paid by the Association (either directly or by reimbursement to Declarant), regardless of whether or not title has been transferred or conveyed to the Association and regardless of whether or not any applicable contract, agreement or other arrangement for operation, management, maintenance, repair or replacement is in the name of, is procured through or has been transferred or assigned to the Association. The Association will also pay as aforesaid all costs and expenses, regardless of type and including procurement, as to service type Subdivision Facilities such as any patrol, or any garbage or recycling services

A6.01.3 Without limitation of **Section A6.01** or any other provisions hereof, it is expressly stipulated and agreed that Declarant does not represent, guarantee or warrant the viability, vitality, type, quality, quantity or continued existence, maintenance or replacement of any landscaping within or in the vicinity of the Subdivision, and no Owner or any other Person shall ever have any claim whatsoever against Declarant or Declarant's Related Parties regarding, directly or indirectly, any landscaping. The foregoing applies to any and all landscaping, whether natural or pre-existing prior to initiation of any Development Activities (as hereafter defined), whether planted or otherwise maintained as part of Development Activities, and as to any change, removal or other modification of any landscaping. Once planted or otherwise provided,

all costs and expenses of maintenance, replacement and/or removal of, and all risk of loss as to, all landscaping within any Community Properties or which is otherwise maintained by the Association shall be the sole responsibility of the Association, subject to Declarant's rights under **Section A6.01.1**.

A6.01.4 Declarant may transfer, convey or assign any or all Community Properties to the Association during the Development Period, and must do so within a reasonable time after termination of the Development Period. The Association is obligated to accept any conveyance and any other transfer of ownership of any Community Properties (as so designated by Declarant during the Development Period), regardless of whether the conveyance or other transfer occurs during or after the Development Period. The Association's acceptance as aforesaid is conclusively established upon filing of the applicable instrument of conveyance or other transfer in the Official Public Records of Real Property of Montgomery County, Texas, or as of the date of delivery of said instrument to the Association.

A6.01.5 ANY RIGHT, TITLE OR INTEREST TO ALL COMMUNITY PROPERTIES, REAL OR PERSONAL, WILL BE TRANSFERRED, CONVEYED OR ASSIGNED TO THE ASSOCIATION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, WITHOUT ISSUANCE OF ANY TITLE INSURANCE OR POLICY, AND, EXCEPT FOR SPECIAL WARRANTY OF TITLE BY, THROUGH OR UNDER DECLARANT, BUT NOT OTHERWISE, WITHOUT ANY COVENANT, WARRANTY, GUARANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW.

A7.01 Easements.

A7.01.1 Declarant and any Authorized Builder as so designated by Declarant, and their agents or employees (including any contractor or subcontractor) are entitled during the Development Period to use and exercise all easements set forth in the Declaration for, and Declarant may grant or exercise such additional easements for ingress, egress and usage as is reasonably necessary for, construction of single family residences, providing and development of utilities, Community Properties and/or Subdivision Facilities and any and all other Development Activities (as hereafter defined).

A7.01.2 In addition to the general easement as provided in the proceeding subsection, until completion of the initial sale (as defined in **Section A2.01** hereof) of all Lots, Declarant and any Authorized Builder shall have a temporary construction easement upon, under, over, across and above each Lot and all Community Properties for purposes of installation, construction and completion of the residence, garage and any other structures or improvements upon any adjacent Lot or Community Properties and the conducting of any other Development Activities (as hereafter defined) in relation thereto, provided that this easement shall not extend in any manner to the interior of any residence or garage and may not be utilized in such manner as to block ingress or egress as to the same, and provided further that Declarant or any Authorized Builder utilizing this easement shall restore any parts of the Lot or Community Properties affected by such usage to as nearly as practicable the same condition it was prior to such usage promptly upon completion of such usage.

A8.01 Development Activities.

A8.01.1 Declarant, Declarant's Related Parties, any Authorized Builder, and the constructors, sub-contractors, suppliers, vendors, sales agents, realtors and all other related personnel of Declarant or an Authorized Builder (all such Persons sometime herein referred to as "Development Personnel") have the right to transact any business and conduct any activities reasonably necessary for all

construction within, and all development of, the Subdivision, and for the sale or rental of Lots and single family residences and any other improvements to be constructed within the Subdivision (all such construction, development, sales and all related business and activities herein referred to as "Development Activities"), including without limitation as set forth in this **Section 8.01**.

A8.01.2 Declarant (and any Authorized Builder), have the right to maintain models, to have, place and maintain sales and promotional signs, flags, banners and similar promotional devices within the Subdivision, to conduct from time to time an "open house" and similar events for realtors and other persons which may include without limitation leaving limited access gates (if any) open as hereafter provided, and to use for development, sales and/or promotional purposes all or any part of any Lot, including residence or other improvements located thereon, which is owned by Declarant or an Authorized Builder.

A8.01.3 DECLARANT MAY LEAVE LIMITED ACCESS GATES, IF ANY, OPEN FOR ANY PERIODS OF TIME (OR AT ALL TIMES) AND OTHERWISE PROVIDE FOR OR PERMIT ACCESS TO THE SUBDIVISION BY ANY DEVELOPMENT PERSONNEL INVOLVED IN ANY DEVELOPMENT ACTIVITIES, BY ANY PROSPECTIVE PURCHASERS, BY ANY SALES AGENTS OR REALTORS AND BY ANY OTHER PERSONS AS DECLARANT REASONABLY DETERMINES IS NECESSARY OR CONVENIENT TO ACCOMMODATE ANY DEVELOPMENT ACTIVITIES.

A8.01.4 Development Personnel may or will be required to and are hereby specifically hereby authorized to, engage in construction activities, to store equipment or materials, to create accumulations of trash and debris, and to otherwise engage in activities and create conditions related to its development of the Subdivision, including the construction and sale of residences and any other improvements in the Subdivision, upon multiple Lots, Community Properties and any other properties within the Subdivision, excluding any Lot after the initial sale of the Lot to an Owner other than Declarant or an Authorized Builder and occupancy of the Lot by the said other Owner or their tenant.. Without limitation of the foregoing, Declarant and any Authorized Builder are specifically authorized to engage in any of the foregoing activities and any other Development Activities at any times and on any days (including Sundays and holidays) as Declarant or the Authorized Builder deems necessary, subject to Declarant's right to regulate Authorized Builders as herein provided.

A8.01.5 During the Development Period, Declarant's Development Personnel (and Development Personnel of any Authorized Builder to the extent expressly permitted by Declarant) may use for any Development Activities, without charge, any Community Properties (including Subdivision Facilities).

A8.01.6 Declarant (and any Authorized Builder) may permit temporary toilet facilities, sales and construction offices and storage areas to be used in connection with the construction and sale of residences at such locations as Declarant may direct. Declarant may also authorize usage of garages as sales offices during the Development Period. At or prior to the date of the sale of a Lot to an Owner other than Declarant or an Authorized Builder, any garage appurtenant to the residence located on the Lot used for sales purposes must be fully reconverted to a garage, and any such other Owner or their successors in title shall be responsible for completion of the reconversion to any extent the reconversion is not completed as aforesaid.

A8.01.7 Development Personnel may park vehicles at any locations within or in the vicinity of the Subdivision as is necessary to conducting of any Development Activities, excluding the private

driveway, if any, as to any residence which is owned by an Owner other than Declarant or an Authorized Builder and which is occupied by the Owner or their tenant.

A8.01.8 Declarant may establish any reasonable regulations as to Owners and tenants, as to the Association, the Board and/or the ACC, as to any Related Parties of any of the foregoing, and as to any other Person, which Declarant deems appropriate to avoid hindrance or interference with any Development Activities, including limiting or denying access to areas of the Subdivision, designating temporary dumping sites, maintenance of metal buildings or structures and use of Community Properties and/or Subdivision Facilities in connection with its Developmental Activities.

A8.01.9 Except as stated in **Section A8.01.5**, all provisions of this **Section A8.01** apply to each Lot owned by Declarant or an Authorized Builder until completion of the initial sale (as defined in **Section A2.01**) of the last Lot in the Subdivision, whether or not completion of the initial sale occurs during or after the Development Period.

A8.01.10 ABSENT INTENTIONAL AND WILLFUL MISCONDUCT, DECLARANT, ITS RELATED PARTIES AND ALL OTHER DEVELOPMENT PERSONNEL (INCLUDING AS TO ANY AUTHORIZED BUILDER) ARE NOT LIABLE TO ANY OWNER OR TENANT, OR TO THE ASSOCIATION OR ACC, OR TO ANY RELATED PARTIES OF ANY OF THE FOREGOING, OR TO ANY OTHER PERSON FOR ANY CONSEQUENCES OF THE REASONABLE CONDUCTING OF ANY DEVELOPMENT ACTIVITIES.

A9.01 Amendment of Governing Documents; Changes in Composition of Subdivision.

A9.01.1 General. During the Development Period Declarant reserves the sole and exclusive right, without joinder, vote, consent or any other approval of, and without notice of any kind to, the Association, the Board, the ACC, any Owner or any other Person (i) to amend, modify, revise or repeal, from time to time and at any time, this Declaration and any other governing documents, (ii) to prepare, amend, modify, revise or repeal any Plat covering or to cover the Subdivision, including without limitation elimination, change or reconfiguration of any Lots, reserves, compensating open space, street, easement, or any other parts, features, depictions, descriptions, notes, restrictions and any other aspects of any Plat, or any amendments or revisions thereof, (iii) to designate, construct or expand the Subdivision Facilities, and to modify, eliminate, discontinue, reconfigure, redesign, redesignate, or in any other manner change the Subdivision Facilities, (iv) to grant one or more residential use easements in any part of any reserve in favor of any Owner whose Lot or any part thereof abuts a reserve, in which case the area of land covered by each residential use easement shall be appurtenant to and shall be subject to all applicable provisions of this Declaration and all other applicable Governing Documents to the same extent as the applicable abutting Lot, and to all other provisions of the residential use easement grant, (v) to combine with, annex in to and/or to otherwise make a part of the Subdivision any other real property, any part of which is adjacent to, or across any street from, or otherwise located within one-half mile from, any part of the Subdivision as configured at the time of the combination or annexation, (vi) with the consent of the owner thereof, to withdraw or remove any real property from the Subdivision, and (vii) as to any or all of the foregoing, to amend this Declaration, any Plat and any other governing documents accordingly.

A9.01.2 Post-Development Period Annexation. Without limitation of **Section A9.01.1** above, at any time within the lesser of ten years after filing of record of this Declaration or six years after termination of the Development Period, and with the written consent of all owners thereof, Declarant may, without the joinder, vote, consent or any other approval of, and without notice of any kind to, the

Association, the Board, the ACC, any Owner or any other Person, combine with, annex in to and to make a part of the Subdivision any other real property, any part of which is adjacent to, or across any street from, or otherwise located within one-half mile from, any part of the Subdivision as configured at the time of the combination or annexation, and amend this Declaration, any Plat and any other governing documents accordingly. In the event of annexation after the Development Period as aforesaid, the Development Period will be automatically reinstated ipso facto as to all of the annexed real property until completion of the initial sale of the last Lot in the annexed real property.

A9.01.3 Effective Date. Any amendment, modification, revision, repeal, residential use easement, combination, annexation or other matter as provided in this Section will be effective from and after the date of filing of notice thereof in the Official Public Records of Real Property of Harris County, Texas, except to the extent expressly otherwise provided in the applicable notice.

A10.01 Binding Arbitration; Limitations. Declarant may, by written request, whether made before or after expiration or termination of the Development Period or before or after institution of any legal action, require that any Dispute (as hereafter defined) be submitted to binding arbitration to be conducted in Montgomery County, Texas in accordance with the Construction Industry Arbitration Rules (or substantial equivalent) of the American Arbitration Association. "Dispute" means any claim, demand, action or cause of action, and all rights and remedies regarding the same, claimed or asserted by the Association, the ACC or any Owner, or by any of their Related Parties, against or adverse to Declarant, or to any Related Party of Declarant, regarding (i) the Declaration (including this Exhibit "A") or any other Governing Documents, and/or (ii) any Development Activities within or regarding the Subdivision, including the construction of any residence or other improvement. The decision(s) of the arbitrator shall be final and binding, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The initial cost of such arbitration shall be borne equally by the parties, but the cost of such proceeding, including, without limitation, expert witness fees and reasonable attorneys fees, shall be awarded to the prevailing party. NOTICE OF ANY DISPUTE MUST BE GIVEN TO DECLARANT NOT LATER THAN ONE HUNDRED TWENTY DAYS AFTER, AND SUIT REGARDING ANY DISPUTE MUST BE FILED IN A COURT OF COMPETENT JURISDICTION NOT LATER THAN TWO YEARS PLUS ONE DAY AFTER, THE DATE ANY CAUSE OF ACTION REGARDING THE DISPUTE ACCRUES.

A11.01 Notice to Declarant. All notices to Declarant, either during or after the Development Period, must be given to Declarant as provided in Section 5.255 of the Texas Business Organizations Code, as amended, at Declarant's registered office or principal office, and as otherwise provided in **Section 10.05** of the Declaration.

A12.01 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, NO PROVISIONS OF THIS **EXHIBIT "A"**, AND NO OTHER RIGHTS OR LIMITATIONS OF LIABILITY APPLICABLE TO DECLARANT PURSUANT TO THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, MAY BE AMENDED, MODIFIED, CHANGED OR TERMINATED EITHER DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT.

EXHIBIT "B"

(TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SILVER COMMONS)

SILVER COMMONS COMMUNITY ASSOCIATON, INC.

ASSOCIATION DOCUMENTS INSPECTION AND COPYING POLICY

1.0 Definitions.

1.1 Incorporation. In this policy the definitions set forth in Section 209.002 of the Texas Property Code control (whether or not capitalized), including "Board" which means the Board of Directors which is the governing body of this Association. To the extent not inconsistent with the foregoing, all definitions set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Silver Commons, as amended (whether or not capitalized), including Article II thereof, are also incorporated herein.

1.2 Additional Definitions. In this policy the following definitions also apply:

1.2.1 "Association Documents" means all books and records of the Association, including all financial records, all dedicatory instruments and all other governing documents.

1.2.2 "Inspection Officer" means a Board member, employee of the Association's managing agent or attorney, or any other person designated by the Board who will facilitate or supervise an inspection of Association Documents under this policy.

1.2.3 "Owner Agent" means a person designated in a writing signed by the Owner as the Owner's agent, attorney or certified public accountant. In this policy "Owner" includes the Owner Agent unless otherwise stated.

1.2.4 "Production Costs" means all reasonable costs to locate and for the compilation (including data manipulation), production and reproduction of Association Documents incurred in response to a request under this policy, including but not limited to copies, postage, supplies, labor, overhead and third party fees (such as archive document retrieval fees from off-site storage locations), as more particularly described in Section 8.0 of this policy.

2.0 Right of Inspection. The Association shall make Association Documents open and reasonably available for examination by an Owner in accordance with, and subject to the exceptions in, this policy.

3.0 Proper Request Required. An Owner must submit a proper written request for inspection and/or production of Association Documents. A proper written request must:

3.1 be delivered by certified mail to the Association's attention at the Association's address as reflected on the Association's most recent management certificate filed in the Official Public Records of Real Property of Harris County, Texas; and

3.2 contain sufficient detail to identify the specific Association Documents being requested; and

3.3 state an election to either inspect the requested Association Documents or to have the Association forward the requested Association Documents; and

3.4 if the Association Documents are to be forwarded, the mailing address of the Owner, and, subject to **Section 6.0**, a preferred delivery format and/or delivery method from among the following:

3.4.1 format — electronic file, compact disk or paper; and

3.4.2 delivery method — email (email address must be provided), certified mail or pick-up.

3.5 if the identity of an Owner, the Owner's ownership of a Lot, or the authority of an Owner Agent cannot be reasonably confirmed from the request or the Association's record, then the Association may request reasonable verification such as by providing of a copy of a photo ID, or of a deed or other evidence of ownership, or a written authorization as to an Owner Agent which is dated and signed by the applicable Owner.

4.0 Responses to Requests.

4.1 Within ten business days after receipt of a proper written request, the Association shall either (i) forward the requested Association Documents together with an invoice for final Production Cost, or (ii) send written notice to the Owner who requested the Association Documents:

4.1.1 stating any deficiencies in the request which prevent the Association from making a proper response, including as provided in **Section 3.5**; or

4.1.2 stating the amount of estimated Production Costs and advising the Association Documents will be produced within ten business days after receipt of payment for estimated Production Cost; or

4.1.3 if an inspection is requested, stating the place where, and stating available dates and times during normal business hours when, the Association Documents are available for inspection, and in such case the Owner must deliver to the Association written confirmation of the date and time the inspection will take place at least one full business day before the selected date (for example, if the inspection is to take place on a Wednesday, the Association must receive the written confirmation by Monday); or

4.1.4 if the Association Documents cannot be produced within ten business days:

(a) advising the Association is unable to produce the Association Documents on or before the tenth business day after the date the Association received the request, and

(b) stating an alternative date by which the requested Association Documents will be available either for inspection or for forwarding and estimated Production Costs, and in such case the alternative date must be not later than fifteen business days after the date of the notice given under this **Section 4.1.4**; or

4.1.5 advising that after a diligent search, some or all of the requested Association Documents cannot be located, or are not in the possession, custody or control of the Association; or

4.1.6 any combination of the foregoing as the circumstances may reasonably require.

5.0 Inspections.

5.1 The Owner who conducts an inspection of Association Documents may (i) at the time of the inspection designate specific Association Documents for the Association to copy and forward to the Owner or Owner Representative, or (ii) send a proper request to the Association after the inspection as provided in **Section 3.0**. If designated at the time of inspection (y) the designation must be in writing and signed by the Owner, as applicable, and the Inspection Officer, and (z) the Association shall promptly thereafter send notice and produce the Association Documents as provided in **Section 4.1**.

5.2 At the discretion of the Board or the Association's managing agent, the Inspection Officer and/or a Board member and/or the Association's attorney may be present during all or any part of the inspection.

5.3 No Association Document may be removed by the Owner from the inspection area without the express written consent of a Board member or the Association's managing agent. No original Association Document may be removed from the Association's office for any reason by an Owner.

6.0 Production of Association Documents.

6.1 Format. The Association may produce Association Documents in paper, electronic or other format reasonably available to the Association, in the discretion of the Board or the Association's managing agent.

6.2 Delivery. The Association may deliver requested Association Documents by certified mail, email or facsimile, in the discretion of the Board or the Association's managing agent. Upon written request by an Owner, requested Association Documents may be made available for pick-up.

6.3 Conversion. The Association is not required to transfer any electronic records to paper format or paper records to electronic format unless the Owner requesting the transfer pays all costs thereof, in advance.

7.0 Exclusions From Inspection or Production.

7.1 Excluded Association Documents. The following Association Documents are not available for inspection by, and the Association has no obligation to produce any of the same to, any Owner:

7.1.1 financial records, including records of debit or credit entries as to amounts due or payable to the Association, associated with an individual current or former Owner; and

7.1.2 any Association Documents that identify any violation history of any current or former Owner regarding any dedicatory instrument or other governing documents of the Association; and

7.1.3 any Owner contact information other than an Owner's mailing address;

7.1.4 documents, received, retained or reviewed in any closed executive session of the Board pursuant to Section 209.0051(c) of the Texas Property Code, whether or not deemed to be Association Documents, which involve personal, pending or threatened litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual Owners, matters that are to remain confidential by request of the affected parties and agreement of the Board and, subject to and without limitation of **Section 7.3** hereof, confidential communications with the Association's attorney; and

7.1.5 attorney files and records of a current or former Association attorney except as provided in **Section 7.3**.

7.2 Consent for Disclosure. The Association Documents described in **Sections 7.1.1, 7.1.2, 7.1.3** or **7.1.4** shall be released or made available for inspection if:

7.2.1 the express written approval of the applicable Owner is provided to the Association stating the specific Association Documents covered by the approval; or

7.2.2 a court order releases the Association Documents or orders the Association Documents be made available for inspection.

7.3 Attorney Files.

7.3.1 Attorney's files and records relating to the Association (excluding invoices requested by an Owner pursuant to Section 209.008(d) of the Texas Property Code) are not records of the Association and are not: (i) subject to inspection by the Owner; or (ii) subject to production in a legal proceedings.

7.3.2 If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association Documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document.

7.3.3 The Association is not required under any circumstance to produce a document for inspection or copying that constitutes attorney work product or that is privileged as an attorney-client communication.

7.4 Non-Owners. The Association has no obligation to make any Association Documents available for inspection by, or to produce any Association Documents to, any Person other than an Owner. This exclusion includes any tenant of an Owner unless the tenant is designated as an Owner Agent.

8.0 Production Costs.

8.1 Advance Payment. Advance payment of estimated Production Costs must be received by the Association prior to delivery of any Association Documents unless expressly waived by the Board or the Association's managing agent or attorney.

8.2 Invoicing. On a case-by-case basis, the Board or the Association's managing agent may agree to invoice estimated Production costs. In each such case, the Production Costs must be paid in full within thirty days after a statement for the same is mailed to the Owner.

8.3 Refusal of Delivery. An Owner who, either directly or through an Owner Agent, makes a request for Association Documents and subsequently declines to accept delivery or otherwise renders delivery impracticable is liable for payment of all Production Costs.

8.4 Estimates, Final Invoice. Estimates for Production Costs shall be made by the Association in accordance with **Section 8.6**. If estimated Production Costs are lesser or greater than actual Production Costs, the Association shall submit a final invoice to the Owner on or before the thirtieth business day after the date the Association Documents are delivered. Any additional amounts due must be paid to the Association, or any excess must be refunded to the Owner, not later than thirty business days after the date the final invoice is sent.

8.5 Owner Responsible For Payment. An Owner who, either directly or through an Owner Agent, makes a request under this policy is responsible for payment of all Production Costs due to the

Association under this policy. The amount of any Production Costs not paid as required by this policy may be added to the applicable Owner's account as an assessment.

8.6 Allowable Charges. Estimated and actual Production Costs may not exceed the costs allowed pursuant to Texas Administrative Code, Section 70.3 (current copy as of the effective date of this policy attached), or as follows:

8.6.1 black and white 8½"x11" single sided copies=$0.10 per page or part of a page

8.6.2 black and white 8½"x11" double sided copies=$0.20 per page or part of a page

8.6.3 color 8½"x11" single sided copies=$0.50 per page or part of a page

8.6.4 color 8½"x11" double sided copies=$1.00 per page or part of a page

8.6.5 PDF images of documents=$0.10 per page or part of a page

8.6.6 compact disk (material charge only)=$1.00 each

8.6.7 labor and overhead=$15.00 per hour (IF over 50 pages OR IF documents are located in remote storage facility)

8.6.8 mailing supplies=$1.00 per mailing

8.6.9 postage=at cost

8.6.10 other supplies=at cost

8.6.11 third party fees=at costs

8.6.12 other costs=as permitted by current Texas Administrative Code, Section 70.3.

8.9 Change In Allowable Charges. In the event of subsequent amendment or amendments to Section 70.3 of the Texas Administrative Code or other applicable law which changes the charges set forth in **Section 8.6**, then the charges set forth in that Section shall be automatically adjusted accordingly.

9.0 Effective Date; Amendment.

9.1 Effective Date. This policy is effective upon the date of filing in the Official Public Records of Real Property of Harris County, Texas, subject to amendment as hereafter provided.

9.2 Amendment. This policy may be amended from time to time and at any time by Declarant, or by the Board. Any such amendment shall be effective upon the date of filing in the Official Public Records of Real Property of Harris County, Texas, or such later date as expressed stated in the amendment.

10.0 Controlling Effect. This policy is adopted pursuant to and in accordance with the requirements of Section 209.005 of the Texas Property Code in lieu of and supersedes any other provisions of the Association's governing documents, including any prior policies, regarding the express provisions set forth in this policy or which conflict with applicable Texas law. In all other respects, all provisions of the Association's governing documents shall continue in full force and effect.

TEXAS ADMINISTRATIVE CODE

TITLE 1, PAGE 3, CHAPTER 70

RULE §70.3 - CHARGES FOR PROVIDING COPIES OF PUBLIC INFORMATION

(a) The charges in this section to recover costs associated with providing copies of public information are based on estimated average costs to governmental bodies across the state. When actual costs are 25% higher than those used in these rules, governmental bodies other than agencies of the state, may request an exemption in accordance with §70.4 of this title (relating to Requesting an Exemption).

(b) Copy charge.

(1) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is $.10 per page or part of a page. Each side that has recorded information is considered a page.

(2) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

(A) Diskette--$1.00;

(B) Magnetic tape--actual cost

(C) Data cartridge--actual cost;

(D) Tape cartridge--actual cost;

(E) Rewritable CD (CD-RW)--$1.00;

(F) Non-rewritable CD (CD-R)--$1.00;

(G) Digital video disc (DVD)--$3.00;

(H) JAZ drive--actual cost;

(I) Other electronic media--actual cost;

(J) VHS video cassette--$2.50;

(K) Audio cassette--$1.00;

(L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--$.50;

(M) Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic--actual cost.

(c) Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.

(1) The hourly charge for a programmer is $28.50 an hour. Only programming services shall be charged at this hourly rate.

(2) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.

(3) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.

(d) Labor charge for locating, compiling, manipulating data, and reproducing public information.

(1) The charge for labor costs incurred in processing a request for public information is $15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(2) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:

(A) Two or more separate buildings that are not physically connected with each other; or

(B) A remote storage facility.

(3) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

(A) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or

(B) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.

(4) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(5) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).

(6) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

(e) Overhead charge.

(1) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

(2) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(3) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, $15.00 x .20 = $3.00; or Programming labor charge, $28.50 x .20 = $5.70. If a request requires one hour of labor charge for locating, compiling, and reproducing information ($15.00 per hour); and one hour of programming labor charge ($28.50 per hour), the combined overhead would be: $15.00 + $28.50 = $43.50 x .20 = $8.70.

(f) Microfiche and microfilm charge.

(1) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(2) If only a master copy of information in microfilm is maintained, the charge is $.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

(g) Remote document retrieval charge.

(1) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(2) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If

after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

(h) Computer resource charge.

(1) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(2) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(3) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--$10 per CPU minute; Midsize--$1.50 per CPU minute; Client/Server--$2.20 per clock hour; PC or LAN--$1.00 per clock hour.

(4) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows: $10 / 3 = $3.33; or $10 / 60 x 20 = $3.33.

(5) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

(i) Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

(j) Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

(k) Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).

(l) Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.

(m) These charges are subject to periodic reevaluation and update.

EXHIBIT "C"

(TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTION AND EASEMENTS FOR SILVER COMMONS)

SILVER COMMONS COMMUNITY ASSOCIATON, INC.

ASSOCIATION DOCUMENTS RETENTION POLICY

1.0 Definitions.

1.1 Incorporation. In this policy the definitions set forth in Section 209.002 of the Texas Property Code control (whether or not capitalized), including "Board" which means the Board of Directors which is the governing body of this Association. To the extent not inconsistent with the foregoing, all definitions set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Silver Commons, as amended (whether or not capitalized), including Article II thereof, are also incorporated herein.

1.2 Additional Definitions. In this policy the following definitions also apply:

1.2.1 "Association Documents" means all books and records of the Association, including all financial records, all dedicatory instruments and all other governing documents.

1.2.2 "Retention Period" means the period of time during which Association Documents must be maintained and retained as part of the books and records of the Association. Except as provided in **Section 3.4** regarding certain contracts and **Section 3.5** regarding reserve studies and account records of former Owners, the Retention Period starts on the date the document is created or otherwise obtained as part of the Association Documents. The Retention Period ends on the last day of the year of the applicable Retention Period. For example, as to an Association Document created or obtained on March 10, 2012 which is subject to a four year Retention Period, that Retention Period begins on March 10, 2012 and ends on December 31, 2016.

2.0 Format. Association Documents shall be maintained in paper format, or in an electronic format that can be readily transferred to a paper format.

3.0 Retention Periods.

3.1 Permanent Retention Required. The following Association Documents shall be retained permanently:

3.1.1 certificate of formation/articles of incorporation;

3.1.2 bylaws;

3.1.3 restrictive covenants, including the Declaration; and

3.1.4 amendments to any of the Association Documents listed in **Sections 3.1.1, 3.1.2** or **3.1.3**.

3.2 Seven Year Retention Period. The following Association Documents shall be retained for a seven year Retention Period:

3.2.1 financial books and records, including Association budgets, financial statements and bank account statements;

3.2.2 tax returns;

3.2.3 audit records;

3.2.4 minutes of meetings of the Owners and of the Board; and

3.2.5 applications for architectural approval or variance pertaining to individual lots, and final written decisions of the Architectural Control Committee or Board regarding the same.

3.3 Five Year Retention Period. Account records of current Owners, including records of debit and credit entries associated with amounts due and payable by the Owner to the Association, shall be retained for a five year Retention Period. Account records of former Owners shall be maintained as provided in **Section 3.5** of this policy.

3.4 Four Year Retention Period. Contracts with a term of one year or more shall be retained for a four year Retention Period, starting after the expiration of the contract term.

3.5 One Year Retention Period. The following Association Documents shall be retained for a one year Retention Period:

3.5.1 reserve studies, starting after the expiration of the period covered by the reserve study; and

3.5.2 account records of each former Owner, including records of debit and credit entries associated with amounts that were or remain due and payable by the former Owner to the Association, starting after the date of termination of such ownership.

3.6 Discretionary Retention. Any Association Document not described in **Sections 3.1** through **3.5** may be retained for such duration as deemed appropriate in the discretion of the Board, or the Association's managing agent or attorney.

4.0 Expiration of Retention Period. Upon expiration of the Retention Period for each Association Document, the Association Document may be destroyed, discarded, deleted, purged or otherwise eliminated. Paper documents should be shredded or otherwise completely destroyed. Electronic files should be destroyed in such manner as to prevent subsequent reconstruction or manipulation.

5.0 Effective Date; Amendment.

5.1 Effective Date. This policy is effective upon the date of filing in the Official Public Records of Real Property of Harris County, Texas, subject to amendment as hereafter provided.

5.2 Amendment. This policy may be amended from time to time and at any time by Declarant, or by the Board. Any such amendment shall be effective upon the date of filing in the Official Public Records of Real Property of Harris County, Texas, or such later date as expressed stated in the amendment.

6.0 Controlling Effect. This policy is adopted pursuant to and in accordance with the requirements of Section 209.005 of the Texas Property Code in lieu of and supersedes any other provisions of the Association's governing documents, including any prior policies, regarding the express provisions set forth in this policy or which conflict with applicable Texas law. In all other respects, all provisions of the Association's governing documents shall continue in full force and effect.

EXHIBIT "D"

(TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SILVER COMMONS)

SILVER COMMONS COMMUNITY ASSOCIATON, INC.

ASSESSMENT COLLECTION POLICY

1.0 Definitions. In this policy the definitions set forth in Section 209.002 of the Texas Property Code control (whether or not capitalized), including "Board" which means the Board of Directors which is the governing body of this Association. To the extent not inconsistent with the foregoing, all definitions set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Silver Commons, as amended (whether or not capitalized), including Article II thereof, are also incorporated herein.

2.0 Delinquency Charges.

2.1 Due Dates; Delinquency. All assessments are due and payable as stated in the Association's governing documents. Any assessment which is not paid by the due date is delinquent.

2.2 Interest. Interest at the rate stated in the Association's governing documents will be charged on any assessment as to each assessment account for each Lot which is not paid in full by the end of each month.

2.3 Late Charges. A late charge of $25.00 per month will be charged as to each assessment account for each Lot which is not paid in full by the end of each month.

2.4 Administrative/Managing Agent Fees. Any administrative fees, costs or other charges, including collection program and similar fees, imposed by the Association or by its managing agent with prior approval of the Board, shall be added to each applicable delinquent assessment account.

2.5 Compliance Costs. In addition to the charges set forth in **Sections 2.2, 2.3** and **2.4**, a defaulting Owner is obligated to pay all other costs incurred by the Association to collect any delinquent amounts due to the Association, including costs of title reports, credit reports, postage, long distance calls, lien claim notice/affidavit preparation and filing fees, all other filing fees, all reasonable costs and attorney's fees, and all other applicable charges as set forth in this policy or the Association's governing documents.

2.6 Waiver. Upon written request stating good cause as determined in the sole discretion of the Board, the Board may in its sole discretion waive payment of any charges set forth in **Sections 2.2, 2.3, 2.4** and/or **2.5**, in whole or in part.

3.0 Payments.

3.1 Insufficient Funds. The Association may charge a $25.00 fee for any check or other payment which is returned due to insufficient funds or which is not paid for any other reason, plus any other costs, charges or expenses incurred by the Association due to the insufficient funds or any other failure to honor the check or other payment. In addition, the Association may require all future payment by or on behalf of the applicable Owner be made only by certified check, money order or equivalent for a period not to exceed two years following the last date of dishonor.

3.2 Application of Payments.

3.2.1 Except as provided in **Section 3.2.2**, payment from an Owner or for an Owner's account shall be applied in the following order of priority: (i) delinquent assessments; (ii) current assessments; (iii) attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure under the Association's governing documents; (iv) other attorney's fees; (v) fines; and (vi) any other amounts owed to the Association.

3.2.2 If at the time the Association receives a payment the applicable Owner is in default under a payment plan entered with the Association, and continuing for a two-year period thereafter as provided in **Section 4.10**: (i) the Association is not required to apply the payment as provided in **Section 3.2.1**, and instead may apply the payment in any manner provided in the payment plan agreement in the event of default, or as provided in the Association's governing documents, or as otherwise determined by the Board or the Association's managing agent; provided, (ii) notwithstanding the foregoing, a fine may not be given priority over any other amount owed to the Association.

3.2.3 All payments within each category of application, either under **Section 3.2.1** or **Section 3.2.2**, as applicable, shall be applied on a first-in, first-out basis.

3.2.4 The Association may refuse to accept any partial payment, being any payment for less than the total amount due, including any payment under a payment plan which is less than the total amount then due pursuant to the payment plan.

3.2.5 The Association may refuse to accept any payment with a restrictive endorsement or which contains or is accompanied by conditions, directives or limitations contrary to this policy, or to the terms of any payment plan agreement then in effect, or to any other provisions of the Association's governing documents.

3.2.6 Endorsement or deposit of a payment or posting of a payment to an account do not constitute acceptance of the payment unless the payment is not refunded within sixty days after deposit. Acceptance of payment does not in any case constitute acceptance as to any modification of any terms of, or waiver of default under, a payment plan agreement then in effect, as to any restrictive endorsement, or as to any other accompanying conditions, directives or limitations. Acceptance of any kind, including acceptance of a partial payment, does not in any case waive any Association rights or preclude strict compliance in the future.

4.0 Payment Plans.

4.1 Availability. Except as provided in **Section 4.10.3**, the Association shall offer alternative payment plans to Owners in accordance with this policy covering all assessments and other amounts owed to the Association.

4.2 Written Request Required. Request for a payment plan must be submitted to the Association in writing. The request (i) must be dated, (ii) must be signed by the Owner or submitted by email or fax under the Owner's name, and (iii) must set forth proposed payment terms and amounts within the guidelines set forth in **Section 4.6**. If a payment term of more than three months is requested, the request must also provide a brief statement of the basis for the extended payment term.

4.3 Minimum/Maximum Term. An Owner may propose any term for a payment plan, provided that (i) subject to **Section 4.10**, the Association must approve a minimum term of three months as provided in **Section 4.6.1**, and (ii) the Association may not approve a term exceeding eighteen months from the date of the Owner's request for a payment plan.

4.4 Written Agreement Required. All payment plan agreements (i) must be in writing on a form provided or approved by the Association, or the Association's managing agent or attorney, and (ii) must be fully completed, dated and signed by the applicable Owner.

4.5 Terms and Conditions. All payment plans are subject to the following terms and conditions:

4.5.1 The initial total amount due under the payment plan shall be calculated as of the date of receipt by the Association of a proper written request under **Section 4.2** from the applicable Owner for a payment plan. Subject to **Section 5.2.5**, the initial total amount due plus (i) reasonable costs associated with administration of the payment plan, and (ii) interest at the rate allowed by the Association's governing documents, or such lesser rate as stated in the payment plan agreement, are herein referred to as the "Payment Plan Amount".

4.5.2 So long as the payment plan remains in effect, no additional monetary penalties will be added to the Payment Plan Amount.

4.5.3 The applicable Owner must keep tract of payments, including due dates, dates and amounts of payments and remaining payments due. No notices or reminders as to any of the foregoing need be sent. Any reasonable costs incurred by the Association regarding the foregoing may be charged as costs of administration of the payment plan which must be paid upon demand.

4.5.4 All assessments and any other amounts which become due to the Association after the date of determination of the Payment Plan Amount must be paid to the Association in full, when due, and in addition to the payments due under the payment plan.

4.6 Guidelines. The terms of payment for all payment plans must be approved by the Board or other authorized Association officer, provided (i) the terms of a three month plan as provided in **Section 4.6.1** are automatically approved (subject to **Section 4.10**), or (ii) a payment plan with terms of payment equal to or better than a six month plan as provided in **Section 4.6.2** may also be approved by the Association's managing agent or attorney. Terms of payment as aforesaid are as follows:

4.6.1 Three Month Plan. The Payment Plan Amount is due and payable in three equal and consecutive monthly payments, beginning not more than thirty days after the date of the payment plan agreement.

4.6.2 Six Month Plan. The Payment Plan Amount is due and payable as follows: (i) 25% down, due and payable not more than thirty days after the date of the payment plan agreement; and (ii) five equal and consecutive monthly payments of the remaining balance due, beginning not more than thirty days after the date the down payment is due and payable.

4.7 When Plan Effective. A payment plan is effective only upon receipt by the Association of (i) a fully completed, dated, and signed payment plan agreement; and (ii) the first payment (or down payment) due and payable pursuant to the payment plan agreement.

4.8 Default. The following provisions apply regarding a "default" under a payment plan agreement:

4.8.1 An Owner is considered in default if,

(a) the owner fails to complete, date, sign and return the payment plan agreement and the initial payment to the Association when due; or

(b) the Owner fails to make any payment when due, or, when applicable, fails to make any payment by certified check, money order or equivalent as provided in Section 3.1; or

(c) the Owner makes any payment for less than the total amount due; or

(d) any payment is returned due to insufficient funds or is not honored or paid due to any other reason.

4.8.2 A payment plan is terminated and of no further effect automatically if:

(a) the Owners fails to fully cure any default within ten days after the date notice of default is sent to the Owner; or

(b) upon any default which occurs after notice of default has been given as provided in subsection (a) above.

4.9 Waiver of Default; Reinstatement. A default may be waived or a terminated payment plan may be reinstated in the sole discretion of the Board or other authorized Association officer or agent, but only if the default is fully cured within ten days after the date of the applicable notice of waiver or reinstatement. In the event of waiver or reinstatement, the provisions of **Sections 3.2, 4.10.3** and **4.10.4** shall nonetheless continue to apply.

4.10 Effect of Termination. Upon termination of a payment plan:

4.10.1 all amount due under the payment plan agreement, and all other amounts which would be due to the Association but for the agreement and which have become due in consequence of the default, automatically and immediately become due and payable to the Association; and

4.10.2 the Association may immediately pursue all rights and remedies of the Association under its governing documents or as otherwise permitted by law; and

4.10.3 the Association has no obligation to accept a payment plan from the defaulting Owner during the two year period following the last date of default prior to termination of the applicable payment plan agreement; and

4.10.4 during the two-year period as provided in **Section 4.10.3**, the provisions of **Sections 3.2.1, 4.5.1, 4.5.2** and **4.6** do not apply, and the Association may proceed with entry of any alternate payment plan upon such terms and conditions as determined by the Board or other authorized Association officer or agent, or with exercise of any rights or remedies as permitted by its governing documents or applicable law.

5.0 Collection Procedures.

5.1 Guidelines Only. The collection procedures set forth in this **Section 5.0** apply unless otherwise determined by the Board on a case-by-case basis, or as circumstances in the sole discretion of the Board require.

5.2 Association. The Association, directly, or through its managing agent or through the Association's attorney as herein provided. shall comply with the following collection procedures:

5.2.1 An annual notice of assessment and other amounts due to the Association shall be sent to each Owner (whether one or more) in accordance with the Association's governing documents;

5.2.2 At least one reminder delinquency notice shall be sent to each Owner who is ten days or more delinquent in payment of assessments or any other amounts due to the Association providing the Owner not less than ten days from the date of the notice to cure the delinquency.

5.2.3 If the account of any Owner remains delinquent after expiration of the notice period as provided in **Section 5.2.2,** notice shall be sent by certified mail, return receipt requested, to the applicable Owner that (i) specifies each delinquent amount or includes an itemized statement of account reflecting such amounts, and states the total amount of the payment required to make the account current, (ii) describes the options the Owners has to avoid having the account turned over to the Association's attorney, including information regarding availability of a payment plan through the Association, and (iii) advises the Owner that attorney's fees and costs will be charged to the Owner if the delinquency continues after a date certain (which may be stated as a certain number of days after the date of the letter) which date certain shall not be less than thirty days from the date of the notice. The notice may also advise the Owner that rights to use any or specific common area will be suspended if the delinquency continues past the date contain, but the notice is effective for such purpose only if the notice also complies with Section 209.006 of the Texas Property Code.

5.2.4 The account of any Owner which remains delinquent after expiration of the notice period as provided in **Section 5.2.3** may be referred to the Association's attorney for collection.

5.2.5 NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS POLICY, AN OWNER IS LIABLE FOR PAYMENT OF, AND THE PAYMENT PLAN AMOUNT SHALL INCLUDE, ALL LEGAL FEES AND EXPENSES INCURRED BY THE ASSOCIATION AFTER EXPIRATION OF THE NOTICE PERIOD AS PROVIDED IN **SECTION 5.2.3.**

5.2.6 NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS POLICY, AFTER REFERRAL OF A DELINQUENT ACCOUNT TO THE ASSOCIATION'S ATTORNEY AND CONTINUING THROUGH THE DATE OF RECEIPT AND NEGOTIATION BY THE ASSOCIATION OF PAYMENT IN FULL OF ALL AMOUNTS THEN DUE TO THE ASSOCIATION, THE NOTICES PURSUANT TO **SECTIONS 5.2.1** AND **5.2.2** ARE NOT REQUIRED, AND THE ASSOCIATION'S ATTORNEY MAY SEND ANY NOTICE AS PERMITTED OR REQUIRED BY THIS POLICY, INCLUDING AS PROVIDED IN **SECTION 5.2.3.**

5.3 Association Attorney. Upon referral of a delinquent account to the Association's attorney, the attorney shall comply with the following collection procedures:

5.3.1 A final demand letter shall be sent to the Owner demanding payment in full in not less than thirty days.

5.3.2 If the account is not paid in full pursuant to the notice sent under **Section 5.3.1**, the attorney shall prepare and file a lien claim notice/affidavit, and shall send the delinquent Owner a notice of intent to proceed with foreclosure which shall include a copy of the lien claim notice/affidavit. The notice of intent to proceed with foreclosure must allow not less than ten days to fully cure the delinquency.

5.3.3 At the time of giving notice under **Section 5.3.2,** or in any event prior to initiation of a foreclosure action, the Association attorney shall give written notice to applicable

lienholders, if any, in accordance with Section 209.0091 of the Texas Property Code providing notice and opportunity to cure the delinquency before the 61st day after the date the recipient receives the notice.

5.3.4 If the account is not paid in full pursuant to the notice sent under **Section 5.3.2** (and **Section 5.3.3**, if applicable), the Association attorney shall so advise the Board. The Board may then authorize the attorney to proceed with foreclosure in accordance with the Association's governing documents and applicable law.

6.0 Owner Right to Vote. The Association may not disqualify any Owner from voting in an election of any Board member or on any matter concerning the rights or responsibilities of the Owner for any reason, including any delinquency in payment of amount due to the Association.

7.0 Suspensions. The Association may suspend a delinquent Owner's right to use of common area facilities and amenities for nonpayment of amounts due to the Association and as otherwise permitted by the Association's governing documents, but only after notice and compliance as otherwise applicable with Section 209.006 of the Texas Property Code.

8.0 Notices. Unless otherwise required by the Association's governing documents, applicable law or this policy, the following provisions apply regarding any notices or other communications (a "notice") permitted or required by this policy.

8.1 "Owner" refers to the owner, whether one or more, of the applicable property. When two or more persons are an Owner, notice to any co-Owners is deemed notice to all other co-Owners.

8.2 Notices may be given to any Owner by personal delivery, by regular mail, by certified mail, return receipt requested, by email, or by facsimile according to the records of the Association, or by any other means as permitted by the Association's governing documents, except as otherwise expressly required by this policy.

8.3 Notices to an Owner are deemed given as applicable (i) upon delivery to any recipient at the Owner's address, (ii) upon deposit in the United States mail, (iii) on the day and at the time the email or facsimile is successfully transmitted, or (iv) in any other manner permitted by the Association's governing documents.

8.4 Notice to the Association is deemed given (i) upon receipt, or (ii) in any other manner permitted by the Association's governing documents.

9.0 Application; Effective Date; Amendment. The Association is required to apply this policy only as to assessments or other debt that becomes due to the Association on or after January 1, 2012. This policy is effective upon the date of filing in the Official Public Records of Real Property of Harris County, Texas, subject to amendment as next provided. This policy may be amended from time to time and at any time by Declarant during the Development Period, or by the Board. Any such amendment shall be effective upon the date of filing in the Official Public Records of Real Property of Harris County, Texas, or such later date as expressed stated in the amendment.

10.0 Controlling Effect. This policy is adopted in lieu of and supersedes any other provisions of the Association's governing documents, including any prior policies, regarding the express provisions set forth in this policy or which conflict with applicable Texas law. In all other respects, all provisions of the Association's governing documents shall continue in full force and effect.

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e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees 452.00

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