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DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS (

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Declarant is the owner of that certain real property in Panorama Village, Montgomery County, Texas, described as follows:

Lots ONE (1) through THIRTY-ONE (31), Panorama Countryhouse Section, Panorama Subdivision;

AND WHEREAS, Declarant will convey the said lots, subject to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth;

NOW THEREFORE, Declarant hereby declares that all of the lots described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the lots or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to PANORAMA COUNTRY-HOUSE ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

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Section 4. "Townhouse" shall mean a single family residence unit joined together with at least one more single family residence by a common wall, or walls, and/or roof and/or foundation.

Section 5. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to PANORAMA DEVELOPMENT COMPANY, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Annexation of additional property shall require the assent of twothirds (2/3) of the Class A members and two-thirds (2/3) of the Class B members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above and the required quorum of such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than fifty (50) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken therest.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to covenants of record to assessment

Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separate from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in

Article III with the exception of the Declarant. Class A members shall be
entitled to one vote for each Lot in which they hold the interest required
for membership by Article III. When more than one person holds such interest
in any Lot, all such persons shall be members. The vote for such Lot shall be
exercised as they, among themselves determine, but in no event shall more than
one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant. The Class B member(s) shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article III, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events,

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) September 1, 1976.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Essements of Enjoyment: Every member shall have a right and essement of enjoyment in and to the Common Area and such easement shall be appurtenent to and shall pass with the title to every assessed Lot, subject to the following provisions:

(a) the right of the Association to limit the number of guests of members;

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

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

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey its interest in the Common Area to the Association prior to the conveyance of the first Lot. As a right running with the real property, ownership of each Lot shall entail the use and enjoyment of all walks, stairs, pavement, driveways, parking areas,

entrances and exits owned by the Association and there shall always be access by both pedestrians and vehicles to and from each Townhouse to a street dedicated to public use without hindrance of such communication ways by the Association and/or Owners of the Townhouses. Title to the Common Area shall remain undivided in the Association so as to preserve the rights of the Owners with respect to their use and enjoyment of the Common Area.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in any such Deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the Townhouses situated upon the Properties. Such uses may include, but are not limited to, the cost to the Association of all taxes, insurance, repair, replacement and maintenance of the Common Area and of the maintenance of the exteriors of the Lots or Townhouses as may from time to time be authorized by the Board of Directors, and other facilities and activities including, but not limited to, mowing grass, caring for the grounds,

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landscaping, swimming pool, recreational buildings and equipment, roofs and exterior walls of the Townhouses, carports, including their roofs, garbage pickup, water and sewer service furnished to the Townhouses by the Association and other charges required by this Declaration of Covenants, Conditions and Restrictions or that the Board of Directors of the Association shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes, and other charges as specified herein.

Section 3. Basis and Maximum of Annual Assessments. Until January lst of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$ per Lot.

- (a) From and after January lat of the year immediately following the conveyance of the first Lot to an Owner the maximum annual assessment may be increased effective January lat of each year without a vote of the membership in conformance with the yearly rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.
- (b) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased for the next succeeding three (3) years above that established by the Consumer Price Index formula by a wote of the members and at the end of each such period of three (3) years, for each succeeding period of three (3) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may levy the annual assessments at an amount not in excess of the maximum. As long as there is a Class B membership, the Board of Directors shall charge and collect a fraction of the annual assessment on each Lot until the conveyance of said Lot by Declarant to an Owner, provided that any such fractional charge to Declarant shall not be less than twenty-five percent (25%).

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots except as provided in Section 3(c) hereof, and may be collected on a monthly basis, i.e. 1/12th of the annual assessment on each Low each month.

Section 6. Quorum for Any Action Authorized Under Sections 3 and 4.

At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than fifty (50) days following the preceding meeting.

Date of Commencement of Annual Assessments: Due Dates. Section 7. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; provided, however, that the Board of Directors shall have the right to adjust the annual assessment as long as any such adjustment does not exceed the maximum permitted hereunder with thirty (30) days written notice given to each Owner. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors and, unless otherwise provided, the Association shall collect each month from the Owner of each Lot 1/12th of the annual assessment for such Lot. The Association shall upon demand, at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the PANORAMA COUNTRYHOUSE ASSOCIATION, INC. or its agents the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property, and such Owner hereby expressly grants to the Association a power of

sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association acting on behalf of the Lot Owners shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding nonpayment of such defaulting Owner's portion of the premium. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mort—gage or mortgages granted or created by the Owner of any Lot to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a foreclosure under such purchase-money or improvement mortgages or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the Lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessment created herein:

- (a) All properties dedicated to and accepted by a local public authority:
- (b) the Common Area; and
- (c) all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Management Agreements. Each Owner of a Lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to the Lot Owners. Any management agreement entered into by the Association

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shall provide that said management agreement may be cancelled by an affirmative vote of sixty percent (60%) of the votes of each class of the members of the Association. In the event of such cancellation, the Association or its Board of Directors shall take one of the following actions before such cancellation takes effect:

- (a) Effect a new management agreement prior to the expiration of the term of any prior management contract; or
- (b) Prior to the expiration of a previous management agreement, the Association or its Board of Directors shall decide to provide the services provided under a management contract by apportioning the tasks among the members, on a voluntary basis.

All management agreements shall be made with responsible parties having experience adequate for the management of a project of this type.

Section 12. Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain a broad form public liability policy covering all Common Area, and all damage or injury caused by the negligence of the Association or any of its agents. The Board of Directors shall also obtain and maintain hazard insurance for all improvements in the Common Area owned by the Association. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be common expenses. All such insurance coverage shall be written in the name of the Association as Trustee for each of the Townhouse Owners. It shall be the individual responsibility of each Owner at his own expense to provide, as he sees fit, homeowners' liability insurance, theft and other insurance covering personal property damage and loss. In the event of damage or destruction by fire or other casualty to any Townhouse, carport, storage area or other property covered by insurance written in the name of an individual owner, said Owner shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to repair or rebuild such damaged or destroyed portions of the carport, storage area and exterior of the Townhouse in a good workmanlike manner in conformance with the original plans and specifications of said Townhouse. In the event such Owner refuses or fails to so repair and rebuild any and all such damage to the exterior of the Townhouse, carport and storage area within thirty (30) days, the Association, by and through its Board of Directors,

is hereby irrevocably authorized by such Owner to repair and rebuild any such Townhouse and carport and storage area in a good and workmanlike manner in conformance with their original plans and specifications. The Owner shall then repay the Association in the amount actually expended for such repairs, and the Association shall have a lien securing the payment of same identical to that provided above in this Section securing the payment of insurence premiums: and subject to foreclosures as above provided.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a Party Wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or wilful acts or omissions shall apply thereto. The owner of a Townhouse shall not cut through or make any penetration through a party wall for any purpose whatsoever.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Cwners who make use of the wall in equal proportions.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance and repaired out of the proceeds of same, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligence or wilful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, to the extent that such demage is not covered and paid by the insurance provided for herein, an Owner, who by his negligent or wilful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

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Section 5. Right to Contribution Runs with Land. The right of any
Owner to contribution from any other Owner under this Article shall be appurtenant to and run with land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor, the Board of Directors of the Association shall select an arbitrator for the refusing party.

ARTICLE VIII

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon any Lot after its purchase from Declarant, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. Also included under their control are changes or alterations, proposed in any manner, to the landscaping in any yard other than the patic of each Townhouse. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

_ARTICLE IX

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, driveways, carports, parking areas, and other exterior improvements. Such exterior

maintenance shall not include glass surfaces, patios, window and door fixtures and hardware; maintenance and repair of these areas and items shall be the sole responsibility of the individual Lot owner.

In the event that the need for maintenance or repair is caused through the wilful or negligent act of the Owner, his family, or guests, or invitees, and not covered or paid for by insurance on such Lot, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE X

USE RESTRICTIONS

Section 1. All building or structures on the property shall be of new construction.

Section 2. Each Lot conveyed shall be designated by a separate legal description and shall constitute a freehold estate subject to the terms, conditions and provisions hereof.

Section 3. The Lots shall be used only for residential purposes, as a private residence, and no professional, business or commercial use shall be made of the same, or any portion thereof; nor shall an Owner's or resident's use of a Lot endanger the health or disturb the reasonable enjoyment of any other Owner or resident.

The carport and patio area of each Townhouse shall be used for the parking of operative boats and vehicles only. Said carport area shall not be used for a storage area for parts, machinery, inoperative cars, or anything judged to be a nuisance by the Association or the Board of Directors.

No drilling, digging, quarrying or mining operation of any sort shall be permitted on the Lots.

Section 1. No buildings other than Townhouses, being single family residences joined together by a common wall or walls, and/or roof and/or foundation, shall be constructed on the Lots.

Section 5. No building or structure shall be moved onto said Lots.

Section 6. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuildings shall be used on any Lot at any time as a residence, either temporarily or permanently.

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Section 7. No advertising signs (except one "For Rent" or "For Sale" sign of not more than five square feet per Lot) billboards, unsightly objects, or nuisences shall be erected, placed or permitted to remain on said Lots.

Section 8. The foregoing covenants of this Article X shall not apply to the activities of PANORAMA COUNTRYHOUSE ASSOCIATION, INC., a non-profit corporation incorporated or to be incorporated under the laws of the State of Texas, or Declarant. Declarant may maintain, while constructing and selling the Townhouses, in or upon such portions of the property as Declarant determines, such facilities as in its sole discretion may be necessary or convenient, including, but without limitation, offices, storage areas, model units and signs.

Section 9. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except dogs, cats or other common household pets (not to exceed a total of two (2) pets) may be kept, provided that they are not kept, bred, or maintained for any commercial purposes.

Section 10: All rubbish, trash, or garbage shall be kept screened by adequate planting or fencing so as not to be seen from neighboring Lots and streets, and shall be regularly removed from the property, and shall not be allowed to accumulate thereon.

Section 11. Drying of clothes shall be confined to individual patios and must be kept screened by adequate planting or fencing so as not to be seen from neighboring Lots and streets.

Section 12. Without prior written authorization of the Board of Directors no television or radio antennas of any sort shall be placed, allowed or maintained on any Lot or any portion of the exterior of the improvements located on the property, nor upon any structure situated upon the property.

Section 13. All fixtures and equipment installed within a Townhouse, commencing at a point where the utility lines, pipes, wires, conduit or systems enter the Lot of the Owner, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Townhouse or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Townhouses or their Owners.

Section 14. No vehicle shall be parked on streets or driveways so as

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to obstruct ingress and egress by Owners of Lots, their families, guests and invitees except for the reasonable needs of emergency, construction, or service vehicles for a time limited to as briefly as possible. For a period not to exceed forty-eight (48) hours, family, guests and invitees of Owners of Lots may park their vehicles in the guest parking areas provided on the recorded map of the properties. Guest parking areas are not intended for use by the Owner of lots for parking or storing boats, trailers, camping units, or any personal vehicles and the Board of Directors may insure the proper use of said areas in such legal manner as it deems necessary.

Section 15. Except in the individual patic area appurtenant to a townhouse, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said property, except as installed in accordance with the initial construction of the building or as approved by the Association's Board of Directors or their designated architectural committee. Maintenance, upkeep and repairs of any patic shall be the sole responsibility of the individual Lot Owner and not in any manner the responsibility of the Association.

ARTICLE XI

EASEMENTS

Section 1. Each Townhouse and the property included in the Common Area shall be subject to an easement for encroschments created by construction, settling and over-hang of the structures built by Declarant. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist. Said easement shall not be considered an unlimited easement and the final decision as to the reasonableness of such easement shall rest with the Architectural Control Committee. In the event a multi-family building containing two or more Townhouses, is partially or totally destroyed and then rebuilt, the Owners of the Townhouses agree that valid easements shall exist for any encroachment resulting therefrom.

Section 2. There is hereby created a blanket easement upon, across, over and under all of said property for ingress and egress, installation, replacing, repairing and maintaining utilities, including, but not limited to, water, sewer, telephone, electricity, and gas. Also, there is hereby created a blanket easement upon, across, over and under all of said property

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for ingress and egress for the purpose of maintaining building exteriors and landscape, shrubs and grass. By virtue of this easement, it shall be expressly permissible for the utility companies to affix and maintain pipes, wires, conduits, or other service lines on, above, across and under the roofs and exterior walls of the Townhouses. Notwithstanding anything to the contrary contained in this paragraph, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on the property until approved by the Association's Board of Directors. In the event that any utility company furnished a service covered by the general easement herein provided requests a specific easement by separate recordable instrument, the Association shall have the right to grant such easement on said property without conflicting with the terms hereof.

Section 3. The Owners of the respective Lots shall not be deemed to separately own pipes, wires, conduits, or other service lines running through their property which are utilized for or serve other Lots, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, waintenance and enjoyment of his Lot.

Section h. Essements and alleys for the installation and maintenance of utilities and drainage facilities are reserved as shown by the plat and instruments recorded in the office of the County Clerk of Montgomery County, Texas and by instruments that may hereafter be recorded in said office as provided in Section 2 of this Article XI above. Copies of these shall be kept on file in the initial registered office of the Association. No shrubbery, fence, or other obstruction shall be placed in any easement or alleyway. Right of use for ingress and egress shall be had at all times over any dedicated easement, and for the installation, operation, maintenance, repair or removal of any utility, together with the right to remove any obstruction that may be placed in such easement, that would constitute interference with the use, maintenance, operation or installation of such utility.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so therafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date of this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy—five (75%) of the Lot Owners. Any amendment must be properly recorded in Mont-gomery County, Texas.

Section 4. Mergers and Consolidations. The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of total voting membership.

Section 5. Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 18 day of September

PANORAMA DEVELOPEMENT COMPANY

wint. Col

, Its Secretary

Charles W. Martin, Its Presiden

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THE STATE OF TEXAS

COUNTY OF MONTGOMERY &

BEFORE ME, the undersigned authority, on this day personally appeared Charles W. Martin , President of PANORAMA DEVELOPEMENT COMPANY, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

ublic in and for County, Texas

The undersigned lienholder, being the holder of the note secured by and being beneficiaries of the Deed of Trust to John Ikard, Trustee, recorded in Volume 199, Page 175, of the Deed of Trust Records of Montgomery County, Texas, do hereby in all respects approve, adopt, ratify and confirm all of the above and foregoing provisions and do hereby join in the execution thereof and agree that these provisions shall in all respects be binding upon the undersigned lienholder and respective successors and assigns, and upon the land thereby affected, notwithstanding any foreclosure of said Deed of Trust or any other liens in favor of the undersigned lienholder and not withstanding any conveyance to the undersigned in lieu of any such foreclosure.

SENTINEL AMERICAN LIFE INSURANCE COMPANY

By John S. Ikard, its President

ATTEST: ED Ullip

THE STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared John S. Tkard, President of SENTINEL AMERICAN LIFE INSURANCE COMPANY, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN under my hand and seal of office, this the _______ day of

FILED FOR RECORD

Notary Public in and for Herris County, Texas

1 ___ O'GLOCK __ M

DEC 10 19/3

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ROY HARRIS, Clerk County Court, Montgomery Co., Tx.