

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR SERENITY ESTATES

(SERENITY ESTATES RESIDENTIAL ASSOCIATION)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SERENITY ESTATES (this "Declaration"), made as of the date hereinafter set forth by VLP DEVELOPERS a Texas limited liability company (hereinafter referred to as Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of approximately 20 acres of land in the Serenity Estates project in Harris County, Texas, which land owned by Declarant is described as 19.93 acres out of the A. R. Bodman Survey, A-141, Harris County, Texas.

WHEREAS, the Declarant has platted and subdivided property as Serenity Estates, (the "Subdivision"), a subdivision and land in Harris County, Texas according to the plat thereof filed under Slide No. 373253 in the Map Records of Harris County, Texas; and

WHEREAS, the property within the Subdivision and certain other property within the Serenity Estates project is subject to the provisions of that certain Declaration of Covenants, Conditions and Restrictions for Serenity Estates (Serenity Estates Property Owners Association,) dated _____ and filed under Clerk's File No. _____ and recorded in the Official Records of Harris County, Texas (the "Serenity Estates Master Declaration") and

WHEREAS, Declarant intends by this Declaration to impose mutually beneficial restrictions in addition to the restrictions of the Serenity Estates Master Declaration under a general plan of improvements for the benefit of all owners of the property within the Subdivision and such other property as may hereafter be annexed into the jurisdiction of the Association (as hereinafter defined) and Declarant desires to provide a flexible and reasonable procedure for the overall development of such property and to establish a method for the administration, maintenance, preservation, use and enjoyment of such property.

NOW, THEREFORE, Declarant hereby declares that the Lots (as hereinafter defined) within the Subdivision are hereby subjected to the provisions of this Declaration and such property shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property subject to this Declaration, and shall be binding on all persons having any right, title, or interest in all or any portion of such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof.

ARTICLE I
DEFINITIONS

The following words, when used in this Declaration, shall have the following meanings:

SECTION 1. "Area of Common Responsibility" shall mean the Common Area, together with those areas, if any, which by contract or agreement become the responsibility of the Association. Road rights-of-ways within or adjacent to the Properties may be part of the Area of Common Responsibility.

SECTION 2. "Articles of Incorporation" means the Articles of Incorporation of the Serenity Estates Residential Association and any amendments thereto, as filed with the Secretary of State of the State of Texas.

pursuant to the provisions of this Declaration or a Supplemental Declaration, levied by the Association for purposes of obtaining funds to pay Association Expenses as provided herein, as well as to pay the assessments levied by the Serenity Estates Master Association pursuant to the Serenity Estates Master Declaration which are to be included within the Assessments levied by the Association and paid by the Association to the Serenity Estates Master Association on behalf of the Owners of the Lots within the jurisdiction of the Association.

SECTION 4. "Association" shall mean and refer to Serenity Estates Residential Association, a non-profit, non-stock, membership corporation incorporated under the laws of the State of Texas, its successors and assigns.

SECTION 5. "Association Expenses" shall mean and include the actual and estimated expenses of operating the Association, both for general and Neighborhood purposes, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board of Directors of the Association pursuant to this Declaration and the Association's By-Laws and Articles of Incorporation.

SECTION 6. "Board of Directors" or "Board" shall mean the governing body of the Association.

SECTION 7. "Builder Guidelines" shall mean and refer to certain detailed standards and requirements for the construction of improvements in the Serenity Estates Property which must be complied with by Owner of property within the jurisdiction of the Association in order to obtain approval by Serenity Estates Architectural Review Committee of the plans and specifications for proposed improvements on a Lot in the Subdivision as required by the Serenity Estates Master Declaration and Article VI of this Declaration. Copies of the Builder Guidelines and any amendments thereto shall be provided by the Association to Owners, their architects, engineers and designers upon request for a reasonable charge established by the Board from time to time.

SECTION 8. "Builder" shall mean and refer to any Person undertaking the construction of a Single Family Residence on a Lot for the purpose of selling same.

SECTION 9. "By-Laws" shall mean the By-Laws of the Association, as amended from time to time.

SECTION 10. "City" shall mean and refer to the City of Houston, Texas.

SECTION 11. "Class B Control Period" means the period of time ending on the date on which the Declarant has conveyed the last Lot it owns in the Properties, during which period the Class "B" Member is entitled to appoint the members of the Board of Directors.

SECTION 12. "Common Area" shall mean and refer to any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners and Occupants.

SECTION 13. "Declarant" shall mean and refer to VLP Developers, a Texas limited liability company, and its successors and assigns, provided that in an instrument of conveyance to an assign or by a separate written instrument placed of record in the real property records of Harris County, Texas, the assign is designated as the "Declarant" by the Declarant hereunder at such time. Upon such designation of a successor Declarant, all rights of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one point in time.

SECTION 14. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Serenity Estates (SERENITY ESTATES RESIDENTIAL ASSOCIATION) as it may hereafter be amended in accordance with the provisions hereof.

SECTION 15. "Design Guidelines" shall mean and refer to written guidelines, as amended from

time to time, for the construction of improvements on property within the jurisdiction of the Serenity Estates Master Association, which are adopted by the Serenity Estates Master Review Committee pursuant to the Serenity Estates Master Declaration.

SECTION 16. "Exclusive Common Area" shall mean and refer to the property and facilities which by plat or otherwise are restricted solely for use by the Owners and Occupants of a certain Neighborhood, which property and facilities may be maintained by the Association at the expense of such Neighborhood from Neighborhood Assessments.

SECTION 17. "Landscaping Guidelines" shall mean and refer to landscape design, installation and maintenance criteria for the Lots, which are adopted by the Serenity Estates Residential Review Committee. The Landscaping Guidelines Review Committee may be included within and be a part of the Residential Review Committee Guidelines adopted by such committee and different Landscaping Guidelines may be adopted for different subdivisions or Neighborhoods within the Properties.

SECTION 18. "Lot" shall mean and refer to any portion of the Properties, whether developed or undeveloped, upon which a Single Family Residence has been constructed or it is intended by the Declarant that a Single Family Residence be constructed, excluding reserve tracts, but including lots created by the platting or replatting of a reserve tract. "Lots" shall mean and refer to each Lot and all of them. In the case of a parcel of land planned for single family residential development, which has not been platted into Lots, the parcel shall be deemed to contain the number of Lots designated by the Declarant on the development plan for such parcel of land unless or until a different number of Lots is platted.

SECTION 19. "Member" shall refer to every Person entitled to membership in the Association, as provided herein.

SECTION 20. "Harris County Construction Standards" shall have the meaning set forth in Section 9 of Article VI hereof.

SECTION 21. "Mortgage" shall mean and refer to a deed of trust, mortgage or other similar security instrument granting, creating, or conveying a lien or security interest upon a Lot.

SECTION 22. "Mortgagee" shall mean a beneficiary or holder of a Mortgage.

SECTION 23. "Neighborhood" shall mean and refer to a separately designated and denominated area within the Properties. If separate Neighborhood status is desired, the Declarant shall designate in a Supplemental Declaration that such property shall constitute a separate Neighborhood. All property within the jurisdiction of the Association, which is not included within a designated Neighborhood shall be considered a part of a single unnamed Neighborhood. The Board may grant separate Neighborhood status to any area and may consolidate Neighborhoods as set forth in Section 4 of Article II hereof.

SECTION 24. "Neighborhood Assessments" shall mean assessments levied by the Board of Directors for payment of the Neighborhood Expenses of a particular Neighborhood.

SECTION 25. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of the Owners and Occupants of the Lots within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized hereby.

SECTION 26. "Occupant" shall mean any person occupying all or any portion of a residence within the Properties for any period of time, regardless of whether such person is a tenant or the Owner of such property.

SECTION 27. "Owner" shall mean and refer to the record owner, whether one or more Persons of the fee simple title to a Lot within the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation or those owning an interest in the mineral

estate.

SECTION 28. "Person" shall mean any natural person, corporation, joint venture, partnership, association, trust or other legal entity.

SECTION 29. "Properties" shall mean and refer to (i) the real property contained within the Subdivision described in the preambles to this Declaration and (ii) such other real property as may be brought within the jurisdiction of the Association in accordance with the provisions of this Declaration.

SECTION 30. "Residential Assessments" shall mean assessments levied by the Board of Directors for Association Expenses determined by the Board of Directors to benefit all Owners and Occupants of the Lots within the Properties.

SECTION 31. "Residential Review Committee" refers to the Serenity Estates Residential Review Committee created by Section 2 of Article VI hereof.

SECTION 32. "Residential Review Committee Guidelines" shall mean and refer to written guidelines, as amended from time to time, for the construction of improvements within the jurisdiction of the Association, which may be adopted by the Residential Review Committee. Different Residential Review Committee Guidelines may be adopted for different subdivisions or Neighborhoods within the Properties.

SECTION 33. "Serenity Estates Master Association" shall mean and refer to Serenity Estates Property Owners Association, a non-profit, non-stock, membership of Texas, its successors and assigns, which is the entity created to administer the Serenity Estates Master Declaration. The Association will be a member of the Serenity Estates Master Association pursuant to the Serenity Estates Declaration and, acting through its president or other designated officer, will have the right to one (1) vote for each Lot within its jurisdiction.

SECTION 34. "Serenity Estates Master Declaration" refers to that certain Declaration of Covenants, Conditions and Restrictions for Serenity Estates (Serenity Estates Property Owners Association) which encumbers certain property within the approximately 20 acre Serenity Estates project, as such instrument may be amended from time to time.

SECTION 35. "Serenity Estates Master Review Committee" refers to the Serenity Estates Architectural Review Committee created by the Serenity Estates Master Declaration which has the power to adopt the Design Guidelines and the right to approve plans and specifications for improvements constructed on the property within the jurisdiction of the Serenity Estates Master Association as set forth in the Serenity Estates Master Declaration. Primary responsibility for the approval of plans and specifications for improvements on the Lots within the jurisdiction of the Association is delegated by the Serenity Estates Master Review Committee to the Serenity Estates Master Review Committee to the Serenity Estates Residential Review Committee as set forth in the Serenity Estates Master Declaration.

SECTION 36. "Serenity Estates Residential Review Committee" refers to the committee created by Section 2 of Article VI hereof.

SECTION 37. "Single Family Residence" shall mean and refer to a detached Residence constructed on a single Lot.

SECTION 38. "Street" shall refer to any street, boulevard, road, alley, lane, avenue, or thoroughfare within or adjacent to the Properties.

SECTION 39. "Supplemental Declaration" shall refer to (i) a separate declaration of covenants, conditions and restrictions which is imposed on property within the jurisdiction of the Association and which may be enforced by the Association, or (ii) an instrument which designates a Neighborhood or imposes additional restrictions on a portion of the Properties which may be enforced by the Association.

ARTICLE II
SERENITY ESTATES RESIDENTIAL ASSOCIATION

SECTION 1. ORGANIZATION. The Association has been organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the enforcement of the restrictions contained herein and in Supplemental Declarations, providing for the maintenance and preservation of the Area of Common Responsibility and the facilities of the Association and architectural control of the Lots.

SECTION 2. MEMBERSHIP. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. In the rights of use and enjoyment shall be as provided herein. The rights and privileges of membership in the Association may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Board, subject to the provisions of this Declaration and the By-Laws.

SECTION 3. VOTING. The Association shall have two classes of membership, Class "A" and Class "B", as follows:

- (a) **CLASS A.** Class "A" Members shall be all Owners with the exception of the Class "B" Member. Class "A" Members shall be entitled to one vote for each Lot of which they are the Owner. In any situation where a member is entitled personally to exercise the vote for a Lot and more than one Person holds the interest in a Lot required for membership in the Association, the vote for such Lot shall be exercised as those Persons among themselves determined and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the vote for such Lot shall be suspended in the event more than one Person seeks to exercise it.
- (b) **CLASS B.** The Class "B" Member shall be the Declarant which shall have five (5) votes for each Lot it owns in the Properties. The Class "B" Member shall be entitled to appoint the members of the Board of Directors during the Class B Control Period, as specified in the By-Laws.

The Class "B" Membership shall cease and be converted to Class "A" Membership upon (i) the Expiration of the Class B Control Period or (ii) on such earlier date that the Declarant, in its discretion, so determines and records an instrument to such effect in the real property records of Harris County, Texas. From and after the termination of the Class "B" Membership, the Declarant shall be deemed to be a Class "A" Member.

SECTION 4. NEIGHBORHOODS. The Declarant shall have the right to designate and any area within the Properties as a Neighborhood by a Supplemental Declaration. All portions of the Properties not included within a designated Neighborhood shall be considered a part of a single unnamed Neighborhood. If a platted subdivision has not been designated by the Declarant as a Neighborhood, the Owners of a majority of the Lots in such subdivision may petition the Board of Directors for Neighborhood status. In addition, upon a petition signed by the Owners of the majority of the Lots in a Neighborhood, any Neighborhood may apply to the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods, or upon a petition signed by the Owners of the majority of the Lots in each of two (2) Neighborhoods, to combine such two (2) Neighborhoods into one (1) Neighborhood.

Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhood(s) or otherwise identifies the Lots included within the proposed Neighborhood(s). A Neighborhood consolidation shall automatically be deemed granted upon the filing of the required documents with the Board. A request for designation of a platted subdivision as a Neighborhood or a Neighborhood subdivision request shall automatically be deemed granted unless the Board of Directors denies such application in writing within ninety (90) days of its

receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing the platted subdivision from the other portions of the Properties not within a Neighborhood or between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

ARTICLE III
COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. PURPOSE OF ASSESSMENT. The assessments provided for in this Declaration shall be used by the Association to maintain and keep in good repair the Area of Common Responsibility and for the general purposes of promoting the common benefit of the Owners and Occupants in the Properties. The judgment of the Board of Directors as to the expenditure of assessments shall be final and conclusive so long as its judgment is exercised in good faith; provided, however, the Association shall, on behalf of the Owners of all Lots within its jurisdiction, pay as a first priority use of its funds all annual assessments and special assessments levied by the Serenity Estates Master Association pursuant to the Serenity Estates Master Declaration against the Lots within the Association's jurisdiction. After payment of such assessments to the Serenity Estates Master Association, funds obtained by the Association may be used to finance all or any of the following:

- i. Operation, mowing, maintenance, repair, and improvement of the Area of Common Responsibility, including road rights-of-way and drainage easements within, adjacent to and in the vicinity of the Properties;
- ii. Payment of taxes and premiums for insurance coverage in connection with the Common Area and for directors and officers liability insurance;
- iii. Paying the cost of labor, equipment (including expense of leasing any equipment), material and any associated management or supervisory services and fees;
- iv. Paying the cost and fees of a manager or firm retained to carry out the duties of the Association or to manage the affairs and property of the Association;
- v. Maintaining or replacing any landscaping in the Area of Common Responsibility;
- vi. Designing, purchasing and installing any improvements to the Area of Common Responsibility;
- vii. Removing debris from the Area of Common Responsibility;
- viii. Contracting for street lights in the Properties;
- ix. Collecting and disposing of trash, garbage, rubbish and other similar materials if the Board decides to provide such service to the Properties;
- x. Payment of legal fees and expenses incurred to collect assessments and enforce this Declaration;
- xi. Employing policemen or watchmen;
- xii. Contracting for insect and pest control such as mosquito fogging;

- xiii. Carrying out the duties of the Board of Directors of the Association;
- xiv. Creation and funding of such reserve funds as the Board of Directors of the Association deems necessary; and
- xv. Carrying out such purposes of the Association as generally benefit the Members of the Association.

SECTION 2. TYPES OF ASSESSMENTS. Each Owner by acceptance of a deed to any Lot in the Properties, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (i) Residential Assessments; (ii) Neighborhood Assessments, if applicable; and (iii) Special Assessments to be established and collected as hereinafter provided in Section 5 of this Article III. The Assessments levied by the Association shall include amounts sufficient to enable the Association to pay, on behalf of all Owners of the Lots within the Properties, the assessments levied on such Lots by the Serenity Estates Master Association pursuant to the Serenity Estates Master Declaration.

(a) Residential Assessments. Residential Assessments shall be levied for Association Expenses which are determined by the Board to benefit all Members. Such expenses benefiting all Members. The good faith determination by the Board of which Association Expenses constitute Neighborhood Expenses shall be final. The initial annual Residential Assessment shall commence on the date that the first Lot in the Properties is conveyed by the Declarant or on such later date as the Board determines and shall be due and payable thirty (30) days thereafter. If such assessment commences on a date other than January 1, such assessment shall be adjusted according to the number of months remaining in the calendar year. Thereafter, annual Residential Assessments shall be levied for each calendar year in advance and shall be due and payable on January 1 unless a different due date is specified by the Board. All Lot Owners and future purchasers shall pay to and be liable to the Association for the sum of \$400 per year (per ½ acre Lot owned or purchased), for the purpose of creating the Serenity Estates Residential Association. The aforementioned payment, (hereinafter called "Residential Assessment") shall be due and payable to the Association in installments of eight payments of \$33.33 per month beginning the month after each respective lot is purchased and four payments of \$33.34. The Assessment shall constitute a continuing lien upon each Lot, which shall run with the land, and the Association shall be and is hereby authorized to institute any legal proceeding necessary for the enforcement and collection thereof, including but not limited to filing suit and or /foreclosure of the lien. All conveyance of tracts shall be subject to the annual assessment and by acceptance of a deed or contract for deed; each purchaser consents and acknowledges that their property is encumbered by these restrictions, including the Residential Assessment. The Assessment may be adjusted from year to year by the Association, provided, however, that any increase in the assessment must be approved, in writing, by a majority of the owners of property in Serenity Estates.

(b) Neighborhood Assessments. Neighborhood Assessments shall be levied against the Lots in a particular Neighborhood where the Board has determined that certain Association Expenses benefit only that Neighborhood. Upon written request by Owners of more than fifty percent (50%) of the Lots within a Neighborhood, the Board shall initiate a service benefiting only that particular Neighborhood which shall be paid for by a Neighborhood Assessment or the Board shall discontinue a service previously provided to a Neighborhood. Association Expenses benefiting only a particular Neighborhood may include, without limitation, Association Expenses incurred for maintenance and repair of the following items and provision of the following services within a particular Neighborhood: private streets, trash and garbage door pick-up service as opposed to curb side service, mailboxes, and operation and maintenance of Exclusive Common Areas, landscaping, fountains, lighting and signage within the particular Neighborhood. The Neighborhood Assessment applicable to a particular Neighborhood shall be divided by the number of Lots in such Neighborhood (exclusive of the Lots owned by the Declarant during the Class B Control Period) and each Owner of a Lot (other than the Declarant) contained within the concerned Neighborhood shall be assessed an amount equal to the quotient so obtained.

SECTION 3. CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS.
All Assessments, together with interest commencing on the due date at a rate of interest to be set

from time to time by the Board of Directors not in excess of the maximum lawful rate, costs (specifically including, but not limited to, any flat charges or percentage fees charged by any collection agencies used by the Association in collecting Assessments), and reasonable attorney's fees and court costs actually incurred, shall be a charge on the land and shall be secured by a continuing lien upon the land against which each Assessment is made. Each such Assessment, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall also be the personal obligation of the Person who was the Owner of such land at the time the Assessment fell due. Each such Owner shall be personally liable for his or her portion of each Assessment coming due while he or she is the Owner of the land, and each Assessment thereafter coming due unless and until such Owner notifies the Association of the sale or conveyance of the land against which the Assessment is made as hereinafter provided in this Section 3.

In order to extinguish any Person's personal liability with regard to Assessments coming due following the sale or conveyance of the Lot owned by such Person, such Person shall be obligated to notify the Association of such Person's sale or conveyance of the Lot against which Assessments may be levied. In that regard, each Person who at any time owned any Lot in the Properties against which Assessments may be levied shall no longer be liable or responsible for payment of Assessments coming due after the date upon which such Person furnishes to the Association a copy of the executed instrument of conveyance by which fee title to the Lot previously owned by such Person was conveyed or transferred to another Person, and the mailing address of the Person to whom such Lot was conveyed or transferred. Upon receipt of such information, the Association shall cause the name and address of the new Owner to be substituted for that of the prior Owner on the records of the Association, and the prior Owner shall no longer be liable or responsible for Assessments subsequently coming due. Each Person owning a Lot against which Assessments may be made shall have the obligation to notify the Association of any change in its address, and notice of any such change shall become effective five (5) days after written notice thereof has been provided to the Association. With regard to mailing notices of Assessments payable by any Person to the Association, the Association shall be deemed to have satisfied any obligation that it might have to provide written notices or bills if the same are mailed or delivered to the Owner at the address of such Owner as reflected on the records of the Association, and no such Owner or other Person liable for the payment of any Assessment shall escape such liability or be entitled to any deferral or abatement of interest or any late charges or collection costs with regard to delinquent Assessments on the basis of such Person's failure to receive notice thereof if the Association sent such notice by regular U. S. Mail to the most recent address of the Person according to the records of the Association.

Residential Assessments and Neighborhood Assessments shall be payable annually on a date specified by the Board of Directors; provided, however, the Board may, at its option, require payment of such Assessments in monthly or quarterly installments. Special Assessments shall be paid in such manner and on such date or dates as may be fixed by the Board.

SECTION 4. COMPUTATION. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during each calendar year, taking into consideration any subsidy payments to be received from the Declarant pursuant to an agreement with the Association and any additional property to be annexed into the jurisdiction of the Association in the forthcoming year. Such budget may include a capital contribution or reserve in accordance with a capital budget separately prepared and separate line items for expenses benefiting each Neighborhood which will be paid with a Neighborhood Assessment. In the event that the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year. The Association Expenses shall be allocated as follows:

- (i) The amount of all estimated expenses to be incurred for the sole benefit of a particular Neighborhood shall be determined for each Neighborhood and that portion of the total estimated Association Expenses attributable to a particular Neighborhood shall be allocated among the Owners of the Lots in the Neighborhood as provided in Section 2(b) of this Article III, and shall be levied as Neighborhood Assessments; and
- (ii) The remaining Association Expenses shall be levied a Residential Assessments, and

shall be allocated among the Owners of all of the Lots in the Properties as provided in Section 2 (a) of this Article III.

The Board shall in good faith attempt to cause the budget and the Assessments to be levied against each Owner for the following year to be delivered to each Member at least thirty (30) days prior to the end of the current year.

SECTION 5. SPECIAL ASSESSMENTS. In addition to the other Assessments authorized herein, the Board may levy one or more special assessments in any year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or repair or replacement of a capital improvement located upon the Common Area, including fixtures and personal property related thereto; provided, however, except as otherwise hereinafter provided any such special assessment must have the written consent of the Class "B" Member, as long as such membership exists, and a per Lot special assessment in an amount greater than twenty percent (20%) of the most recent annual Residential Assessment per Lot must be approved by members who have a majority of the then total votes of the Association. Notwithstanding the foregoing to the contrary, a special assessment levied by the Association to obtain funds to pay a special assessment levied by the Serenity Estates Master Association pursuant to the Serenity Estates Master Declaration on behalf of the Owners shall not require such approval of the Members or the Class "B" Member.

The Board may also levy one or more special assessments in any fiscal year for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, or repair or replacement of a capital improvement located upon Exclusive Common Area, including fixtures and personal property related thereto; provided, however, that any such special assessment shall have the affirmative vote or written consent of the Owners of a majority of the Lots in the Neighborhood or Neighborhoods entitled to exclusive use of such Exclusive Common Area.

If a special assessment is approved as herein required and levied, it shall be paid 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. Special assessments shall be allocated among all Owners in the same manner as Residential Assessments unless the purpose of the special assessment is to provide funds to be used for Exclusive Common Area facilities, in which event the special assessment shall be allocated solely among the Owners of the property in the Neighborhood or Neighborhoods entitled to use the applicable Exclusive Common Area in the same manner as a Neighborhood Assessment.

SECTION 6. CAPITALIZATION OF ASSOCIATION. Upon acquisition of record title to a Lot by the first Owner thereof other than a Builder, a contribution shall be made by or on behalf of the purchaser to the Association in an amount equal to fifty percent (50%) of the annual Residential Assessment on such Lot for that year and fifty percent (50%) of the annual Neighborhood Assessment for such Lot, in any. This amount shall be in addition to, not in lieu of, the annual Residential Assessment and Neighborhood Assessment and shall not be considered an advance payment of such Assessments. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association.

SECTION 7. LIEN FOR ASSESSMENTS. All sums assessed against any property subject to this Declaration pursuant to this Declaration, together with interest, collection and other costs, and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a lien on the property owned by each Owner in favor of the Association. All Persons acquiring liens or encumbrances on any property subject to this Declaration after this Declaration shall have been recorded in the real property records of Harris County, Texas shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for Assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

SECTION 8. SUBORDINATION OF THE LIEN TO FIRST MORTGAGES. The lien securing the Assessments provided for herein shall be subordinate to (i) liens of ad valorem taxes and (ii) the lien of any first Mortgage which has been recorded in the real property records of Harris County, Texas. Sale or transfer of any Lot subject to this Declaration shall not affect the lien hereby created. However, the sale or transfer of any Lot pursuant to foreclosure of a first Mortgage or any conveyance in lieu thereof, shall

extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

SECTION 9. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any Assessments which are not paid in full by the date specified by the Board shall be delinquent. Any delinquent Assessment shall commence to bear interest on the due date at the lesser of eighteen percent (18%) per annum or such other interest rate as Board may from time to time determine or the maximum lawful rate of interest. If the Assessment is not paid when due, the lien herein retained and created against the affected Lot shall secure the Assessment due, interest thereon from the date due and payable, all costs of collection, court costs, reasonable attorney's fees actually incurred, and any other amount provided or permitted by law. In the event that the Assessment remains unpaid after ninety (90) days, the Association may, as the Board shall determine, institute suit for collection against the Owner personally obligated to pay the Assessment or foreclose the lien created and reserved hereby against the Lot of such Owner.

The Association's lien is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien shall be or is required. By acquiring a Lot, an Owner grants to the Association a power of sale in connection with the Association's lien. By written resolution, the Board of Directors of the Association may appoint, from time to time, an officer, agent, trustee, or attorney of the Association to exercise the power sale on behalf of the Association. The Association shall exercise its power of sale pursuant to Section 51.002 of the Texas Property Code, and any applicable revision(s), amendment(s), or recodifications thereof in effect at the time of the exercise of such power of sale. The Association has the right to foreclose its lien judicially or by nonjudicial foreclosure pursuant to the power of sale created hereby. Cost of foreclosure may be added to the amount owed by the Owner to the Association. An Owner may not petition a court to set aside a sale solely because the purchase price at the foreclosure sale was insufficient to fully satisfy the Owner's debt. The Association may bid for and purchase the Lot at the foreclosure sale utilizing funds of the Association. The Association may own, lease, encumber, exchange, sell, or convey a Lot. The purchaser at any such foreclosure sale shall be entitled to sue for recovery of possession of the Lot by an action of forcible detainer without the necessity of giving any notice to the former owner or owners of the Lot sold at foreclosure. The Owner shall have no right of redemption after or resulting from a foreclosure sale of the Association's lien. Nothing herein shall prohibit the Association from taking a deed in lieu of foreclosure or from filing suit to recover a money judgment for sums that may be secured by the lien. At any time before a nonjudicial foreclosure sale, an Owner of a Lot may avoid foreclosure by paying all amounts due the Association. Foreclosure of a tax lien attaching against a Lot under Chapter 32, Tax Code, shall not discharge the Association's lien under this paragraph for amounts becoming due to the Association after the date of foreclosure of the tax lien.

No Owner may waive or otherwise exempt himself/herself from liability for the Assessments provided for herein by non-use of Common Area or abandonment of the Lot owned by such Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of Declarant and each other Owner.

All payments shall be applied first to costs and attorney's fees, then to interest, and then to delinquent Assessments.

SECTION 10. ASSESSMENT OBLIGATION OF DECLARANT. Subject to the further provisions hereof, Declarant, on behalf of itself and its successors and assigns to whom its rights as Declarant are expressly assigned, covenants and agrees to pay the full amount of the Assessments provided herein for the Lots that it owns. However, as long as the Class "B" membership exists in the Association, the Declarant shall have no obligation to pay Neighborhood Assessments and may annually elect, by written notice to the Association on or before November 1, either to pay Residential Assessments on its Lots as

herein provided for the following calendar year or to pay the Association the difference between the amount of Residential Assessments collected on all other Lots subject to assessment and the amount of the actual expenditures incurred to operate the Association during such calendar year. The payment by Declarant of such a subsidy in any year in lieu of Residential Assessments shall under no circumstances obligate the Declarant to pay a subsidy in a future year or years.

Notwithstanding anything to the contrary herein, the Declarant may pay Residential Assessments or a subsidy in services or materials or a combination of services and materials, rather than in money (herein collectively called "in kind payment"). The amount by which Residential Assessments or a subsidy shall be decreased as a result of any in kind payment shall be the fair market value of the in kind payment. If the Declarant and the Board agree as to the value of any in kind payment, the value shall be as agreed. If the Board and the Declarant cannot agree as to the value of any in kind payment, the Declarant shall supply the Board with a detailed explanation of the service performed and material furnished, and the Board shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Board and the Declarant are still unable to agree on the value of the in kind payment, the value shall be deemed to be the average of the bids received from the three (3) independent contractors.

ARTICLE IV RIGHTS IN THE COMMON AREA

SECTION 1. OWNER'S RIGHTS OF ACCESS AND ENJOYMENT. Subject to the further provisions of this Section, every Member shall have a right of access to and enjoyment of the Common Area, and such right shall be appurtenant to and shall pass with the title to the Lot owned by such Member. Such rights shall be subject to the following:

- (a) The Association shall have the right to charge reasonable admission and other fees for the use of any facility situated upon the Common Area.
- (b) The Association shall have the right to borrow money and to mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred.
- (c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any such mortgage.
- (d) The Association shall have the right to suspend the enjoyment rights of any Member for any period during which any assessment or other amount owed by such member to the Association remains unpaid in excess of thirty (30) days.
- (e) The Association shall have the right to establish reasonable rules and regulations governing the Members' use and enjoyment of the Common Area, and to suspend the enjoyment rights of any Member for any period not to exceed sixty (60) days for any infraction of such rules and regulations.
- (f) The Association shall have the right to dedicate, sell or convey all or any part of the Common Area and the right to grant or dedicate easements over the Common Area to public or private utility companies.
- (g) The Association shall have the right to enter into agreements with one or more Persons pursuant to which individuals who are not Members of the Association are granted the right to use the Common Area and the facilities located thereupon.

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend his right of enjoyment to the Common Area to the members of his family and to such guests or other persons as may be permitted by the Association. An Owner shall be deemed to have made a delegation of all rights to use

the Common Area to the Occupants of any leased residence.

SECTION 3. EASEMENTS-GENERAL. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the plats of the Properties and/or as dedicated by separate instruments. Neither Declarant nor any utility company or authorized political subdivision using the easements referred to herein shall be liable for any damages done by them or their assigns, agents, employees or servants, to fences, shrubbery, trees, flowers, improvements or other property of the Owner situated on the land covered by such easements as a result of construction, maintenance or repair work conducted by such parties or their assigns, agents, employees or servants.

SECTION 4. EASEMENTS FOR UTILITIES AND PUBLIC SERVICES.

(a) There is hereby granted to the Association, to Harris County, to the City of Humble, and to any other public authority or agency, utility district, or public or private utility company, a perpetual easement upon, over, under, and across (i) the Common Area, and (ii) those portions of all Lots as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers, drainage systems and retention ponds, electrical, gas, telephone, water and sewer lines, street lights, street signs and traffic signs; provided, however, that such easements shall not unreasonably affect the ability to develop, market or the value of any Lot. To the extent possible, utility lines and facilities, it shall be expressly permitted for the providing utility company or other supplier or servicer, with respect to the portions of the Properties encumbered, (i) to erect equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to excavate or fill, or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

(b) There is also hereby granted to Harris County, to the City of Humble, and to such other governmental authority or agency as shall from time to time have jurisdiction over the Properties (or any portion thereof) with respect to law enforcement and fire protection, the perpetual, non-exclusive right and easement upon, over and across all of the Properties for purposes of performing such duties and activities related to law enforcement and fire protection in the Properties as shall be required or appropriate from time to time by such governmental authorities under applicable law.

SECTION 5. EASEMENTS FOR ASSOCIATION. There is hereby granted a general right and easement to the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot or any portion thereof in the performance of their respective duties or the or the enforcement of the provisions of this Declaration. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or Occupant of the residence directly affected thereby.

SECTION 6. SECURITY. THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTIES DESIGNED TO MAKE THE PROPERTIES SAFER THAN THEY OTHERWISE MIGHT BE. NEITHER THE ASSOCIATION, THE DECLARANT, ANY SUCCESSOR DECLARANT, NOR THEIR AGENTS SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, HOWEVER, AND NEITHER THE ASSOCIATION, THE DECLARANT, ANY SUCCESSOR DECLARANT, NOR THEIR AGENTS SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEIN. ALL OWNERS AND OCCUPANTS OF ANY LOT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DELCARANT, ANY SUCCESSOR DECLARANT, THE SERENITY ESTATES

RESIDENTIAL REVIEW COMMITTEE AND THEIR AGENTS DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE SERENITY ESTATES RESIDENTIAL REVIEW COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, THE SERENITY ESTATES RESIDENTIAL REVIEW COMMITTEE, THE DECLARANT, ANY SUCCESSOR DECLARANT AND THEIR AGENTS ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, THE SERENITY ESTATES RESIDENTIAL REVIEW COMMITTEE, THE DECLARANT, OR ANY SUCCESSOR DECLARANT AND THEIR AGENTS HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

SECTION 7. RIGHTS OF DECLARANT DURING CONSTRUCTION AND SALE PERIOD. Notwithstanding any provisions contained in this Declaration, until the Declarant has developed and sold all of its land within the Properties, it shall be expressly permissible for Declarant and any Owner approved by Declarant to maintain upon such portion of the Properties as Declarant may deem necessary, such facilities, and carry on such activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such Owner's development, construction, and sales activities related to their properties, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Properties; the right to carry on sales and promotional activities in the Properties; the right to place signs in the Common Area and in road rights-of way within the Properties; and the right to construct and operate business offices, construction trailers, model residences, information and sales offices. Declarant and any such Owner may use residences owned or leased by Declarant or such Owner as model residences and sales offices.

SECTION 8. NO PARTITION. There shall be no partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

SECTION 9. SANITARY SEWER SYSTEMS. Each Owner of a Lot in Serenity Estates Property shall construct and install in accordance with Harris County Health Department requirements, at his or her expense, an on-site aerobic sewage plant to serve the Single Family Residence on his or her Lot. The Board may, at its option, provide periodic servicing of such systems within the Serenity Estates Neighborhood and levy a Neighborhood Assessment to pay the costs of providing such service. If the Board elects not to provide such service, it may require that each Lot Owner employ an individual or company approved by the Board to service the system on his or her Lot.

INSURANCE

SECTION 1. INSURANCE. The Association's Board of Directors, or its duly authorized agent, shall have the authority, but not the obligation, to obtain blanket all-risk casualty insurance for all insurable improvements on the Common Area, or if blanket all-risk coverage is not reasonably available, an insurance policy providing fire and extended coverage. In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, obtain casualty insurance on the Exclusive Common Area within the Neighborhood. Such insurance policies shall be in such amount or amounts as the Board of Directors deems appropriate.

The Board may also obtain a public liability policy covering the Common Area, insuring the Association and its Members for all damages or injury caused by the negligence of the Association, its agents, the members or Occupants, in such amount as the Board deems appropriate.

Premiums for all insurance on the Common Area shall be Association Expenses and shall be included in the Residential Assessments and the premiums for insurance on Exclusive Common Area shall be included in the Neighborhood Assessment of the Neighborhood(s) benefited thereby. In addition to the other insurance discussed in this Section, the Board may also obtain, as an Association Expense payable from Residential Assessments, (i) worker's compensation insurance, and the Board shall obtain such insurance if and to the extent required by law, (ii) directors' and officers' liability coverage, and (iii) a fidelity bond or fidelity insurance on directors, officers, employees, and other Persons handling or responsible for the Association's funds.

SECTION 2. DAMAGE AND DESTRUCTION. Immediately after damage or destruction by fire or other casualty of all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and the repair or reconstruction of the damaged or destroyed property, to the extent insurance proceeds are available for such purpose. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition which existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. In the event that insurance proceeds are unavailable to repair or reconstruct the Common Area or the Exclusive Common Area of any Neighborhood, the damaged or destroyed property shall be restored to its natural state and maintained by the Association, or the Neighborhood Association, as applicable, in a neat and attractive condition. If insurance proceeds are insufficient to cover a repair or reconstruction, the Board may levy a special assessment to cover the shortfall, subject to the requirements of Section 5 of Article III above.

ARTICLE VI ARCHITECTURAL STANDARDS AND RESTRICTIONS

SECTION 1. PURPOSE. In order to preserve the natural setting and beauty of the Properties, to establish and preserve a harmonious and aesthetically pleasing design for the Serenity Estates project and to protect and promote the value of the Properties, the Lots shall be subject to the restrictions set forth in this Article VI. Every grantee of any interest in a Lot by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

SECTION 2. SERENITY ESTATES RESIDENTIAL REVIEW COMMITTEE. There is hereby established the Serenity Estates Residential Review Committee (sometimes hereinafter called the "Residential Review Committee"), which shall have exclusive jurisdiction over all original construction on the Lots and over modifications, additions, or alterations made on or to the residence and other improvements on the Lots. The Residential Review Committee is a "Residential ARC" as such term is defined in the Serenity Estates Master Declaration.

INSURANCE

SECTION 1. INSURANCE. The Association's Board of Directors, or its duly authorized agent, shall have the authority, but not the obligation, to obtain blanket all-risk casualty insurance for all insurable improvements on the Common Area, or if blanket all-risk coverage is not reasonably available, an insurance policy providing fire and extended coverage. In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, obtain casualty insurance on the Exclusive Common Area within the Neighborhood. Such insurance policies shall be in such amount or amounts as the Board of Directors deems appropriate.

The Board may also obtain a public liability policy covering the Common Area, insuring the Association and its Members for all damages or injury caused by the negligence of the Association, its agents, the members or Occupants, in such amount as the Board deems appropriate.

Premiums for all insurance on the Common Area shall be Association Expenses and shall be included in the Residential Assessments and the premiums for insurance on Exclusive Common Area shall be included in the Neighborhood Assessment of the Neighborhood(s) benefited thereby. In addition to the other insurance discussed in this Section, the Board may also obtain, as an Association Expense payable from Residential Assessments, (i) worker's compensation insurance, and the Board shall obtain such insurance if and to the extent required by law, (ii) directors' and officers' liability coverage, and (iii) a fidelity bond or fidelity insurance on directors, officers, employees, and other Persons handling or responsible for the Association's funds.

SECTION 2. DAMAGE AND DESTRUCTION. Immediately after damage or destruction by fire or other casualty of all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and the repair or reconstruction of the damaged or destroyed property, to the extent insurance proceeds are available for such purpose. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition which existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. In the event that insurance proceeds are unavailable to repair or reconstruct the Common Area or the Exclusive Common Area of any Neighborhood, the damaged or destroyed property shall be restored to its natural state and maintained by the Association, or the Neighborhood Association, as applicable, in a neat and attractive condition. If insurance proceeds are insufficient to cover a repair or reconstruction, the Board may levy a special assessment to cover the shortfall, subject to the requirements of Section 5 of Article III above.

ARTICLE VI

ARCHITECTURAL STANDARDS AND RESTRICTIONS

SECTION 1. PURPOSE. In order to preserve the natural setting and beauty of the Properties, to establish and preserve a harmonious and aesthetically pleasing design for the Serenity Estates project and to protect and promote the value of the Properties, the Lots shall be subject to the restrictions set forth in this Article VI. Every grantee of any interest in a Lot by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

SECTION 2. SERENITY ESTATES RESIDENTIAL REVIEW COMMITTEE. There is hereby established the Serenity Estates Residential Review Committee (sometimes hereinafter called the "Residential Review Committee"), which shall have exclusive jurisdiction over all original construction on the Lots and over modifications, additions, or alterations made on or to the residence and other improvements on the Lots. The Residential Review Committee is a "Residential ARC" as such term is defined in the Serenity Estates Master Declaration.

The Residential Review Committee shall (i) adopt the Builder Guidelines of the City, the Design Guidelines of the Serenity Estates Master Review Committee and the Residential Review Committee Guidelines, and (ii) establish application and review procedures for plans and specifications. The Residential Review Committee shall make the Builder Guidelines, the Design Guidelines, and the Residential Review Committee Guidelines available to Owners and Builders who seek to engage in development of or construction upon a Lot and who shall conduct their operations strictly in accordance therewith.

The Residential Review Committee shall consist of a minimum of three (3) and a maximum of five (5) members. Until the date on which it has sold all of its Lots within the Properties, the Declarant shall have the right to appoint all members of the Residential Review Committee as well as the right to remove any member. There shall be no surrender of this right prior to that time, except by a written instrument executed by Declarant and recorded in the real property records of Harris County, Texas. Following the expiration of such right, the Board of Directors shall appoint the members of the Residential Review Committee. The Residential Review Committee is authorized, but not obligated, to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Residential Review Committee in performing its functions set forth herein.

SECTION 3. ARCHITECTURAL APPROVAL. To preserve the architectural and aesthetic appearance of the Serenity Estates project, no construction of improvements, or modifications, additions, or alterations to existing improvements, shall be commenced or maintained by any Owner with respect to any Lot in the Properties, including, without limitation, the construction or installation of sidewalks, driveways, parking lots, mail boxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, awnings, walls, fences, exterior lights, garages, guest or servants' quarters, or other outbuildings, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data (including, if required by the Residential Review Committee, a survey showing the location of trees of four (4) inches or more in diameter at a height of four (4) feet above ground and other significant vegetation on such Lot) showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Residential Review Committee as to the compliance of such plans and specifications with the Builder Guidelines, the Design Guidelines, and the Residential Review Committee Guidelines, including the harmony of external design, location, and appearance in relation to surrounding structures and topography. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the Residential Review Committee, and the other copy shall be returned to the Owner marked "approved," "approved with conditions as noted," or "disapproved." The Residential Review Committee may establish a reasonable fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his improvements, or to paint the interior of the improvements on his property any color desired. The Residential Review Committee shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association and shall use reasonable efforts to give its approval or disapproval of plans and specifications within forty-five (45) days after submission of all items required. The failure of such committee to respond within such period shall be deemed to be disapproval unless written approval is thereafter given.

Upon approval of plans and specifications, no further approval under this Article VI shall be required with respect thereto, unless construction has not substantially commenced within six (6) months of the approval of such plans and specifications (e.g. clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. The Residential Review Committee may disapprove plans and specifications for any reason which is consistent with the objects and purposes of this Declaration as determined by the Residential Review Committee from time to time, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

SECTION 4. LANDSCAPING APPROVAL. To preserve the aesthetic appearance of the Serenity Estates project, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed on a Lot in the Properties unless and until the plans therefore have been submitted to and approved in writing by the Residential Review Committee. In the installation of landscaping and maintenance of his Lot, each Owner shall comply with the Landscaping Guidelines.

SECTION 5. APPROVAL NOT A GUARANTEE OR VARIANCE. The review and approval of plans pursuant to this Article is made on the basis of aesthetic considerations only and no approval of plans and specifications and no publication of the Builder Guidelines, the Design Guidelines, or the Residential Review Committee Guidelines shall be construed as representing or implying that such plans, specifications, or guidelines will, if followed, result in properly designed improvements. Such approvals and design guidelines shall in no event be construed as representing or guaranteeing that any improvements built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, the Residential Review Committee, nor any of their respective officers, partners, directors, or members, shall be responsible or liable in damages or otherwise to any Person who submits plans for approval by reason of mistake or judgment, negligence or nonfeasance arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations, nor any defects in construction undertaken pursuant to such plans and specifications. The purpose of such reviews primarily seeks to conform the aesthetic appearances of development within the Properties.

In addition, the approval of plan pursuant to this Article shall not be deemed to be a variance from the specific restrictions of this Declaration or the Builder Guidelines, the Design Guidelines, or the Residential Review Committee Guidelines. All variances must be issued in accordance with the provisions of Section 8 of this Article.

SECTION 6. RIGHT TO INSPECT. Any member of the Board of Directors or the Residential Review Committee and their representatives shall have the right, but not the obligation during reasonable hours to enter upon and inspect any Lot with respect to which construction is underway to determine whether or not the plans and specifications therefore have been approved and are being complied with. Such Person or persons shall not be deemed guilty of trespass by reason of such entry. In the event the Residential Review Committee shall determine that such plans and specifications have not been approved or are not being complied with, the construction and to require the approval or correction of any work in place which does not comply with approved plans and specifications. In addition to any other remedies available to the Association, the Board may record in the appropriate land records a notice of violation naming the violating Owner.

SECTION 7. NO WAIVER OF FUTURE APPROVALS. The approval by the Residential Review Committee of any plans and specifications for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

SECTION 8. VARIANCES. The Residential Review Committee may grant variances from compliance with the restrictions of this Declaration and from any of the Residential Review Committee Guidelines when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, or (b) stop the Residential Review Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of financing, shall not be considered a hardship warranting a variance.

SECTION 9. HARRIS COUNTY CONSTRUCTION STANDARDS. In addition to the Builder Guidelines, the Design Guidelines and the Residential Review Committee Guidelines, the Owner of each Lot in the Properties in constructing improvements must, except as may otherwise be provided in the Builder Guidelines, comply with the Harris County Construction Standards, (as hereinafter defined) in the same manner that he would if his property was within the corporate limits of the City of Houston, Texas (the "City"); provided however, no Owner shall be obligated to apply for or obtain from the City any permit for construction of private improvements, obtain a certificate of occupancy related thereto, or pay any fee to the City for any application or permit for construction of private improvements. The restrictions created by this Section 9 shall automatically terminate as to each portion of the Properties which is annexed into the City or another municipality upon its annexation. As used herein, the term "Harris County Construction Standards" means and refers to the requirements applicable to the construction of buildings and other private improvements which are set forth the building codes.

SECTION 10. CITY'S RIGHT OF ENFORCEMENT. The provisions of Section 9 requiring compliance by an Owner with the Humble Construction Standards in the construction of improvements are for the benefit of the City and may be enforced by the City as well as by the Association.

ARTICLE VII **SPECIFIC USE RESTRICTIONS**

SECTION 1. SINGLE FAMILY RESIDENCE. Each and every Lot in the Properties is hereby restricted to one (1) Single Family Residence and related outbuildings and improvements, including guest houses, servant's quarters and greenhouses, and use for single-family residential purposes exclusively and no Single Family Residence shall be occupied by more than a single family.

No business or business activity shall be carried on, in or upon any Single Family Residence. Notwithstanding the foregoing, a Single Family Residence on a Lot may be used for a home Occupation provided that:

- (i) There shall be no visible storage or display of occupational materials or products;
- (ii) There shall be no exterior evidence of the conduct of a Home Occupation and no home Occupation shall be conducted on the Lot outside of the Single Family Residence.
- (iii) No additional parking shall be provided for the Home Occupation.

As used herein, the term "Home Occupation" shall mean a commercial enterprise conducted in a Single Family Residence which is incidental to the principal residential use. Unless otherwise approved by the Board of Directors, garage sales or yard sales (or any similar vending of merchandise) conducted on any Lot more than twice within a 12 month period shall be considered a prohibited business activity.

SECTION 2. LIVING AREA REQUIREMENTS. The total living area of a Single Family Residence on a Lot shall be not less than the minimum specified in the Supplemental Declaration applicable to such Lot or in the Residential Review Guidelines adopted by the Residential Review Committee which are applicable to the portion of the Properties containing such Lot.

SECTION 3. TYPE OF CONSTRUCTION. The Supplemental Declaration or the Residential Review Committee Guidelines applicable to a particular Lot may require that a specified percentage of the

exterior wall areas of the residence on such Lot, exclusive of door and window openings, be constructed of masonry or brick veneer or another material approved by the Residential Review Committee.

No detached garage or accessory building shall exceed in height the dwelling to which it is appurtenant without the written consent of the Residential Review Committee. Every garage and accessory building (except a greenhouse) shall correspond in style and architecture with the dwelling to which it is appurtenant.

SECTION 4. DRIVEWAYS AND SIDEWALKS. Each Owner shall construct and maintain at his expense a concrete driveway with a minimum width of twelve (12) feet from the garage of his residence to the abutting Street, including the portion of the driveway in the street easement, and the Owner shall repair at his expense any damage to the Street occasioned by connecting the driveway thereto. All driveway cuts into a Street must be made in accordance with Chapter 22 of the City's Code of Ordinance which requires a sloped end treatment of culverts. Each Owner shall also construct and maintain at his expense a sidewalk along the front of his Lot as well as on the side or corner Lots, in accordance with the Builder Guidelines and the Humble Construction Standards and the requirements specified on the plat of the subdivision containing such Lot, if any.

SECTION 5. ANTENNAE AND SATELLITE DISHES. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by the regulations promulgated under the Telecommunications Act of 1996, as amended from time to time. The Residential Review Committee is empowered to adopt rules governing the types of antennae that are permissible in the Properties and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

To the extent that receipt of an acceptable signal would not be impaired, an antenna permissible pursuant to the rules of the Residential Review Committee may only be installed in a side or rear yard location, not visible from the Street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

SECTION 6. ANIMALS AND PETS. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, with the exception of a maximum of two (2) dogs, cats or other usual and common household pets (excluding in such maximum number, fish and birds); provided, however, those pets which are permitted to roam free, or which in the sole discretion of the Board, endanger health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners or Occupants within the Properties may be removed by the Board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a Single Family Residence be on a leash or otherwise confined in a manner acceptable to the Board. Without prejudice to the Board's right to remove any such household pet, the owner of a pet that has caused damage to property shall be responsible for compensating the Owner of the damaged property, but the Association shall have no obligation to enforce such obligation. Animal control authorities shall be permitted to enter the Properties to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law.

SECTION 7. WINDOW AIR CONDITIONERS. No window or wall type air conditioners shall be permitted to be used, erected, placed or maintained on or in any Single Family Residence, except that the Residential Review Committee may, at its discretion, permit window or wall type air conditioners to be installed if such unit, when installed, shall not be visible from a Street or any other Lot.

SECTION 8. RENTING OR LEASING. Single Family Residences may be rented or leased only by written leases and subject to the following restrictions:

All tenants shall be subject to the terms and conditions of this Declaration and the rules and regulations promulgated by the Association as though such tenant were an Owner. Each Owner of a Single

Family Residence agrees to cause his tenants to comply with this Declaration and the rules and regulations promulgated pursuant hereto, and is responsible and liable for all violations and losses caused by such tenants, notwithstanding the fact that such tenants are fully liable for any such violation. All provisions of this Declaration and of any rules and regulations promulgated pursuant hereto which govern the conduct of Owners of a Single Family Residence and which provide for sanctions against Owners shall also apply to all Occupants are not specifically mentioned. Each Owner who leases his residence shall provide the Association with the name of his tenant and a mailing address where such Owner can be contacted at all times.

SECTION 9. VEHICLES AND PARKING. The term "vehicles", as used herein, shall refer to all motorized vehicles including, without limitation, automobiles, trucks, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, campers, buses, and vans, including such vehicles with the motor removed. No vehicle may be parked or left upon any Lot in the Properties, except in a garage or other area designated by the Board, and in driveways for such temporary periods as may be specified by the Board from time to time. The storage of vehicles on Streets or within road right-of-way is specifically prohibited. Storage of RV's campers and trailers are prohibited. Any vehicle parked or left not in accordance with this section shall be considered a nuisance. No vehicles shall be permitted on pathways or unpaved Common Area except for public safety vehicles and vehicles authorized by the Board.

SECTION 10. DISPOSAL OF TRASH. No trash, rubbish, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot be used or maintained as a dumping ground for such materials. All such matter shall be placed in sanitary refuse containers constructed of metal, plastic or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened from public view by planting or fencing. All rubbish, trash, and garbage shall be regularly removed and not allowed to accumulate. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense.

SECTION 11. DRAINAGE. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or Occupant of a Lot may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers or storm drains.

SECTION 12. CLOTHESLINES, GARBAGE CANS, WOODPILES, ETC. All clotheslines, garbage cans, woodpiles, swimming pool pumps, filters and related equipment and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property.

SECTION 13. WEAPONS AND FIREWORK. The use of fireworks are permitted within the Properties under the condition that any fireworks, debris, trash shall be promptly cleaned from roadways, curbs, easements, driveways, and walkways by Owner and at Owners expense. The use of firearms and other weapons within the Properties is prohibited. The term "firearms" includes "B-B guns, pellet guns, and small firearms of all types. Nothing contained in this Declaration shall be construed to require the Association to take action to enforce this Section.

SECTION 14. TEMPORARY BUILDINGS. Temporary buildings or structures shall not be permitted on any Lot, provided, however, Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used by Builders in connection with the construction and sale of residences and by contractors performing land development activities within the Properties for Declarant. Builders may use garages as sales offices for the time during which such Builders are marketing homes. At the time during which such Builders are marketing homes. At the time of the sale of a Single Family Residence by a Builder any garage appurtenant to such residence used for sales purposes must be reconverted to a functional garage in compliance with the plans approved by the Residential Review Committee.

SECTION 15. GRASS AND SHRUBBERY. The Owner of each Lot shall landscape the areas of his Lot which are visible from the Street or adjacent property in accordance with the Landscaping Guidelines. Grass and weeds shall be kept mowed to prevent unsightly appearance, and all curbs, roadways, driveways, and walkways shall be kept edged. Dead or damaged trees and shrubbery shall be promptly removed or replaced, and if not removed by the Owner upon request, then the Association may remove or cause to be removed such trees or shrubbery at the Owner's expense and shall not be liable for damage caused by such removal. The Association may, at its option, plant and install shrubbery and other above-ground utility equipment located on the Lots, and mow and maintain the grass, shrubbery or other screening devices around such utility equipment. The Association shall have the right to enter upon the Lots for such purposes.

SECTION 16. TRAFFIC SIGHT AREAS. All Lots located at Street intersections shall be landscaped so as to permit safe sight across the Street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where this would create a traffic or sight problem.

SECTION 17. MAILBOXES. Unless provisions are otherwise made by the Declarant for the installation of individual mailboxes for the Properties or a portion of the Properties, individual boxes will be required on each Lot. Each Owner with an individual mailbox will be required to install and maintain in good working condition a mailbox which conforms to specifications adopted by the Residential Review Committee. Each Lot shall have a house number identifying its street address made of materials and a color or colors specified by the Residential Review Committee in keeping with the overall character and aesthetics of the community. Different materials and/or colors for individual mailboxes or street numbers may be specified by the Residential Review Committee for different Neighborhoods.

SECTION 18. PRIVATE UTILITY LINES. All electrical, telephone, and other utility lines and facilities which are located on a Lot and are not owned by a governmental entity or a public utility company shall be installed underground unless otherwise approved in writing by the Residential Review Committee.

SECTION 19. ROOFTOP ELEMENTS. All stack vents and attic ventilators shall be located on the rear slopes of roofs and mounted perpendicular to the ground plate. All exposed roof stack vents, flashings, attic ventilators, etc. on each Single Family Residence must be painted to match the color of the roof of the Single Family Residence unless otherwise approved by the Residential Review Committee. No solar collectors shall be placed on a roof slope so that they are visible from a Street or the Common Area.

SECTION 20. DECORATIONS. No decorative appurtenances such as sculptures, birdbaths and birdhouses, fountains or other decorative embellishments shall be placed on the front lawn of a Lot or on the visible side yard of a corner Lot unless such items have been approved in writing by the Residential Review Committee and are in compliance with the Residential Review Committee Guidelines.

SECTION 21. PLAYGROUND EQUIPMENT. All playground equipment on a Lot must be placed at the rear of the Lot a minimum of ten (10) feet from the side and rear lot lines and behind a fence or otherwise screened from public view. No such equipment shall exceed ten (10) feet in height. Any shade covering on playground equipment which is visible from adjacent property or any public area must be a neutral earth tone or another color approved by the Residential Review Committee.

SECTION 22. SIGNS. No signs, billboards, posters, or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Residential Review Committee other than (a) one sign not in excess of a size prescribed by the Residential Review Committee advertising a particular Lot during the period of construction of a Single Family Residence thereon as for sale; provided, however, no sign advertising a Lot and residential structure for sale shall contain the word "foreclosure" or any derivative of such word. The right is reserved by Declarant to construct and maintain signs and other advertising devices on land they own and on the Common Area as is customary in connection with the sale of developed tracts and newly constructed residential dwellings. In addition, the Declarant and the Association shall have the right to erect and maintain directional and informational signs along the Streets within the Properties and identifying signs and monuments at entrances to subdivisions.

In addition to any other remedies provided for herein, the Board of Directors or its duly authorized

agent shall have the power to enter upon a Lot to remove any sign which violates this Section provided the violating Owner has been given forty-eight hours' written notice by the Board of Directors of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of Assessments.

SECTION 23. FENCES. No fence or wall shall be erected on any Lot nearer to the Street than the minimum setback from the Street shown on the plat of the subdivision containing such Lot unless otherwise approved by the Residential Review Committee. Further, unless otherwise approved by the Residential Review Committee, no fence shall be constructed across or within a utility easement. The plans for all fences must be approved by the Residential Review Committee which shall have the power to specify acceptable materials and/or fence design for specific areas such as along major thoroughfares. The Owner of each Lot shall be responsible for the proper maintenance of all fences on his Lot unless the Serenity Estates Master Association or the Association assumes such obligation. Each of the Owners of adjacent Lots with a fence located on the common line between the Lots shall be responsible for the maintenance of such fence. No chain link fence shall be permitted on a Lot which is visible from adjacent property or any public area.

SECTION 24. OWNER'S MAINTENANCE. Each Owner and Occupant of a Lot shall at all times be obligated to maintain his property and all improvements thereupon as well as the area between the boundary lines of his Lot and the curb or edge of the pavement of the adjacent Streets, so as to keep same in a clean, sightly and safe condition and to conform with the Landscaping Guidelines and any specific standards which the Board of Directors may adopt by resolution for the Properties. Any new construction must complete landscape and driveways before occupying residence. Unless expressly assumed by the Association, an Owner's maintenance obligation shall include, but not be limited to: the maintenance of all visible exterior surfaces of all buildings and other improvements; the prompt removal of all paper, debris, and refuse; the removal and replacement of dead and diseased trees and plantings; the removal of all snow and ice from paved areas; the repair, replacement, cleaning and relamping of all signs and lighting fixtures; the mowing, watering, fertilizing, weeding, replanting and replacing of all approved landscaping; and, during construction, the cleaning of dirt, construction debris and other construction-related from Streets and storm drains and inlets. The responsibilities of the Owner of each Lot hereunder also include the obligation to maintain, repair and replace when necessary the public sidewalk along the front of the Lot and along the side on corner Lots, which is constructed either within the right-of-way of the adjacent Street or within or within an easement across the Lot. In the event an Owner fails to maintain his Lot and such adjacent property as specified above, the Association shall have the right, but not the obligation, to enter upon the applicable Lot to perform the necessary work as more specifically set forth in Section 8 of Article X hereof.

ARTICLE VIII ANNEXATION OF ADDITIONAL PROPERTY AND DEANNEXATION

SECTION 1. UNILATERAL ANNEXATION BY DECLARANT. The Declarant, as the owner thereof, shall have the unilateral right, privilege, and option, but not the obligation, at any time and from time to time to annex additional real property within the 20 acre Serenity Estates project or in the vicinity of such project, including, without limitation, the remaining portions of the VLP Property described on Exhibit "A" hereto, to the jurisdiction of the Association by filing for record a Supplemental Declaration in respect to the property being annexed which subjects the Lots within the annexed property to assessment by the Association on a uniform basis with all other Lots within the Association's jurisdiction. Any such annexation shall be effective as to the property described therein upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

The right reserved by the Declarant to annex additional land shall not be implied or construed so as to impose any obligation upon Declarant to subject any of the remaining portions of the VLP Property to this Declaration or to the jurisdiction of the Association. If such additional land is not annexed, Declarant

has no obligation to impose any covenants and restrictions similar to those contained herein upon such land nor shall any thing contained herein be construed to limit or restrict the use to which such land may be put by Declarant or by any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

SECTION 2. OTHER ANNEXATIONS. With the consent of the Owner thereof, the Association may annex other real property to the jurisdiction of the Association. Such annexation shall require the affirmative vote of a majority of the Class "A" Members present in person or by proxy at a meeting called for such purpose, and of the Declarant, so long as the Declarant owns property within the jurisdiction of the Association.

Annexation shall be accomplished by filing of record in the real property records of Harris County, Texas, an annexation agreement describing the property being annexed. Such annexation agreement shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein.

SECTION 3. RIGHTS OF OWNERS OF ANNEXED AREA. The Owners of land in annexed property shall be entitled to use the Common Area in the same manner and to the same extent of the Owners of all other property subject to the jurisdiction of the Association. Annexed property shall be impressed with and subject to Assessments imposed hereby on a uniform basis, consistent with provisions of this Declaration.

SECTION 4. DEANNEXATIONS. Without the approval of any other Owners or Members, the Declarant shall have the exclusive right to deannex and remove any portion of the Properties which is not yet developed at the time of deannexation from the provisions of this Declaration and the jurisdiction of the Association. Such deannexation shall be accomplished by the execution and filing for record an instrument setting forth the land being deannexed.

ARTICLE IX MORTGAGEE PROVISIONS

The following provisions are for the benefit of the holders of Mortgages. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained herein or therein.

SECTION 1. NOTICES OF ACTION. A Mortgagee who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the description of the affected property), will be entitled to timely written notice of:

- (a) any proposed termination of the Association;
- (b) any condemnation loss or any casualty loss which affects the property on which there is a mortgage or deed of trust held, insured, or guaranteed by such Mortgagee; or
- (c) any delinquency in the payment of Assessments or charges owed by an Owner of the property subject to the Mortgage of such Mortgagee, where such delinquency has continued for a period of sixty (60) days.

SECTION 2. NO PRIORITY. No provision of this Declaration gives or shall be construed as giving any Owner or other party priority over any rights of the Mortgagees in the case of distribution of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

SECTION 3. NOTICE TO ASSOCIATION. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's property.

ARTICLE X
GENERAL PROVISIONS

SECTION 1. TERM. Unless sooner terminated or amended in accordance with the further provisions hereof, the provisions of this Declaration shall run with and bind the land and shall be and remain in effect for a period of forty (40) years after the date that this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by the Owners of not less than a majority of the Lots subject to the provisions hereof agreeing to terminate this Declaration has been recorded within the year immediately preceding the beginning of a ten (10) year renewal period, in which case this Declaration shall be terminated at the end of its original term or the applicable extension period. Every purchaser or grantee of any interest in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefore, thereby agrees that the provisions of this Declaration may be extended and renewed as provided in this Section.

SECTION 2. SEVERABILITY. Invalidation of any one of these covenants by judgment or other court order shall in no wise affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

SECTION 3. GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

SECTION 4. TITLES. The titles of this Declaration of Articles and Sections contained herein are included for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

SECTION 5. AMENDMENT. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration; (c) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration; or (d) for any other purpose, provided that the amendment has no material adverse effect upon any right of any Owner or that the Owner or Owners so affected have consented thereto.

In addition to the amendments described above, this Declaration may be amended at any time by an instrument signed by the Owners of more than fifty percent (50%) of the Lots subject to this Declaration and, as long as the Class "B" Membership exists, the Declarant; provided, however, no amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant. Any amendment to this Declaration must be recorded in the real property records of Harris County, Texas.

SECTION 6. MERGER AND CONSOLIDATION. Upon a merger or consolidation of the Association with another non-profit corporation organized for the same or similar purposes, the Association's properties, rights, and obligations may be transferred to the surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties of the other association as one scheme. No merger or consolidation shall be permitted except with the approval by two-thirds (2/3rds) vote of the Class "A" Members present in person or by proxy at a meeting called for such purpose and,

until the termination of the Class "B" Membership, the Declarant. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

SECTION 8. ENFORCEMENT. Each Owner and Occupant shall comply strictly with the covenants, conditions, and restrictions set forth in this Declaration, as may be amended from time to time, and with the rules and regulations adopted by the Board. The Board may impose fines or other sanctions, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration or the rules and regulations shall be grounds for an action to recover sums due for damages, injunctive relief, or any other remedy available at law or in equity, maintainable by the Board, on behalf of the Association, or by any Owner of a portion of the Properties. Failure of the Board or any other Person to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall also have the right to enforce, by any proceeding at law or in equity, any other restrictions, conditions, covenants and liens imposed upon any portion of the Properties which by the terms of the instrument creating same grant the Association the power to enforce same, and failure of the Association to enforce such provisions shall in no event be deemed a waiver of the right to do so thereafter.

In addition to any other remedies provided for herein; the Association or its duly authorized agent shall have the power to enter upon a Lot to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, its rules and regulations, the Builder Guidelines, the Design Guidelines or the Residential Review Committee Guidelines. Except in the case of emergency situations, and as otherwise specified herein, the Association shall give the violating Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of Assessments.

SECTION 9. RIGHT OF ENTRY. The Association shall have the right, but not the obligation, to enter into any Lot for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association's rules, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in any emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within reasonable time after request by the Board.

SECTION 10. NOTICE OF SALE OR TRANSFER OF TITLE. In the event that an Owner sells or otherwise transfers title to his or her Lot, as specified in Section 3 of Article III such Owner shall give the Association written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Association, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Lot hereunder, including payment of Assessments, notwithstanding the transfer of title to the Lot.

SECTION 11. CUMULATIVE EFFECT; CONFLICT. The covenants, restrictions and provisions of this Declaration shall be cumulative with the Serenity Estates master Declaration and any Supplemental Declarations; provided, however, in the event of conflict between any provisions of the Serenity Estates Master Declaration and the provision of this Declaration or any Supplemental Declaration, the Serenity Estates Master Declaration shall prevail, and in the event of a conflict between the provisions of this Declaration shall prevail, it being intended that this Declaration and all Supplemental Declarations

restrictions, conditions, covenants and liens imposed upon any portion of the Properties which by the terms of the instrument creating same grant the Association the power to enforce same, and failure of the Association to enforce such provisions shall in no event be deemed a waiver of the right to do so thereafter.

In addition to any other remedies provided for herein; the Association or its duly authorized agent shall have the power to enter upon a Lot to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, its rules and regulations, the Builder Guidelines, the Design Guidelines or the Residential Review Committee Guidelines. Except in the case of emergency situations, and as otherwise specified herein, the Association shall give the violating Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of Assessments.


SECTION 9. RIGHT OF ENTRY. The Association shall have the right, but not the obligation, to enter into any Lot for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association's rules, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in any emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within reasonable time after request by the Board.

SECTION 10. NOTICE OF SALE OR TRANSFER OF TITLE. In the event that an Owner sells or otherwise transfers title to his or her Lot, as specified in Section 3 of Article III such Owner shall give the Association written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Association, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Lot hereunder, including payment of Assessments, notwithstanding the transfer of title to the Lot.

SECTION 11. CUMULATIVE EFFECT; CONFLICT. The covenants, restrictions and provisions of this Declaration shall be cumulative with the Serenity Estates master Declaration and any Supplemental Declarations; provided, however, in the event of conflict between any provisions of the Serenity Estates Master Declaration and the provision of this Declaration or any Supplemental Declaration, the Serenity Estates Master Declaration shall prevail, and in the event of a conflict between the provisions of this Declaration shall prevail, it being intended that this Declaration and all Supplemental Declarations be subject and subordinate to the Serenity Estates Master Declaration and that all Supplemental Declarations be subject and subordinate to this Declaration.

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions is executed as of the 8th day of February, 2005.

VLP Development, L.L.C.,
A Texas Limited Liability Company

By: 
Larry L. Posey Sr., Vice President

By: Vernon E. Lacy Jr.
Vernon E. Lacy Jr., President

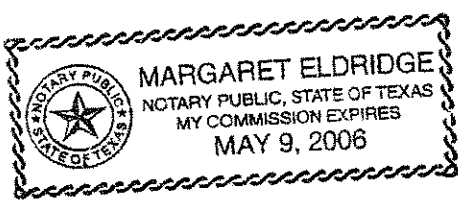
THE STATE OF TEXAS *
COUNTY OF HARRIS *

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions, and Restrictions is
executed as of the 8th day of February 2005.

(SEAL)

Margaret Eldridge
Notary Public in and for
The State of Texas

Margaret Eldridge
Name printed or typed
My commission expires: May 9, 2006



FILED
05 FEB 11 AM 10:43
COUNTY CLERK
HARRIS COUNTY, TEXAS

ret w
VERMON LACY
71214 LEE RD