

Declarations-CC&Rs

**Marlborough Square Section 1 Owners Assoc dba Stratford
Townhomes Association**

**AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
MARLBOROUGH SQUARE, SECTION I**

This Amendment ("Amendment") to the Declaration of Covenants, Conditions and Restrictions (the "Declaration") of Marlborough Square, Section I (the "Townhouses"), which operate under the assumed name of the Stratford Townhomes, is executed by the undersigned President of the Marlborough Square, Section I Owners' Association, Inc., a Texas non-profit corporation (the "Association"), which operates under the assumed name of the Stratford Townhomes Association, to evidence an amendment to the Declaration which has been approved in writing by Owners having more than sixty-six and two-thirds percent (66-2/3%) of the fractional interests in the Association.

RECITALS

A. The Declaration was dated January 22, 1981 and was recorded in the Official Public Records of Real Property of Harris County, Texas under Clerk's File No. G844720 and under Film Code No. 176-97-2201.

B. Certain buildings within the Townhouses are in need of foundation repair. The Owners of Lots within the Townhouses desire to amend certain sections of the Declaration and to add certain sections to the Declaration in order to clearly define the respective obligations of the Association and of the Owners to pay for foundation repairs to Townhouse buildings.

C. The Owners of Lots within the Townhouses also desire to amend certain sections of the Declaration in order to more clearly define whether certain maintenance and repairs are the responsibility of the Owners, or are the responsibility of the Association.

D. According to Section 11.01 of the Declaration, the Declaration can be amended by an instrument in writing signed by Owners having not less than sixty-six and two-thirds percent (66-2/3%) of the fractional interests in the Association. Owners having more than sixty-six and two-thirds percent (66-2/3%) of the fractional interests in the Association have approved of this Amendment by written ballots, which ballots are attached hereto as Exhibit "A" and incorporated herein by reference to evidence the approval of this Amendment by such Owners. In the attached ballots, the Owners have named and appointed Tommie Wheelock, the President of the Association, as their duly appointed Attorney-in-Fact to execute this Amendment on their behalf and to record it in the office of the County Clerk of Harris County, Texas.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owners

of the Association, by and through Tommie Wheelock, President of the Association, as their duly appointed Attorney-in-Fact, do hereby amend the Declaration.

AMENDMENT

1. Subsection .07, entitled "Exterior Portion", of Section 1.01 (i.e., Section 1.01.07) of Article 1 of the Declaration is hereby modified and amended in its entirety to read as follows:

.07 Exterior Portion. (i) the exterior portion of a Townhouse, including without limitation, exterior building surfaces, roofs, gutters, downspouts, porches, doors, walks, drives, glass door and window panes, and fences, if any; (ii) the portion (except Exterior Landscaping) of a Lot not covered by the improvements constituting the Townhouse and which portion is visible at ground level from any Common Area or at ground level from any other Townhouse; and (iii) the foundation directly under the Townhouse on a Lot owned by an Owner.

2. Subsection .03, entitled "Exterior Portion", of Section 2.02 (i.e., Section 2.02.03), of Article 2 of the Declaration, is hereby modified and amended in its entirety to read as follows:

.03 Exterior Portion. Subject to the provisions of Section 2.02.01, the remainder of this subsection 2.02.03 and Section 2.02.07 below, and subject to any Amendment to this Declaration which may require the Association to maintain and repair portions of the exterior portion of an Owner's townhouse, each Owner shall be obligated to maintain and repair the Exterior Portion of such Owner's Townhouse in like new condition using the same material, paint, stain, color and quality of workmanship and material as the original construction. Without the prior written consent of the Association, no Owner shall have the right to (i) modify, alter, landscape, decorate, redecorate, improve or otherwise change the appearance or nature of the Exterior Portion of any Townhouse, or (ii) contract to perform or have performed upon any Townhouse repairs to the foundation or structure of the Townhouse. The Owner of a Townhouse agrees, at such Owner's cost and expense, to remove any prohibited items so placed and to stop any foundation repair work which was started without the prior written consent of the Association, promptly upon the written request of the Association. Without limitation, the Association may remove any such prohibited item; whereupon the Owner agrees to reimburse the Association the actual, direct cost and expense of such removal promptly upon demand by the Association.

3. Subsection .04, entitled "Obligation of the Association", of Section 2.02 (i.e., Section 2.02.04) of Article 2 of the Declaration is hereby modified and amended in its entirety to read as follows:

.04 Obligation of the Association and the Owner(s).

(a) Maintenance and Repair Expenses to be Paid Entirely by the Association.
Subject to the provisions of Section 2.02.01, and the right of the Association to determine who will perform the maintenance and repairs to be paid for by the Association, the Association shall pay all of the costs associated with the following maintenance and repair items:

- (i) Exterior painting of front and rear doors, garage doors, trash doors, woodwork, eaves, flashing, gutters and downspouts.
- (ii) Repair and replacement of trash doors and the wood frame around the trash door, including hardware.
- (iii) Repair and replacement of wood trim around garage doors.
- (iv) Repair of pipes and drains on the outside of a townhouse unit or on the Owner's Lot, but not under a townhouse unit.
- (v) Repair of cable television equipment or apparatus on the outside of a townhouse unit.

(b) Maintenance and Repair Expenses to be Paid One-half (1/2) by the Association.

Subject to the provisions of Section 2.02.01, and the right of the Association to determine who will perform the maintenance and repairs to be paid for by the Association, the Association shall pay one-half (1/2) of the costs associated with the following maintenance and repair items:

- (i) Brickwork maintenance and the caulking of brick and mortar cracks, except brickwork which is required to be performed inside the back patio/deck area (see (c) below).
- (ii) Maintenance and repair of the wooden door frame around the front door, the wood surrounding the front door and the overhang above the front door.

(c) Maintenance and Repairs which are the Sole Responsibility of the Owner(s).
Each Owner of a townhouse unit shall be wholly responsible for, and shall pay all of the costs of maintaining and repairing the following items associated with the Owner's townhouse unit:

- (i) The interior of the townhouse unit.
- (ii) The front and rear entry doors, including hardware.
- (iii) Lights and electrical fixtures on the exterior of a townhouse.
- (iv) Windows and caulking of windows.
- (v) Garage doors and garage door openers.

- (vi) Cable television apparatus and television cable on the interior of a townhouse unit.
- (vii) Electrical and plumbing lines, pipes and fixtures inside or under the townhouse unit, including drains and sewers.
- (viii) Wind turbines on the roofs of townhouse units.
- (ix) Air conditioning units and pipes, wires and conduits leading to air conditioning units on the interior or exterior of a townhouse unit.
- (x) Roofs, including sloped and flat roofs, flat garage decks, flashing, chimney covers and other roof related apparatus.
- (xi) Water leaks through the building structure, including roofs, walls, and windows.
- (xii) Patios and decks, including painting of patios and decks.
- (xiii) Brickwork and caulking of brick and mortar located inside the back patio/deck area.
- (xiv) Wall structures.

d. Control Over Maintenance and Repairs. As between the Owner(s) and Association, and with respect to maintenance and repairs of which the Association shall pay some or all of the cost, as described above in subparagraphs (a) and (b), the Association shall exercise complete control over the maintenance and repair process, including choosing contractors, subcontractors, materials and entering into contracts for such maintenance and repairs. If the Association and the Owner(s) are to share in the cost of repairs as described in Subparagraph (b) above, the Association shall make demand for payment of the Owner's share. The portion to be paid by each Owner shall be considered an assessment as such term is described in Section 4.01 of the Declaration. Such assessment shall be secured by a lien as described in Section 4.01 of the Declaration, and shall be enforceable in accordance with the provisions of Section 4.08 of the Declaration. If there are insufficient funds available for the Association to pay its share of the cost of such repairs as described in subparagraphs (a) and (b) above in this Section 2.02.04, then the Board of Directors of the Association may levy an assessment against all townhouse unit owners to pay the Association's share of such repair costs, which assessment shall not require the approval of the Owners of the Association. If maintenance and repairs are necessary because of the negligence or the willful misconduct of an Owner, his tenants, guests, or invitees, the Association shall have no obligation to pay for such repairs.

4. A new subsection .07, entitled "Foundation Repair", of Section 2.02 (i.e., Section 2.02.07) of Article 2 of the Declaration is added to the Declaration and shall read as follows:

.07 Foundation Repair.

(a) Responsibilities of the Association. Any Owner who believes that his/her

Townhouse may be in need of foundation repair shall promptly notify the Association in writing that the foundation of the Townhouse may be in need of repair. Within thirty (30) days after receipt of such written notice, the Association shall retain a licensed structural engineer to determine whether foundation repairs are required and the extent to which the foundation must be repaired. If the licensed structural engineer determines that foundation repairs are necessary, then the Association shall obtain from such engineer a detailed construction plan showing what foundation repairs should be performed. Using the foundation repair plan, the Association shall obtain bids from foundation repair companies in accordance with the Association's usual bid procedures. The Association shall select one of the foundation repair companies to perform the foundation repair work. As between the Owners and the Association, the Association shall exercise complete control over all aspects of the foundation repair process, including choosing engineers, determining the best method of foundation repair, obtaining bids for foundation repair work, choosing a foundation repair contractor, entering into foundation repair contracts, approving of payment to be made for the foundation repair work, and enforcing warranties given in connection with foundation repair work.

(b) Responsibilities of Owners. Each Owner who resides in a Townhouse unit which is part of a building upon which foundation repairs must be made shall fully cooperate and assist in making their respective Townhouse unit accessible to engineers, inspectors, foundation repair company personnel and other persons who must have access to Townhouse units in order to investigate, analyze and perform foundation repairs. If repairs must be performed on a Townhouse unit which require access to the interior of a Townhouse unit, the Owner of that unit shall provide access to the interior when requested. If foundation repairs to a Townhouse unit result in damage to the interior of the unit of any kind, including sheetrock cracks, damage to doors or windows, or damage to carpet, walls, fixtures or plumbing, then as between the Association and the Owner, the Owner shall repair all such damage at the expense of the Owner. Each Owner who owns a Townhouse unit in a building which is being repaired shall pay to the Association, within thirty (30) days after written demand, the sums demanded by the Association and calculated as described in subsection (c) below. Demand may be made by the Association upon acceptance of a foundation repair bid. The Association may wait to authorize foundation repairs until the Association has received payment from all Townhouse unit Owners in a building in need of repair.

(c) Payment for Repairs. Each Owner of a Townhouse unit within a building in need of foundation repair covenants and agrees to pay a percentage of the total cost of such foundation repair, which cost may include, without limitation, engineering fees, geotechnical costs, and actual foundation repair costs (collectively called the "Repair Costs"). The percentage shall be determined

based upon a fraction, the numerator of which is one and the denominator of which is equal to the sum of the number of Townhouse units within the building, plus one. By way of example, if there are six Townhouse units within a building in need of repair, each Owner of a Townhouse unit within that building shall pay one-seventh (1/7) of the total Repair Costs. The Association shall also pay a percentage of the Repair Costs, which percentage shall be equal to the cost to be paid by each Townhouse unit owner within the building. The Repair Costs owed by each Owner of a Townhouse unit in a building in need of foundation repair shall be considered an Assessment as such term is described in Section 4.01 of the Declaration. Such Assessment shall be secured by a lien as described in Section 4.01 of the Declaration, and shall be enforceable in accordance with the provisions of Section 4.08 of the Declaration. If there are insufficient funds available for the Association to pay its percentage share of the Repair Costs to a building or buildings, then the Board of Directors may levy an assessment against all Townhouse unit owners to pay the Association's share of the Repair Costs, which assessment shall not require the approval of the Owners of the Association.

5. Section 6.03, entitled "Repair of Townhouses", of Article 6 of the Declaration is hereby amended in its entirety to read as follows:

6.03 Repair of Townhouses. In the event of fire or other casualty, and subject to the provisions of Section 2.02.01 hereof, each owner shall be responsible for the reconstruction, repair and replacement of all personal or other property in or a part of such Owner's townhouse.

6. Except for the modification described hereinabove in this Amendment, all terms and provisions of the Declaration shall remain the same.

7. The Amendments to the Declaration as described above in this instrument were presented to the Owners of Lots within the Townhouses in two amendments, in order that the Owners could approve or disapprove either or both of the amendments. The two Amendments were attached to a written ballot which ballots were given to the Owners of Lots within the Townhouses. The two Amendments, entitled "Amendment I" and Amendment "II", are attached hereto as Exhibit "B" and Exhibit "C" respectively. There are seventy-two Lots upon which townhouse units are constructed within the Townhouses. Amendment I and Amendment II each require the affirmative vote of forty-nine or more Owners of Lots within the townhouses. The written ballots showing the approval of Amendment I and Amendment II by more than forty-nine Owners of Lots within the Townhouses are attached hereto as Exhibit "A" and incorporated herein by reference. This Amendment, as described in the preceding paragraphs, is an exact restatement of Amendment I and Amendment II, as approved by the requisite number of Owners of Lots within the Townhouses. Therefore, the undersigned, Tommie Wheelock, President of the Association, states that the foregoing Amendments to the Declaration have been approved in writing by more than sixty-six and two-thirds percent (66-2/3%) of the Lot Owners in the Association, that he has been designated as the Attorney-in-Fact by the Lot Owners who have

approved of this Amendment in writing, that he has all authority to execute and record this instrument by such Lot Owners, and that the written instruments evidencing such approval are on file with the books and records of the Association.

EXECUTED this the 27th day of October, 1993.

MARLBOROUGH SQUARE, SECTION I OWNERS' ASSOCIATION, INC., a Texas non-profit corporation, d/b/a STRATFORD TOWNHOMES ASSOCIATION

By: Tommie Wheelock
Tommie Wheelock, President and Attorney-in-Fact for more than sixty-six and two-thirds percent (66-2/3%) of the Lot Owners of the Association.

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STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared TOMMIE WHEELOCK, President of the MARLBOROUGH SQUARE, SECTION I OWNERS' ASSOCIATION, INC., a Texas non-profit corporation, d/b/a STRATFORD TOWNHOMES ASSOCIATION, who, being by me first duly sworn, stated upon his oath that he has read the foregoing Amendment to the Declaration of Covenants, Conditions and Restrictions of Marlborough Square, Section I, that the statements contained therein are true and correct, that he is the duly appointed Attorney-in-Fact for more than sixty-six and two-thirds percent (66-2/3%) of the Lot Owners of Marlborough Square, Section I, and that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

SWORN TO AND SUBSCRIBED before me on this 27th day of October, 1993.

Sunday Strickler
NOTARY PUBLIC, STATE OF TEXAS

AFTER RECORDING RETURN TO:

Harvey J. Heller
5718 Westheimer, Suite 1600
Houston, Texas 77057-5733



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Corrected

**CORRECTED SECOND AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR MARLBOROUGH SQUARE, SECTION I**

THE STATE OF TEXAS *

THE COUNTY OF HARRIS *

WHEREAS, on January 22, 1981, Lakeside Townhomes, a Texas Limited Partnership (hereinafter referred to as "Declarant") executed that certain Declaration of Covenants, Conditions, and Restrictions for Marlborough Square, Section I (hereinafter referred to as "Declaration"), filed for record in the Office of the County Clerk of Harris County, Texas, under County Clerk's File No. G844720, and recorded under Film Code No. 176-97-2201 in the Official Public Records of Real Property of Harris County, Texas, imposing on Marlborough Square, Section I, a subdivision in Harris County, Texas, according to the plat (map) thereof recorded in the Real Property Records of Harris County, Texas, all those certain covenants, conditions, restrictions, easements, charges, and liens therein set forth for the benefit of said property and each owner thereof, and additionally bringing said subdivision within the jurisdiction of the Marlborough Square, Section I Owners' Association, Inc., a Texas non-profit corporation, which operates under the assumed name of the Stratford Townhomes Association (hereinafter referred to as the "Association"); and

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WHEREAS, on October 27, 1993, the Association executed that certain Amendment to the Declaration of Covenants, Conditions and Restrictions of Marlborough Square, Section I (hereinafter referred to as "First Amendment"), filed for record in the Office of the County Clerk of Harris County, Texas, under County Clerk's File No. P593244, and recorded under Film Code No. 195-41-3122 in the Official Public Records of Real Property of Harris County, Texas, said First Amendment revising in part Sections 2.02.03 and 2.02.04 of Article 2 of the Declaration.

WHEREAS, Article 11 of the Declaration (at page 24) provides that the Declaration may be amended with an instrument signed by not less than sixty-six and two-thirds percent (66-2/3%) of the owners; and

*Ref Kelly Ann Terry
Atty at Law
Houston, TX*

WHEREAS, sixty-six and two-thirds percent (66-2/3%) of the owners, as defined in the Declaration, desire to supplement and amend the Declaration and First Amendment in order to insure and preserve the value and integrity of the Property; and

WHEREAS, the owners of at least sixty-six and two-thirds percent (66-2/3%) of the lots encompassed within and subject to the provisions of the Declaration desire to amend the Declaration and First Amendment, pursuant to their right to do so, in order to provide for a more uniform appearance of the townhouses at Marlborough Square, Section I, and

WHEREAS, the owners of at least sixty-six and two-thirds percent (66-2/3%) of the lots encompassed within and subject to the provisions of the Declaration, desire that the remaining terms and provisions of the Declaration and the First Amendment remain the same.

NOW, THEREFOR, KNOW ALL MEN BY THESE PRESENTS, THAT the Declaration is hereby amended as follows:

ARTICLE 2 PROPERTY RIGHTS

Section 2.02 Construction, Decoration, Maintenance, Alteration and Repair.

.03 Exterior Portion: Maintenance, repair and replacement of the Exterior Portion of an Owner's townhouse shall be conducted according to Sections 2.02.04(a), (b), (c) and (d) below, according to Sections 2.02.07 and 6.03 of the First Amendment and according to the remaining unchanged Sections of the Declaration and First Amendment. Without the prior written consent of the Association, no Owner shall have the right to modify, alter, landscape, decorate, redecorate, improve or otherwise change the appearance or nature of the Exterior Portion of any Townhouse. Additionally, no Owner shall have the right to perform or have performed any of the maintenance, repair or replacement duties assumed by the Association in Section 2.02.04 below. Should an Owner modify, alter, landscape, decorate, redecorate, improve or otherwise change the appearance or nature of the Exterior Portion of any Townhouse without prior written consent of the Association or perform or have performed any of the maintenance, repair or replacement duties assumed by the Association in Section 2.02.04 below, the Owner agrees, at said Owner's cost and expense, to remove any prohibited item, maintenance, repair or replacement promptly upon the written request of

the Association. Without limitation, the Association may remove any such prohibited item, maintenance, repair or replacement; whereupon the Owner agrees to reimburse the Association for the actual, direct cost and expense of such removal promptly upon demand by the Association. Should said Owner fail to reimburse the Association within thirty (30) days of said written request, the amount due shall be considered an assessment as such term is described in Section 4.01 of the Declaration; shall be secured by a lien as described in Section 4.01; and shall be enforceable in accordance with the provisions of Section 4.08 of the Declaration.

.04 Obligations of the Association and of the Owner(s):


(a) Painting in Regularly Scheduled Cycle Painting. Subject to the provisions of Section 2.02.01, and the right of the Association to determine who will do the painting, the Association will, during regularly scheduled cycle painting, paint the following items but will not replace, repair or maintain them: front doors, garage doors, wind turbines and air vents. The Association will paint upper decks on units 49-59.

(b) Repair, Maintenance and Replacement Expenses to be Paid Entirely by the Association. Subject to the provisions of Section 2.02.01, and the right of the Association to determine who will perform the repair, maintenance and replacement to be paid for by the Association, the Association shall pay all of the cost associated with the following repair, maintenance or replacement items (including painting during regularly schedule cycle painting), as long as the need for said repair, maintenance or replacement is not caused by the negligence of the Owner:

- (i) trash doors, frames and surrounds for all exterior non-patio doors, woodwork, trim, eaves, and gutters and downspouts not in patio areas;
- (ii) pipes and drains within patio areas, on the outside of a townhouse unit or on the Owner's Lot, but not under the townhouse unit;
- (iii) brickwork, caulking of bricks, mortar cracks and exterior stucco located on chimneys only if said bricks, mortar cracks and exterior stucco are not inside an Owner's patio or deck;

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AUG 27 2009


County Clerk, Harris County, Texas

- (iv) cable television equipment or apparatus on the outside of a townhouse unit;
- (v) light fixtures on the back of each unit by the garage door;
- (vi) exterior surfaces of chimneys (except those in sec. (c)(xi) which are to be maintained by the Owners) and chimney caps. (Prior to beginning any work on a chimney that requires entry onto an Owner's roof, patio or deck, the Association shall give the Owner seven days written notice unless said work is for emergency repairs in which case the Association shall attempt to notify the Owner prior to beginning work.); and
- (vii) common fire wall caps (parapets).

(c) Repair, Maintenance, Replacement and Painting Not During Regularly Scheduled Cycle Expenses to be Paid Entirely by the Owners. Each Owner of a townhouse unit shall be wholly responsible for, and shall pay all of the costs of repair, maintenance and replacement of the following items associated with an Owner's townhouse unit (including painting unless expressly assumed by the Association in Section 2.02.04 above):

- (i) the interior of the townhouse unit;
- (ii) front and garage doors, door hardware and second story exterior doors to decks;
- (iii) lights and electrical fixtures on the exterior of a townhouse unit except the light fixtures on the back of each unit by the garage door;
- (iv) windows, window screens and caulking of windows;
- (v) garage door openers;
- (vi) cable television apparatus and television cable on the interior of a townhouse unit;
- (vii) electrical and plumbing lines, pipes and fixtures inside or under the townhouse unit, including drains and sewers;
- (viii) wind turbines on the roofs of the townhouse unit;

- (ix) air conditioning units including all pipes, wires and conduits leading to the air conditioning units on the interior and exterior of a townhouse unit;
- (x) roofs, including sloped and flat roofs, flat garage decks, flashing and other roof related apparatus;
- (xi) patios and decks, including gutters and downspouts in the patio/deck areas and chimney surface inside patio/deck areas; and
- (xii) brickwork, caulking of bricks, mortar cracks and exterior stucco inside an Owner's patio or deck.

(d) Patio drainage and leaks. Owners are to maintain patio drainage so that water flows away from the foundation of the home and garage and into the storm sewer drain from all four surrounding sides. Spigots and hose couplings in the patio area and interior plumbing in the townhouse must be kept in good repair and free from leaks. Failure to keep them in good repair and free from leaks could result in foundations problems that the Owner may be required to repair at their sole cost.

.07 Foundation Repair (reprinted here as originally stated)

(a) Responsibilities of the Association. Any Owner who believes that his/her Townhouse may be in need of foundation repair shall promptly notify the Association in writing that the foundation of the Townhouse may be in need of repair. Within thirty (30) days after receipt of such written notice, the Association shall retain a licensed structural engineer to determine whether foundation repairs are required and the extent to which the foundation must be repaired. If the licensed structural engineer determines that foundation repairs are necessary, then the Association shall obtain from such engineer a detailed construction plan showing what foundation repairs should be performed. Using the foundation repair plan, the Association shall obtain bids from foundation repair companies in accordance with the Association's usual bid procedures. The Association shall select one of the foundation repair companies to perform the foundation repair work. As between the Owners and the Association, the Association shall exercise complete control over all aspects of the foundation repair process, including choosing engineers, determining the best method of foundation

repair, obtaining bids for foundation repair work, choosing a foundation repair contractor, entering into foundation repair contracts, approving of payment to be made for the foundation repair work, and enforcing warranties given in connection with foundation repair work.

(b) Responsibilities of Owners. Each Owner who resides in a Townhouse unit which is part of a building upon which foundation repairs must be made shall fully cooperate and assist in making their respective Townhouse unit accessible to engineers, inspectors, foundation repair company personnel and other persons who must have access to Townhouse units in order to investigate, analyze and perform foundation repairs. If repairs must be performed on a Townhouse unit which require access to the interior of a Townhouse unit, the Owner of that unit shall provide access to the interior when requested. If foundation repairs to a Townhouse unit result in damage to the interior of the unit of any kind, including sheetrock cracks, damage to doors or windows, or damage to carpet, walls, fixtures or plumbing, then as between the Association and the Owner, the Owner shall repair all such damage at the expense of the Owner. Each Owner who owns a Townhouse unit in a building which is being repaired shall pay to the Association, within thirty (30) days after written demand, the sums demanded by the Association and calculated as described in subsection (c) below. Demand may be made by the Association upon acceptance of a foundation repair bid. The Association may wait to authorize foundation repairs until the Association has received payment from all Townhouse unit Owners in a building in need of repair.

(c) Payment for Repairs. Each Owner of a Townhouse unit within a building in need of foundation repair covenants and agrees to pay a percentage of the total cost of such foundation repair, which cost may include, without limitation, engineering fees, geotechnical costs, and actual foundation repair costs (collectively called the "Repair Costs"). The percentage shall be determined based upon a fraction, the numerator of which is one and the denominator of which is equal to the sum of the number of Townhouse units within the building, plus one. By way of example, if there are six Townhouse units within a building in need of repair, each Owner of a Townhouse unit within that building shall pay one-seventh ($1/7$) of the total Repair Costs. The Association shall also pay a percentage of the Repair Costs, which percentage shall be equal to the cost to be paid by each

Townhouse unit owner within the building. The Repair Costs owed by each Owner of a Townhouse unit in a building in need of foundation repair shall be considered an Assessment as such term is described in Section 4.01 of the Declaration. Such Assessment shall be secured by a lien as described in Section 4.01 of the Declaration, and shall be enforceable in accordance with the provisions of Section 4.01 of the Declaration, and shall be enforceable in accordance with the provisions of Section 4.08 of the Declaration. If there are insufficient funds available for the Association to pay its percentage share of the Repair Costs to a building or buildings, then the Board of Directors may levy an assessment against all Townhouse unit owners to pay the Association's share of the Repair Costs, which assessment shall not require the approval of the Owners of the Association.

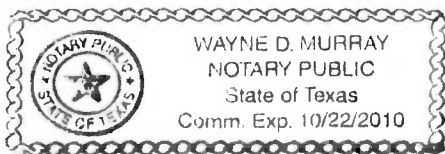
Anne E. Hoskins Anne Hoskins
Typed Name:
President

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Dated this 12 day of August, 2009.

Before me, the undersigned authority, on this day personally appeared Anne Hoskins, President of Marlborough Square, Section I Owners' Association, Inc., a Texas non-profit corporation, which operates under the assumed name of the Stratford Townhomes Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that the original Second Amendment contained a typo error and this document is to correct that error and that he/she executed the same for that purpose.

Given under my hand and seal of office, this the 12th day of August, 2009.



Wayne D. Murray
Notary Public, State of Texas

RECORDER'S MEMORANDUM
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blackouts, additions and changes were present at the time the instrument was filed and recorded.

NO PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED by my member Clerks on the date and at the place herein by me and was duly RECORDED in the Official Public Records of said County of Harris County, Texas on

AUG 27 2009



Candy B. Johnson
COUNTY CLERK
HARRIS COUNTY, TEXAS

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Amend
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**THIRD AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR MARLBOROUGH SQUARE, SECTION I**

THE STATE OF TEXAS *

THE COUNTY OF HARRIS *

WHEREAS, on January 22, 1981, Lakeside Townhomes, a Texas Limited Partnership (hereinafter referred to as "Declarant") executed that certain Declaration of Covenants, Conditions, and Restrictions for Marlborough Square, Section I (hereinafter referred to as "Declaration"), filed for record in the Office of the County Clerk of Harris County, Texas, under County Clerk's File No. G844720, and recorded under Film Code No. 176-97-2201 in the Official Public Records of Real Property of Harris County, Texas, imposing on Marlborough Square, Section I, a subdivision in Harris County, Texas, according to the plat (map) thereof recorded in the Real Property Records of Harris County, Texas, all those certain covenants, conditions, restrictions, easements, charges, and liens therein set forth for the benefit of said property and each owner thereof, and additionally bringing said subdivision within the jurisdiction of the Marlborough Square, Section I Owners' Association, Inc., a Texas non-profit corporation, which operates under the assumed name of the Stratford Townhomes Association (hereinafter referred to as the "Association"); and

1EE

WHEREAS, on October 27, 1993, the Association executed that certain Amendment to the Declaration of Covenants, Conditions and Restrictions of Marlborough Square, Section I (hereinafter referred to as "First Amendment"), filed for record in the Office of the County Clerk of Harris County, Texas, under County Clerk's File No. P593244, and recorded under Film Code No. 195-41-3122 in the Official Public Records of Real Property of Harris County, Texas, said First Amendment revising in part Sections 2.02.03 and 2.02.04 of Article 2 of the Declaration.

WHEREAS, on March 27, 2009, the Association executed that certain Corrected Second Amendment to the Declaration of Covenants, Conditions and Restrictions of Marlborough Square, Section I (hereinafter referred to as "Corrected Second Amendment"),

RP 092-19-0862

filed for record in the Office of the County Clerk of Harris County, Texas, under County Clerk's File No. 20090389622, and recorded under Film Code No. 067-20-0562 in the Official Public Records of Real Property of Harris County, Texas, said Corrected Second Amendment revising in part Sections 2.02.03, 2.02.04 and 2.02.07 of Article 2 of the Declaration.

WHEREAS, Article 11 of the Declaration (at page 24) provides that the Declaration may be amended with an instrument signed by not less than sixty-six and two-thirds percent (66-2/3%) of the owners; and

WHEREAS, sixty-six and two-thirds percent (66-2/3%) of the owners, as defined in the Declaration, desire to supplement and amend the Declaration; and

WHEREAS, the owners of at least sixty-six and two-thirds percent (66-2/3%) of the lots encompassed within and subject to the provisions of the Declaration desire to amend the Declaration pursuant to their right to do so, and

WHEREAS, the owners of at least sixty-six and two-thirds percent (66-2/3%) of the lots encompassed within and subject to the provisions of the Declaration, desire that the remaining terms and provisions of the Declaration and the Amendments remain the same.

NOW, THEREFOR, KNOW ALL MEN BY THESE PRESENTS, THAT the Declaration is hereby amended as follows:

ARTICLE 2 PROPERTY RIGHTS

Section 2.02 Construction, Decoration, Maintenance, Alteration and Repair.

.03 **Exterior Portion:** Maintenance, repair and replacement of the Exterior Portion of an Owner's townhouse shall be conducted according to Sections 2.02.04(a), (b), (c) and (d) below, according to Sections 2.02.07 and 6.03 of the First Amendment and according to the remaining unchanged Sections of the Declaration and First Amendment. Without the prior written consent of the Association, no Owner shall have the right to modify, alter, landscape, decorate, redecorate, improve or otherwise change the appearance or nature of the Exterior Portion of any Townhouse. Additionally, no Owner shall have the right to perform or have performed any of the maintenance, repair or replacement duties assumed by the Association in Section 2.02.04 below. Should an Owner modify, alter, landscape, decorate, redecorate, improve

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or otherwise change the appearance or nature of the Exterior Portion of any Townhouse without prior written consent of the Association or perform or have performed any of the maintenance, repair or replacement duties assumed by the Association in Section 2.02.04 below, the Owner agrees, at said Owner's cost and expense, to remove any prohibited item, maintenance, repair or replacement promptly upon the written request of the Association. Without limitation, the Association may remove any such prohibited item, maintenance, repair or replacement; whereupon the Owner agrees to reimburse the Association for the actual, direct cost and expense of such removal promptly upon demand by the Association. Should said Owner fail to reimburse the Association within thirty (30) days of said written request, the amount due shall be considered an assessment as such term is described in Section 4.01 of the Declaration; shall be secured by a lien as described in Section 4.01; and shall be enforceable in accordance with the provisions of Section 4.08 of the Declaration.

.04 Obligations of the Association and of the Owner(s):

(a) Painting in Regularly Scheduled Cycle Painting. Subject to the provisions of Section 2.02.01, and the right of the Association to determine who will do the painting, the Association will, during regularly scheduled cycle painting, paint the following items but will not replace, repair or maintain them: front doors, garage doors, wind turbines and air vents. The Association will paint upper decks on units 49-59.

(b) Repair, Maintenance and Replacement Expenses to be Paid Entirely by the Association. Subject to the provisions of Section 2.02.01, and the right of the Association to determine who will perform the repair, maintenance and replacement to be paid for by the Association, the Association shall pay all of the cost associated with the following repair, maintenance or replacement items (including painting during regularly schedule cycle painting), as long as the need for said repair, maintenance or replacement is not caused by the negligence of the Owner:

- (i) pipes and drains on the outside perimeter of the townhouse building, interior patio and garage, but not under the townhouse unit, patio or garage;
- (ii) cable television equipment or apparatus in the common area; and

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(iii) light fixtures on the back of each unit by the garage door.

(c) Repair, Maintenance, Replacement and Painting Not During Regularly Scheduled Cycle Expenses to be Paid Entirely by the Owners. Each Owner of a townhouse unit shall be wholly responsible for, and shall pay all of the costs of repair, maintenance and replacement of all other items not set out in Section 2.02.04(b) above (including painting unless expressly assumed by the Association in Section 2.02.04 above). Should gutters serving more than one unit need repaired or replaced, the Association will make the needed repair or replacement and will invoice each Owner their share of the cost. Should an Owner fail to repair or replace any item when needed, after written notice the Association may make said replacement or repair and invoice the Owner.

(d) Patio drainage and leaks. Owners are to maintain patio drainage so that water flows away from the foundation of the home and garage and into the storm sewer drain from all four surrounding sides. Spigots and hose couplings in the patio area and interior plumbing in the townhouse must be kept in good repair and free from leaks. Failure to keep them in good repair and free from leaks could result in foundations problems that the Owner may be required to repair at their sole cost.

.07 Foundation Repair (reprinted here as originally stated)

(a) Responsibilities of the Association. Any Owner who believes that his/her Townhouse may be in need of foundation repair shall promptly notify the Association in writing that the foundation of the Townhouse may be in need of repair. Within thirty (30) days after receipt of such written notice, the Association shall retain a licensed structural engineer to determine whether foundation repairs are required and the extent to which the foundation must be repaired. If the licensed structural engineer determines that foundation repairs are necessary, then the Association shall obtain from such engineer a detailed construction plan showing what foundation repairs should be performed. Using the foundation repair plan, the Association shall obtain bids from foundation repair companies in accordance with the Association's usual bid procedures. The Association shall select one of the foundation repair companies to perform the foundation repair work. As between the Owners and the Association, the Association shall

exercise complete control over all aspects of the foundation repair process, including choosing engineers, determining the best method of foundation repair, obtaining bids for foundation repair work, choosing a foundation repair contractor, entering into foundation repair contracts, approving of payment to be made for the foundation repair work, and enforcing warranties given in connection with foundation repair work.

(b) Responsibilities of Owners. Each Owner who resides in a Townhouse unit which is part of a building upon which foundation repairs must be made shall fully cooperate and assist in making their respective Townhouse unit accessible to engineers, inspectors, foundation repair company personnel and other persons who must have access to Townhouse units in order to investigate, analyze and perform foundation repairs. If repairs must be performed on a Townhouse unit which require access to the interior of a Townhouse unit, the Owner of that unit shall provide access to the interior when requested. If foundation repairs to a Townhouse unit result in damage to the interior of the unit of any kind, including sheetrock cracks, damage to doors or windows, or damage to carpet, walls, fixtures or plumbing, then as between the Association and the Owner, the Owner shall repair all such damage at the expense of the Owner. Each Owner who owns a Townhouse unit in a building which is being repaired shall pay to the Association, within thirty (30) days after written demand, the sums demanded by the Association and calculated as described in subsection (c) below. Demand may be made by the Association upon acceptance of a foundation repair bid. The Association may wait to authorize foundation repairs until the Association has received payment from all Townhouse unit Owners in a building in need of repair.

(c) Payment for Repairs. Each Owner of a Townhouse unit within a building in need of foundation repair covenants and agrees to pay a percentage of the total cost of such foundation repair, which cost may include, without limitation, engineering fees, geotechnical costs, and actual foundation repair costs (collectively called the "Repair Costs"). The percentage shall be determined based upon a fraction, the numerator of which is one and the denominator of which is equal to the sum of the number of Townhouse units within the building, plus one. By way of example, if there are six Townhouse units within a building in need of repair, each

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Owner of a Townhouse unit within that building shall pay one-seventh (1/7) of the total Repair Costs. The Association shall also pay a percentage of the Repair Costs, which percentage shall be equal to the cost to be paid by each Townhouse unit owner within the building. The Repair Costs owed by each Owner of a Townhouse unit in a building in need of foundation repair shall be considered an Assessment as such term is described in Section 4.01 of the Declaration. Such Assessment shall be secured by a lien as described in Section 4.01 of the Declaration, and shall be enforceable in accordance with the provisions of Section 4.08 of the Declaration. If there are insufficient funds available for the Association to pay its percentage share of the Repair Costs to a building or buildings, then the Board of Directors may levy an assessment against all Townhouse unit owners to pay the Association's share of the Repair Costs, which assessment shall not require the approval of the Owners of the Association.

Anne E. Hoskin

Typed Name: Anne E. Hoskin
President

Dated this 25th day of February, 2013.

Before me, the undersigned authority, on this day personally appeared Anne E. Hoskin, President of Marlborough Square, Section I Owners' Association, Inc., a Texas non-profit corporation, which operates under the assumed name of the Stratford Townhomes Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that the Owners approved this amendment in an instrument signed by not less than sixty-six and two-thirds percent (66-2/3%) of the Owners and that he/she executed this document for that purpose.

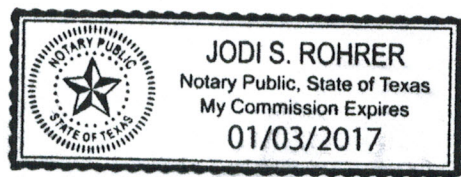
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Given under my hand and seal of office, this the 25th day of February, 2013.

Jodi S. Rohrer
Notary Public, State of Texas

Kathy Ann Terry
Attorney at Law
PO Box 690141
Houston, TX 77269

✓✓



RP 092-19-0868

FILED FOR RECORD
8:00 AM

JUL 18 2014

Stan Stewart
County Clerk, Harris County, Texas

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time
stamped herein by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris
County, Texas

JUL 18 2014



Stan Stewart
COUNTY CLERK
HARRIS COUNTY, TEXAS

dba Stratford Townhomes
600 Wilcrest
Houston, Tx 77042
844720

6844720

MARLBOROUGH SQUARE, SECTION I

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Back

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR

MARLBOROUGH SQUARE, SECTION I

See

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

This Declaration dated January 22, 1981, by Lakeside Townhomes, a Texas Limited Partnership, hereinafter referred to as "Developer",

W I T N E S S E T H:

WHEREAS, Developer is the owner of the Land, herein defined, subject to the Permitted Encumbrances, herein defined; and

WHEREAS, Developer desires to establish a uniform plan for the use, development, improvement and sale of the Land and each portion thereof; and

WHEREAS, the Association, herein defined, has been or will be incorporated under the laws of the State of Texas, as a non-profit corporation for the purpose of exercising the functions provided for herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer hereby declares, establishes, adopts and reserves the covenants, restrictions, reservations, conditions, easements and liens set forth below (herein collectively called "Restrictions"), with respect to the Land, including the use, development, improvement, sale and rental of the Land. The Restrictions shall be appurtenant to the Land and shall constitute covenants running with and binding upon the Land and each portion thereof and each person having or acquiring any right, title or interest in and to the Land or any part thereof. Each contract, deed, or other instrument hereafter executed and delivered covering the Land, or any portion thereof or any interest therein, shall be held to have been executed, delivered and accepted subject to the Restrictions, regardless of whether or not these Restrictions are referred to or incorporated by reference in said contract, deed or other instrument. Each Owner, herein defined, by virtue of the acceptance or ownership of a Townhouse, assumes and agrees to be bound by the covenants and agreements of the Owner as

of the time such person becomes an Owner, whether or not such assumption and agreement is set forth in the deed or other title instrument in favor of such Owner.

ARTICLE 1

DEFINITIONS

Section 1.01 Definitions. As used in this Declaration, the terms set forth below shall have the meanings indicated:

.01 Association - Marlborough Square, Section 1 Owners' Association, Inc., a Texas non-profit corporation, now existing or to be created after the date hereof, the Members of which shall be the Owners of the Townhouses.

.02 Board - the Board of Directors of the Association.

.03 Bylaws - the bylaws of the Association, a copy of which is attached hereto as Exhibit "A", as amended from time to time.

.04 Common Areas - (i) all of the Project other than the Townhouses, and (ii) the existing and future improvements and landscaping thereon, including the pavement for streets, the Association office building (designated Number 73), the Association service building and mail pavilion (designated Number 74), and other improvements, if any, shown on the Plat. Without limitation, the Strips, as defined in the definition of Lots, are and shall be excluded from the Common Areas.

.05 Development Land - 15.3493 acres, more or less, in the Christina Williams Survey A-834, Harris County, Texas described in deed dated February 15, 1979 from Lakeside Country Club in favor of Developer recorded as Document F 970993, Film Code 120-89-1039 in the Official Public Records of Real Property in Harris County, Texas, save and except the Land.

.06 Developer - Lakeside Townhomes, a Texas Limited Partnership, the managing general partner of which is Wolcott Development Corporation, a Texas corporation, and its successors and assigns, excluding a First Purchaser, herein defined, and the successors and assigns of such First Purchaser.

.07 Exterior Portion - (i) the exterior portion of a Townhouse, including without limitation, exterior building surfaces, roofs, gutters, downspouts, porches, doors, walks, drives, glass door and window panes, and fences, if any, and (ii) the portion (except Exterior Landscaping) of a Lot not covered by the improvements constituting the Townhouse and which portion is visible at ground level from any Common Area or at ground level from any other Townhouse.

.08 Exterior Landscaping - the grass, shrubs, trees and other landscaping, if any, of any Townhouse which are visible at ground level from any Common Area or at ground level from any other Townhouse except (i) the grass, shrubs or plants, if any, within an Owner's Garden; and (ii) normal potted household plants of an Owner.

- .09 First Purchaser - shall mean the first Person to purchase a Townhouse from the Developer for use or rental by such Person, or the successors and assigns of such Person.
- .10 Fractional Interest - The quotient of the number of Lots on which a specific Townhouse is constructed divided by the number of Lots contained in the Project.
- .11 Interior Portion - all of a Townhouse other than the Exterior Portion and Exterior Landscaping.
- .12 Land - 5.8249 acres, more or less, out of the Christina Williams Survey, A-834, Houston, Harris County, Texas, such being the tract of land covered by the Plat.
- .13 Lot - each of the lots created by the Plat, together with (a) with respect to 36 Lots, one Strip, herein defined, and (b) with respect to 12 Lots, two Strips. A "Strip", for purposes of this definition, shall mean a strip of land, approximately 9.5 inches in width and between approximately 2.75 feet and 12.21 feet in length, adjoining the applicable lot created by the Plat. The Strips are not reflected on the Plat and will be described in the initial deed from the Developer with respect to each Lot.
- .14 Maintenance Assessment - the assessment levied pursuant to Section 4.02 hereof for managing, maintaining, operating, repairing and insuring all or part of the Project and for other purposes set forth in the Restrictions, including reserves for replacement.
- .15 Maintenance Assessment Fund - any accumulation of the proceeds of the Maintenance Assessment collected by the Association pursuant to Section 4.09 hereof excluding the Replacement Reserve Fund.
- .16 Member - each Person who holds membership in the Association, as described in Section 3.02 hereof.
- .17 Mortgage or Mortgages - a mortgage or deed of trust executed by an Owner, duly recorded in the Official Public Records of Real Property of Harris County, Texas, and creating a first lien encumbering a Townhouse and securing the repayment of a loan.
- .18 Mortgagee - each Person who holds a Mortgage as security for repayment of a loan.
- .19 Owner or Owners - each Person who owns record title to a Townhouse, excluding those having an interest in a Townhouse merely as security for an obligation.
- .20 Owner's Garden - the garden, if any, of an Owner provided for in Section 2.07 hereof.
- .21 Permitted Encumbrances - the liens, encumbrances, restrictions and other matters of record in the office of the County Clerk of Harris County, Texas with respect to the Project on the date of this Declaration.
- .22 Person - shall mean any person, firm, corporation or other entity.
- .23 Plat - the plat of Marlborough Square, Section I, which plat is recorded in Volume 298, Page 145 of the Map Records of Harris County, Texas.

.24 Project - the Land, together with all improvements now or hereafter situated thereon, and all rights and appurtenances thereto, including without limitation, the Townhouses and Common Areas.

.25 Project Easements - the easements described in Section 2.03 hereof.

.26 Replacement Reserve Fund - any accumulation of the proceeds of the reserve fund established pursuant to Section 4.04 hereof for repairs and replacements to the Common Areas.

.27 Rules and Regulations - the rules and regulations adopted from time to time by the Association concerning the use, management and administration of the Project for the use and benefit of the Owners. The initial set of Rules and Regulations have been promulgated by Developer and are attached hereto as Exhibit "B".

.28 Special Assessment - the assessment levied pursuant to Section 4.06 hereof.

.29 Special Assessment Fund - any accumulation of the proceeds of the Special Assessment collected by the Association pursuant to Section 4.10 hereof.

.30 Townhouse or Townhouses - One or more single family residence units constructed or to be constructed on a Lot or Lots, together with such Lot or Lots; provided, if such residence unit has not been constructed on such Lot, the term Townhouse or Townhouses shall mean such Lot or Lots.

ARTICLE 2

PROPERTY RIGHTS

Section 2.01 Use Restrictions. Each Owner shall use such Owner's Townhouse solely for residential purposes of such Owner, or a tenant of such Owner, and no business, professional or other commercial activity of any type shall be operated from or out of any Townhouse or any Common Area; provided Developer shall have the right (a) to use at any time and from time to time up to seven (7) Townhouses for sales offices and/or model units until the first of (x) the Land and Development Land shall have been fully developed and all improvements thereon shall have been sold to First Purchasers or (y) December 31, 1985 and (b) with approval of the Board, to use the Association office for the benefit of the Project, including the handling of warranty claims against the Developer. Subject to the other provisions of this Declaration, no Owner shall use or permit such Owner's Townhouse or any Common Area to be used for any purpose which would (i) void or increase the cost of any insurance in force with respect to the Project; (ii) make it impossible to obtain any insurance required by this Declaration; (iii) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (iv) constitute a violation of any applicable law, ordinance, rule, regulation, order or decree of any governmental agency or court having or asserting jurisdiction; (v) constitute a violation of the Rules and Regulations; or (vi) unreasonably interfere with the use and occupancy of the Project by other Owners as determined by the Board in its sole discretion. The Common Areas may be used for (x) the uses provided for or permitted by the

Project Easements including the easement in favor of Developer with respect to the Development Land; (y) the recreational, administrative and service facilities of the Association, including the swimming pool, the Association offices, service facilities and mail pavilion; and (z) other uses approved by the Association for the use and benefit of the Project.

Section 2.02 Construction, Decoration, Maintenance, Alteration and Repair.

.01 Plans: No building or improvement of any kind that will be visible at ground level from any Common Area or at ground level from any other Townhouse shall be commenced, erected, placed or constructed and no change be made in the material, color, design or structure thereof after original construction, on any portion of the Land until the final construction plans and specifications and the final plans with respect to such building or improvement have been submitted to and approved in writing by the Association (such final construction plans and specifications and such final plans showing the location of such building or improvement shall be referred to herein collectively as the "Plans"). In determining whether the Plans shall be approved, the Association may take into consideration any factors the Board deems appropriate, including: (a) compliance with this Declaration; (b) quality of the building materials; (c) harmony of external design of such building or improvement with existing and proposed buildings and improvements; (d) location of such building or improvement within the Lot or Lots on which the same will be constructed; and (e) the number of square feet to be contained in such building or improvement. Failure or refusal of the Association to approve or disapprove the Plans within 20 days after the receipt thereof by the Association shall be deemed to constitute disapproval of the Plans. All decisions of the Association with respect to the Plans shall be final and binding and there shall be no review of any such action of the Association; provided, any party seeking approval of Plans by the Association may sue the Association for injunctive relief if the Association's disapproval of such Plans is patently arbitrary and capricious. Such party's right to sue for injunctive relief shall be the sole and exclusive remedy of such party against the Association. In no event shall the Association be liable to such party or any other party for damages. The Association shall have the right to delegate any or all of its rights and obligations under this Section 2.02.01 to an Architectural Review Board composed of individuals selected by the Association.

.02 Interior Portion: Subject to the provisions of Section 2.02.01, each Owner shall have the right to modify, alter, repair, decorate, redecorate or improve the Interior Portion of such Owner's Townhouse, provided (a) such action does not impair the structural integrity, weaken the support or otherwise adversely affect any other Townhouse or any Common Area; and (b) such action is performed with due diligence and in a good and workmanlike manner. Each Owner shall be responsible for maintenance of utility pipes and lines located in, on and under such Owner's Townhouse. The Association shall not be responsible for (x) modification, alteration, repair, decoration, redecoration, improvement, or maintenance of the Interior Portion of any Townhouse or (y) maintenance, replacement or repair of utility pipes and lines located in, on and under any Townhouse.

.03 Exterior Portion: Subject to the provisions of Section 2.02.01 and the remainder of this subsection 2.02.03, each Owner shall be obligated to maintain and repair the Exterior Portion of such Owner's Townhouse in like new condition using the same material, paint, stain, color and quality of workmanship and material as the original construction. No Owner shall have the right to (i) modify, alter, landscape, decorate, redecorate, improve or otherwise change the appearance or nature of the Exterior Portion of any Townhouse without the prior written consent of the Association. The Owner of any Townhouse agrees, at such Owner's cost and expense, to remove any prohibited items so placed without consent of the Association promptly upon written request of the Association. Without limitation, the Association may remove any such prohibited item; whereupon the Owner agrees to reimburse the Association the actual, direct cost and expense of such removal promptly upon demand by the Association.

.04 Obligation of the Association. The Association shall maintain the Common Areas and the Exterior Landscaping.

.05 Right of the Association. The Association shall have the right but not the obligation at any time, and from time to time, after the Election Date with the approval of the Board and approval of Owners of 66-2/3% or more of the Fractional Interests to assume the obligation of the Owners pursuant to Section 2.02.03 for any period of time of twelve calendar months or more; whereupon such obligation shall be that of the Association and not the Owners for the period of time during which the Association assumes such obligation.

.06 Construction on Two or More Lots. The construction of a Townhouse on a portion of two or more Lots shall be permissible if approved by the Association pursuant to Section 2.02.01.

Section 2.03 Project Easements. The Project shall be subject to the following easements ("Project Easements"):

.01 Easement for Minor Encroachments. The Project shall be subject to an easement in favor of all Owners for minor encroachments created by construction, settling, rising or other movement of the Townhouses.

.02 Easement for Maintenance and Repair. A non-exclusive easement is hereby granted to each Owner in and to the Project for the purpose of access to and maintenance and repair of such Owner's Townhouse.

.03 Easement in Favor of Owners in Common Areas. A non-exclusive easement is hereby granted to each Owner in and to the Common Areas for each such Owner's use and enjoyment of the Common Areas, including access by both pedestrians and vehicles to and from such Owner's Townhouse to a street dedicated to the public use without hindrance by the Association or other Owners, subject to (a) the rights of the Association, including the rights set forth in Sections 2.04 and 2.05; and (b) the Rules and Regulations.

.04 Easement in Favor of Association for Landscaping, Maintenance and Repair. A non-exclusive easement is hereby granted to the Association in and to the Exterior Portions

of all of the Townhouses for the purpose of landscaping, maintaining and repairing Common Areas; Exterior Landscaping; installing, maintaining, operating, repairing and replacing one exterior light fixture and light above each garage; and other purposes set forth in this Declaration.

.05 Easement in Favor of Association for Utility Purposes. A non-exclusive easement is hereby granted to the Association in and to the Common Areas for the purpose of providing and maintaining utility services, including without limitation, electricity, gas, water, sanitary sewer, storm sewer, telephone and television antenna, as the Board shall deem appropriate. The Association shall have the right, from time to time, to assign non-exclusive rights in the above easement to (a) Owners or others for the purpose of providing and maintaining utility services to any such Owner's Townhouse, and/or (b) to any public agency, authority or utility for any purpose; provided such assignment is consistent with the intended use of the Common Area, as determined by the Board in its sole discretion.

.06 Easement in favor of Developer with respect to development of the Land and the Development Land. A non-exclusive easement is hereby reserved by and granted to Developer, its successors and assigns, in and to the Common Areas for the use and benefit of Developer, its successors and assigns, in the development of the Land and the Development Land pursuant to Article 8 hereof.

Section 2.04 Common Areas. Developer shall convey title to the Common Areas to the Association subject to the Project Easements and the Permitted Encumbrances. The Common Areas shall remain undivided and shall at all times be owned by the Association. Without limitation, the Association shall have the right (a) to control the visual attractiveness of the Common Areas; (b) to make rules and regulations relating to parking on the Common Areas, flow, on-street parking, traffic and other uses of streets and drives within the Project; (c) to regulate noise within the Project, including without limitation the right to require mufflers on engines and to prohibit the use of devices producing excessive noise; and (d) subject to Article 9, to designate excess parking, if any, as "guest" parking for the exclusive use of bona fide guests of Owners. To the extent permitted by law and the applicable taxing authorities, ad valorem taxes with respect to the Common Areas shall be assessed against the Common Areas only in the name of the Association.

Section 2.05 Parking Rights. Each Townhouse includes a two automobile attached garage. Owner parking, in excess of one hour at a time, shall be limited to parking within such Owner's garage; provided Owner parking will be permitted on the Common Areas while using the swimming pool, Association office or service facilities subject to the Rules and Regulations. The term "Owner Parking" shall mean parking by the Owner and any person residing in the Townhouse other than bona fide guests, as determined by the Association in the exercise of its sole discretion. No trailer, boat, van, recreational vehicle, truck or other vehicle shall be parked in excess of one hour at a time within the Project other than within a garage without prior approval of the Board, which approval may be granted or denied by the Board in its discretion. The Owner of any Townhouse agrees, at such Owner's cost and expense, to remove any prohibited

vehicle promptly upon written request of the Association. Without limitation, the Association may remove any prohibited vehicle; whereupon the Owner agrees to reimburse the Association the actual, direct cost and expense of such removal promptly upon demand by the Association. Any enforcement of the parking regulations by the Association shall be uniform.

Section 2.06 Signs. No sign of any kind shall be displayed to public view at any Townhouse, except one sign, not more than four square feet in area may be placed inside the front window of any Townhouse advertising such Townhouse for sale or rent. The Developer may use other signs and displays to advertise the merits of the Project and particular Townhouses for sale or rent until the date set forth in Section 2.01(a).

Section 2.07 Owner's Garden. With respect to each Townhouse designated Number 55 through and including 66 on the Plat, the Developer may construct a garden ("Owner's Garden") which shall be surrounded by a brick wall 48 inches in height in the location shown in the Plat and shall be constructed in accordance with Plans approved by the Board. The Owner of any such Townhouse may plant grass, flowers, plants and shrubs within such Owner's Garden provided that such grass, flowers, plants and shrubs do not exceed the height of such wall and that same are maintained by Owner in a reasonably attractive manner and in accordance with any Rules and Regulations with respect thereto. The Association shall have no responsibility with respect to the maintenance of any Owner's Garden, provided that, if any Owner's Garden is not maintained in accordance with this Declaration, the Association shall have the right to clear, grass in and/or landscape such area as part of the Association's obligation with respect to Exterior Landscaping.

ARTICLE 3

MANAGEMENT AND OPERATION OF PROJECT

Section 3.01 Management by Association. The affairs of the Project shall be administered by the Association. The Association shall have the power and obligation to provide for the maintenance, repair, replacement, administration, insurance and operation of the Project, including each Townhouse and the Common Areas, pursuant to this Declaration, the Bylaws, and the Rules and Regulations. Without limiting the generality of the foregoing, the Association, acting with authorization of the Board, shall be entitled to enter into such agreements concerning the Project as the Board deems reasonably necessary or appropriate to maintain and operate the Project as a viable residential townhouse subdivision, including without limitation, the right to grant utility and other easements with respect to the Project or portions thereof for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners, associations, or entities representing such land owners, or others, with respect to matters of maintenance, trash pick-up, repair, administration, security, traffic, operation of recreational facilities, or other matters of mutual interest. The rights, powers, and duties of the Association set forth in this Declaration shall be exercised by the Board or its designees. Any and all management agreements entered into by the Association

shall provide that such agreement may be cancelled by either party by 30 days' written notice, without cause and without payment of a termination fee and such agreements shall be limited to a term of no greater than one year.

Section 3.02 Membership in Association. Each Owner, including Developer, shall be a Member in the Association so long as such Owner shall be an Owner, and such membership shall automatically terminate when such ownership ceases. Membership shall be appurtenant to each Townhouse and shall not be separated from record ownership of such Townhouse. Upon the transfer of ownership of a Townhouse, howsoever achieved, including without limitation, by foreclosure of a lien upon a Townhouse, the new Owner thereof shall, concurrently with such transfer, become a Member in the Association. If more than one person is the Owner of a Townhouse, (a) each such person shall be deemed to own an equal undivided interest in such Townhouse unless a different undivided interest is specified of record; whereupon each such person shall be deemed to own the undivided interest in such Townhouse specified of record; (b) each such person shall be deemed to own a percentage interest in the Fractional Interest attributable to such Townhouse equal to such person's undivided interest in such Townhouse; and (c) the vote of such person as a Member of the Association shall be equal to such person's percentage interest in such Fractional Interest. If the Owner of a Townhouse is married but record title to such Townhouse is not vested of record in the spouse of such Owner, such Owner shall be deemed the sole Owner of such Townhouse for purpose of Membership in the Association in the absence of a judgment, order or decree of a court of competent jurisdiction requiring recognition of such spouse for such purpose.

Section 3.03 Initial Board of Directors; Election of First Board. The initial Board shall be E. N. Wolcott, C. W. Wolcott and J. M. Wolcott. The Developer may fill vacancies on the Board until the Election Date, herein defined. Such Board may increase its membership to five by electing two Members as directors prior to the Election Date. Such Board shall serve until the first Board ("first Member elected Board") is elected by the Members. The election of the first Member elected Board shall be held in accordance with the Bylaws upon the earlier of (i) a date selected by Developer, (ii) 60 days after Developer has conveyed by deeds duly executed and recorded a total of 69 Townhouses, or (iii) December 31, 1981 (the earlier of such dates is sometimes herein referred to as the "Election Date"). After the Election Date, Directors shall be elected as set forth in the Bylaws.

Section 3.04 Meetings of the Board of Directors. The Board shall meet as set forth in the Bylaws.

Section 3.05 Voting of Members. Each Member, including Developer, shall have a vote, votes or fractional vote in the Association according to the Fractional Interest of each Member, subject to Section 3.02 hereof.

Section 3.06 Disputes. In addition to its other powers conferred by law or hereunder, the Board shall have the power to create procedures for resolving disputes between Owners and the Board or the Association, including appointment of committees to consider and recommend resolutions of any such disputes.

Section 3.07 Professional Management. Subject to Section 3.01, the Board may retain such professional management as the Board deems appropriate, including Developer, to perform the day to day functions of the Association and to provide for the maintenance, repair, landscaping, insuring, administration and operation of the Project as provided herein or in the Bylaws. If the Board elects to retain professional management and subsequently elects to terminate such management, the Board shall give notice of such termination to the Mortgagees. Each contract made by the Association for professional management, or providing for services to the Association by Developer, shall have a term not in excess of one year and shall provide for earlier termination by any party thereto without cause and without payment of a termination fee on 30 days' written notice. Such professional management shall be bonded if required from time to time by the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), or any other governmental agency or body, which owns or is to own any one or more of the Mortgages. FHLMC, FNMA and any other governmental agencies and bodies which own or are to own any of said Mortgages are hereinafter referred to collectively as the "Governmental Agencies" or "Governmental Agency".

Section 3.08 Compliance with Article 8. The Board shall have the power and obligation to comply with the provisions of Article 8 hereof with respect to merger of the Association and any Future Associations, herein defined, hereafter created with respect to the Development Land.

Section 3.09 Board Actions in Good Faith. Neither the Board nor any member thereof shall be or become liable to the Association, its Members or any other party with respect to any action or inaction made or taken in good faith.

Section 3.10 Reimbursement Documentation. Upon request of any Mortgagee, the Association shall duly execute and deliver a written document in favor of such Mortgagee, pursuant to which the Association shall agree to pay the reimbursements described in Section 10.05.

ARTICLE 4

ASSESSMENTS

Section 4.01 Assessments. Each Owner, including Developer for so long as it is an Owner, covenants and agrees to pay to the Association the Maintenance Assessment, the Special Assessment, and the special charges which may be fixed, established, secured and collected pursuant to this Declaration, including the charges set forth in Sections 2.02.03 and 2.05 (which assessments and charges together with interest, collection costs and reasonable attorney's fees shall be referred to herein as the "Assessment" or "Assessments"). Each Assessment shall be a charge on the applicable Townhouse and shall be secured by a continuing lien on such Townhouse. Each such Assessment shall be the personal obligation of the Owner of the applicable Townhouse at the time such Assessment shall become due. The personal obligation of an Owner for delinquent Assessments shall not pass to a successor Owner in the absence of express written assumption thereof by such successor Owner. If more than one person is the Owner of a Townhouse at the time such Assessment shall become due, the personal obligation of such persons with respect to such Assessment shall be joint and several.

Section 4.02 Maintenance Assessment. The Association shall make a Maintenance Assessment with respect to the Project for (i) the administration of the Project, (ii) landscaping, maintenance, insurance, repair, operation and other expenses, including ad valorem taxes of the Common Areas, (iii) other expenses of the Association with respect to the Project and (iv) the Replacement Reserve Fund. The Maintenance Assessment shall be assessed and paid monthly in accordance with Section 4.04. No Owner is or shall be exempt from such obligation to make such payment by waiver of use of the Common Areas, or any portion thereof, or because of any restriction of such use pursuant to this Declaration or the Rules and Regulations, or for any other reason. The Association, as owner of the Common Areas, shall not be subject to payment of a Maintenance Assessment.

Section 4.03 Developer's Obligation with Respect to Maintenance Expenses During Development. Recognizing that the cost of administration and maintenance of the Project is related to the use of the Common Areas and the number of Townhouses which are occupied, until the Election Date, the Developer shall pay to the Association, in lieu of any Assessment with respect to all Townhouses wherein the Developer is Owner, the amount, if any, by which (x) the Actual Operating Expenses, herein defined, actually incurred for any fiscal year or part thereof of the Association exceeds (y) the aggregate of the Maintenance Assessment payable during such period by Owners other than Developer, less any portion thereof that is deposited, or budgeted for deposit, in the Replacement Reserve Fund during such period. If the aggregate Maintenance Assessment collected from Owners other than the Developer, less any portion thereof deposited or budgeted for deposit in the Replacement Reserve Fund, exceeds the Actual Operating Expenses incurred for such period, then, within a reasonable time after the expiration of such period, the Association shall refund an amount equal to such excess to the Owners who shall have paid such Maintenance Assessment, in proportion to their respective contributions. The term "Actual Operating Expenses" shall mean those expenses reasonably necessary for the normal maintenance and operation of the Project but shall not include (i) capital expenditures; (ii) amounts paid into the Replacement Reserve Fund, (iii) prepaid items, (iv) inventory items, or (v) similar expenses that are attributable to periods after such fiscal year or part thereof.

Section 4.04 Budgets; Payment of Maintenance Assessment; Replacement Reserve Fund. Upon the recordation of this Declaration, the initial Board shall meet and establish a budget for the Project for that portion of the calendar year then remaining, which budget shall set forth the Board's reasonable estimate of all expenses which the Association will incur in such operation and maintenance of the Project for the remainder of such year. Such budget, and all successive budgets, shall include a reasonable allowance for contingencies and any operating deficits for prior years and all budgets shall establish an adequate reserve fund, herein called the Replacement Reserve Fund, for maintenance, repairs and replacements to the Common Areas and the Exterior Portion, including without limitation, maintenance, repair and replacement of those elements that must be replaced on a periodic basis. Such initial budget, and those adopted thereafter, shall also provide for ad valorem tax expenses with respect to the Common Areas and, if the taxing authorities having jurisdiction thereover have not then separately assessed and

valued individual Townhouses, such budgets may also provide for ad valorem tax expenses with respect to individual Townhouses. Thereafter, annually, in the last calendar quarter of each year, the Board shall meet and establish such a budget for the next succeeding calendar year. Copies of each such budget shall be available at the Project for inspection by the Owners. After each such budget is adopted by the Board, the Board shall determine (i) the Maintenance Assessment for the calendar year in question and (ii) the portion thereof allocable to each Townhouse. The Maintenance Assessment shall be allocated to each Townhouse and the Owner thereof in the proportion that the Fractional Interest of such Townhouse bears to the aggregate Fractional Interests of all Townhouses; provided the Board, in the exercise of its sole discretion in any fiscal year, may allocate (x) fire and extended coverage insurance premiums attributable to the Townhouses and/or (y) ad valorem tax expense paid by the Association (as provided in this Section) attributable to individual Townhouses on the basis that the square footage of each Townhouse bears to the aggregate square footage of all Townhouses. Each Owner shall be obligated to pay monthly, in advance, one-twelfth (1/12) of (a) the portion of the Maintenance Assessment so allocated to such Owner; and (b) if insurance premiums or ad valorem taxes are allocated on a square-footage basis as set forth above, the portion of such premiums or ad valorem taxes so allocated. Prior to the Election Date, the Board may establish the monthly Maintenance Assessment for each Townhouse and adjust such assessment retroactively to account for Townhouses conveyed by Developer during a given month. Such adjustment shall be made by the Board monthly or on such other periodic basis as the Board deems appropriate. The Association shall be solely responsible for payment of ad valorem tax expense attributable to the Common Areas.

Section 4.05 Date of Commencement of Maintenance Assessment; Uniform Rules: Maintenance Assessments shall commence on the execution and delivery of the deed from Developer to the First Purchaser.

Section 4.06 Special Assessments. If the Board at any time or from time to time determines that the Maintenance Assessment assessed for any period is insufficient to provide for the continued operation of the Project, the maintenance of the Common Areas, or for other expenditures the Board is authorized to make under this Declaration, then the Board shall have the authority to levy such special assessments ("Special Assessments") as it shall deem necessary to provide for such continued operation, maintenance, and other expenditures. Without limiting the generality of the foregoing, such Special Assessments may be assessed because of casualty or other loss to any part of the Common Areas; to make up for any deficiencies caused by nonpayment of Maintenance Assessments; to pay ad valorem taxes attributable to the Common Areas; or for enforcement of the Restrictions. No Special Assessment shall be effective until the same is approved by Members holding at least a majority of the votes in the Association in writing at a given time or by Members holding a majority of the votes at any regular or special meeting of the Members. Special Assessments shall be payable (and the payment thereof may be enforced) in the manner herein specified for the payment and enforcement of the Maintenance Assessment or otherwise as provided in the resolution authorizing such Special Assessment.

Section 4.07 Payment of Assessments. The monthly Maintenance Assessment assessed against each Townhouse shall be due and payable, in advance, on the first day of each calendar month during the year for which such Maintenance Assessment has been assessed. Special Assessments shall be payable on the first (1st) day of the first month after assessment thereof or otherwise as set forth in the resolution authorizing such Special Assessment. Any such amount not paid and received by the tenth (10th) day of such month shall be deemed delinquent. At the Board's option such delinquent payment shall (a) bear interest at any rate up to the highest non-usurious rate permitted by applicable law from the date originally due until paid, and (b) be subject to a late charge to cover collection costs at a rate to be set by the Board if and to the extent legally permissible. If any Assessment shall remain unpaid by the fifteenth (15th) day of any month, at the Board's election, the Assessments due from the delinquent Owner for the next twelve months shall be accelerated and shall become due and payable from the fifteenth (15th) day of such month until paid. At the Board's option, such accelerated Assessments shall bear interest at any rate established by the Board up to the highest non-usurious rate permitted by applicable law. For purpose of the preceding sentence, if the actual monthly Maintenance Assessment for the next twelve months is not then known, the monthly Maintenance Assessment for the next twelve months shall be deemed to be the same amount per month as the then applicable monthly Maintenance Assessment. If, after the Maintenance Assessment for the next twelve months has been accelerated by the Board, satisfactory payments of the Assessment and accrued interest are paid, the Board may allow such Assessment to again be paid on a monthly basis.

Section 4.08 Lien; Remedies. In order to secure payment of the Assessments with respect to each Townhouse, a vendor's lien and superior title to such Townhouse shall be and is hereby reserved to the Association, which lien may be foreclosed either through appropriate judicial proceedings by the Association or by public sale without judicial proceedings. Without limitation, each Owner, by virtue of acceptance or ownership of a Townhouse, irrevocably grants to the Association a power of sale so that the lien securing payment of the unpaid sums required to be paid by this Declaration may be foreclosed at public sale upon compliance with Article 3810 of Texas Revised Civil Statutes, as the same may be amended from time to time. Suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosing or waiving the lien securing same. Each Owner, by virtue of acceptance or ownership of a Townhouse, hereby expressly vests in the Association, and its agents, the right and power to bring all actions against the Owner personally in Harris County, Texas, or elsewhere as the Association may elect, for the collection of unpaid Assessments as debt. The vendor's lien and superior title herein reserved shall be subordinate in all respects to any Mortgage covering the applicable Townhouse. In addition to the remedy of foreclosure of the lien hereby retained, in the event of nonpayment by any Owner of such Owner's Assessment, the Association may, acting through the Board, upon ten (10) days prior written notice thereof to such nonpaying Owner, in addition to all other rights and remedies available at law or otherwise, pursue any or all of the following remedies:

.01 The Association may restrict the rights of such nonpaying Owner to use the Common Areas in such manner as

the Association deems fit or appropriate; provided the Association may not deny access to the Townhouse from the public streets;

.02 The Association may cut off any utilities furnished through use of any part of the Common Areas to the Townhouse owned by such nonpaying Owner; and

.03 The Association may upon ten (10) days' written notice to the non-paying Owner purchase from such nonpaying Owner (and for this purpose each Owner hereby grants to the Association an option to so purchase) such nonpaying Owner's Townhouse at a purchase price equal to the price at which such Owner originally purchased the Townhouse less the reasonable expenses incurred by the Association in purchasing the Townhouse and less the amount of the unpaid portion of the Assessment giving rise to such option and less the balance of any debt secured by any Mortgage encumbering such Townhouse. The option set forth in this subsection is expressly subordinate to any Mortgage covering such non-paying Owner's Townhouse.

Section 4.09 Maintenance Assessment Fund and Replacement Reserve Fund. The proceeds of the Maintenance Assessment collected by the Association shall be paid into the Maintenance Assessment Fund and Replacement Reserve Fund to be held by the Association for the use and benefit, directly or indirectly, of the Project. Such Maintenance Assessment Fund and Replacement Reserve Fund may be expended by the Board for any purposes set forth hereinabove.

Section 4.10 Special Assessment Fund. The proceeds of any Special Assessment collected by the Association shall be paid into a Special Assessment Fund to be held by the Association for the uses and purposes set forth in the resolution creating such Special Assessment, or, the Board, in its sole discretion if not prohibited by such Resolution, may deposit any or all such proceeds in the Maintenance Assessment Fund or Replacement Reserve Fund.

Section 4.11 Insurance Assessment. Upon the sale of each Townhouse by Developer to the First Purchaser, each such Owner shall pay to the Association an amount of money equal to thirteen (13) months of insurance premiums allocable to such Owner as determined by the Board. On the Election Date, Developer shall pay to the Association an amount of money equal to thirteen (13) months of insurance premiums allocable to the Townhouses which have not been sold to any such first purchaser. The payment of the amounts herein described shall be enforced in the manner specified in Section 4.08. In the event of a sale of a Townhouse, no refund shall be made of any insurance assessment. The insurance assessment shall be prorated as may be agreed between the seller and purchaser of such Townhouse.

ARTICLE 5

INSURANCE AND CONDEMNATION

Section 5.01 General Provisions. The Board shall obtain insurance (the premiums for which shall be paid from the Maintenance Assessment Fund) for the Project as follows, with coverage and limits of liability designated by the Board unless any such coverage or limits of liability are specified in this Declaration:

.01 Fire and Extended Coverage. Insurance on the Project, and all building service equipment and similar equipment located on the Project, against loss or damage by fire or by any and all other risks insured by standard extended coverage policies in use in the State of Texas, with such endorsements as the Board deems advisable, in amounts sufficient to prevent the Association from being a co-insurer within the terms of such policies, but in any event in an amount not less than the larger of (a) the full insurable replacement cost thereof or (b) \$1,000,000. The full insurable replacement cost of the Project shall be determined annually by the Board, which may obtain an appraisal in making such determination, the cost of which shall be paid from the Maintenance Assessment Fund.

.02 Comprehensive General Liability. Comprehensive general liability insurance against claims for bodily injury or death (minimum coverage of \$300,000) and property damage (minimum coverage of \$100,000) suffered by the public or any Owner, the family, agent, employee or invitee of any Owner, occurring in, on or about the Project or upon, in, or about the private driveways, roadways, walkways, and passageways, on or adjoining the Project, and at least \$1,000,000 in "umbrella" coverage per occurrence for personal injury and/or property damage. The scope of coverage must include all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use. Any policy obtained pursuant to this subsection 5.01.02 shall contain a cross-liability endorsement whereby the rights of named insured shall not prejudice his, her or their action or actions against another named insured, and shall contain a "severability of interest" type of endorsement precluding the insurer from denying a claim of an Owner or the Association because of the negligent acts of other Owners or the Association.

.03 Master Hazard Insurance. In lieu of the insurance described in Subsections 5.01.01 and 5.01.02, a Texas Master Hazard Insurance Policy, with such endorsements as the Board deems advisable, in amounts sufficient to prevent the Association from being a co-insurer within the terms of such policies, but in any event in an amount not less than the larger of (a) the full insurable replacement cost thereof or (b) \$1,000,000. The above policy shall name the Mortgagees as additional assured with all proceeds to be paid to the Association or the respective assureds as their interests appear.

.04 Other Insurance. If the area is one identified by the Secretary of Housing and Urban Development as an area having special flood hazards, flood insurance shall be maintained in the amount of the outstanding principal balance of all Mortgages or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less. The Association shall have fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Owners. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is no less than one and one-half times the insured's estimated annual operating expenses and reserves. An appropriate endorsement shall cover any persons who serve without compensation if the policy would not otherwise cover volunteers. The Association shall furnish

such other insurance in such reasonable amounts as the Board shall deem desirable, including without limitation director's and officer's liability insurance for the directors and officers of the Association against any liability asserted against any such party, or incurred by such party in such capacity, or arising out of such party's status as a director or officer; and fidelity bonds with respect to any management company retained by the Board.

Section 5.02 Policies. All insurance provided for in this Article shall be effected with responsible insurers authorized to do business in the State of Texas. All such policies of insurance shall name as insured the Association, as trustee for each Owner in accordance with and in proportion to such Owner's Fractional Interest, and all Mortgagees, all as their respective interests may appear; provided fire and extended coverage insurance shall name the Association as insured with respect to the Common Areas. All such policies shall be without contribution with regard to any other policies of insurance carried individually by an Owner, and shall provide that such policy shall not be terminated or reduced for any cause without at least thirty (30) days prior written notice to the Association and the Mortgagees. If reasonably possible, all policies of insurance of the character described in this Article shall contain an endorsement extending coverage to include the payment of monthly Maintenance Assessment with respect to Townhouses damaged during the period of reconstruction thereof. Any proceeds paid in respect of any insurance policy obtained by the Board pursuant to this Article 5 shall be held and disbursed by the Board in accordance with this Declaration.

Section 5.03 Future Laws and Subrogation. In the event that an additional insurance policy specifically designed to meet the insurance needs of townhouse subdivisions hereafter becomes available in Texas, the Board shall be authorized to obtain such a policy provided that the coverage afforded thereby at least equals the coverage provided by the policies enumerated in this Article 5. Each Owner and the Association agree to and hereby waive all rights of subrogation against the Developer that they may have now or in the future under any property insurance policies.

Section 5.04 Individual Insurance. Each Owner shall be responsible for insuring the contents and furnishings of such Owner's Townhouse and for insuring the Owner's improvements, alterations, additions and fixtures not covered by the master policy to be purchased by the Association. All policies of casualty insurance carried by each Owner shall be without contribution with respect to the policies of casualty insurance obtained by the Board for the benefit of all of the Owners as above provided. Each Owner, at such Owner's own cost and expense, should carry an individual policy of liability insurance insuring against the liability of such Owner, inasmuch as liability insurance policies to be carried by the Association may, as to each Owner, be only with respect to such Owner's liability arising out of the ownership, maintenance or repair of that portion of the Project which is not reserved for his exclusive use or occupancy.

Section 5.05 Insurance Requirements of Governmental Agencies. The following provisions shall be applicable if any Governmental Agencies own or are to own any Mortgage. If the Association is aware that the Project is exposed to

any appreciable hazard against which fire and extended coverage insurance does not afford protection, the Association shall advise the Governmental Agencies of such hazard and the additional insurance coverage, if any, which the Association has obtained against such hazard. If available, the Association shall obtain any additional insurance against such hazard as the Governmental Agencies may require. The Association shall obtain a vacancy permit endorsement when necessary and available. Policies containing a deductible clause up to one percent (1%) of the face amount of the policy applicable to either fire or extended coverage, or both, shall be acceptable in areas where such provisions are mandatory or commonly acceptable to private institutional mortgage investors. When policies contain a fall of building clause, such clause must be waived. Each hazard insurance policy must be written by a hazard insurance carrier which has a financial rating by Bests Insurance Reports of Class VI or better. Hazard insurance policies may be from an insurance carrier which has a financial rating by Bests Insurance Reports of Class V; provided it has a general policyholder's rating of at least A. There shall be no policies where: (i) under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against the Association or any Governmental Agency or the Governmental Agencies' designee; (ii) loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which would prevent the Association or the Governmental Agencies from collecting insurance proceeds. The Association must cause all insurance drafts, notices, policies, invoices and all other similar documents to be delivered directly to the servicer, regardless of the manner in which the mortgage clause is endorsed. If the Association causes a Governmental Agency to be named as first mortgagee, the Association must cause the servicer's address to be used in the endorsements in lieu of the address of the Governmental Agency. If available, the Association shall furnish such additional coverage as the Governmental Agencies shall deem necessary.

ARTICLE 6

FIRE OR CASUALTY; REBUILDING

Section 6.01 Rebuilding.

.01 Fire or Other Casualty. In the event of a fire or other casualty causing damage or destruction to a Townhouse, all proceeds of insurance policies carried by the Association with respect to such fire or casualty shall be paid and held in accordance with this Declaration, including Section 6.02. The Owner of such damaged or destroyed Townhouse shall thereupon contract to repair or reconstruct the damaged portion of such Townhouse in accordance with the original plans and specifications therefor, or as the Board may otherwise approve, and, subject to the Mortgage covering such Townhouse, the funds held pursuant to Section 6.02 shall be used for such purpose and disbursed in accordance with the terms of such Section 6.02.

.02 If Insurance Proceeds Are Insufficient. In the event that the insurance proceeds available for repair, restoration or rebuilding are insufficient to provide for such

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repair, restoration or rebuilding the costs in excess of the insurance proceeds shall be paid by such Owner. The Board shall have the power to assess such Owner and such Owner's Townhouse for same and shall have all the liens to secure payment and remedies to collect same as are provided herein with respect to the Assessments.

Section 6.02 Use of Insurance Proceeds. Subject to the Mortgage covering such Townhouse, (a) all insurance proceeds and other funds received by the Association pursuant to this Declaration as a result of fire or other casualty loss causing damage or destruction to a Townhouse shall be applied toward the cost of repair, restoration or rebuilding of the Townhouse in accordance with the contract or contracts entered into by the Owner of such Townhouse pursuant to Section 6.01, and (b) any such funds remaining after the repair, restoration or rebuilding of such damaged Townhouse shall be retained by the Board as part of the Maintenance Assessment Fund.

Section 6.03 Repair of Townhouses. Each Owner shall be responsible for the reconstruction, repair and replacement of all personal and other property in or a part of such Owner's Townhouse.

Section 6.04 Indemnity by Owner. Subject to the provisions of Section 5.03, each Owner shall be responsible for any costs not otherwise covered by insurance carried by the Association and caused by such Owner's negligence or misuse or by the negligence or misuse of his immediate family, or his agents or employees in the course of their duties, and, to the extent not covered by insurance proceeds collected by the Association, each Owner, by virtue of acceptance or ownership of a Townhouse, hereby indemnifies the Association and all other Owners against any such costs.

Section 6.05 Condemnation of Common Areas. If a portion of the Common Areas shall be taken pursuant to the power of eminent domain, the Restrictions shall be released with respect to the portion so taken and shall continue in effect with respect to the remainder thereof. Any condemnation proceeds which are paid to the Association attributable to taking of the Common Areas or damage to the remainder of the Project shall be used by the Association for any purpose permitted by this Declaration as the Board deems necessary or appropriate.

ARTICLE 7

LEASING AND SALE OF TOWNHOUSES

Section 7.01 Board Established Rules. The Board may, from time to time, promulgate rules covering and governing the sale, leasing and renting of Townhouses. No such rule shall discriminate against any Owner or Townhouse or any prospective purchaser, lessee or tenant on the basis of sex, religion, race, color, or national origin or on any other basis that is impermissible under any applicable law.

Section 7.02 First Right of Refusal. If any Owner shall wish to sell, lease or rent such Owner's Townhouse, and shall have received a bona fide offer therefor from a

prospective purchaser or tenant, such Owner shall give written notice thereof to the Association together with an executed copy of such offer and the terms thereof (herein called "Offer Notice"). The Association through the Board, or a person named by the Association, shall have the right to purchase, lease or rent such Townhouse upon the same terms and conditions as set forth in the offer therefor, provided written notice (herein called "Acceptance Notice") of such election to purchase, lease or rent is given to the selling or leasing Owner, and a matching downpayment or deposit is provided to the selling or leasing Owner during the ten (10) business day period immediately following the delivery to the Association of the offer notice. In the event any Owner shall attempt to sell, lease or rent without affording to the Association the right of first refusal herein provided, such sale, lease or rental shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee or tenant. Possession of or residence in a Townhouse by any person other than the Owner, or the lineal ascendants or descendants or lineal descendant or ascendant relatives of such Owner, continuing for a period of up to ten (10) days, shall be deemed, for this purpose, to constitute a leasing or renting of the Townhouse, whether or not any consideration has been paid therefor. In such event, the Board may require the removal of such occupant(s), it being hereby agreed that the Board, in event of the possession of the Townhouse unit by such occupant(s), shall be entitled to the possession of such Townhouse upon demand therefor of and from such occupant(s), with or without notice to the Owner thereof. In the event of failure to surrender such possession, the Board may institute action, including statutory forcible entry and detainer proceedings, for the possession of such Townhouse, and have and retain such possession until the Owner thereof, or such Owner's purchaser, lessee or tenant (all prerequisites of this Declaration having been complied with) retakes physical possession of such Townhouse. During any time when the Board shall have possession of such Townhouse hereunder, the Owner, and all of such Owner's guests, licensees and invitees, shall be deemed to waive any claim for damages to person or property in or on the Townhouse. The subleasing or subrenting of a Townhouse shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the Owner under this covenant and agreement shall continue, notwithstanding the fact that such Owner may have leased or rented said Townhouse as provided herein. In no event shall the right of first refusal reserved herein affect the right of an Owner to subject such Owner's Townhouse to a Mortgage. The failure of or refusal by the Board to exercise the right of first refusal shall not constitute or be deemed to be a waiver of such right should an Owner receive any subsequent bona fide offer from a prospective purchaser, lessee or tenant. Any offer of sale, lease or rental made by an Owner shall be expressly subject to this First Right of Refusal upon acceptance thereof by the prospective purchaser, lessee or tenant. If the consideration payable to Owner in any such offer is other than cash or purchase money notes, at the election of the Association, such consideration shall be deemed to be the cash equivalent of the consideration actually offered. This Section shall not apply to any sale, lease or rental if made by Developer at any time hereafter whether same be "first sale or letting" or "resale or reletting" of a Townhouse. The right of first refusal shall extend and run for the period of the lives of the now living children and grandchildren of E. N. Wolcott, whichever of

said persons shall live the longer, plus the period of twenty-one years less one day. Except upon a transfer of title to a Mortgagee, each Owner, upon transferring or conveying such Townhouse, shall incorporate in such instrument of conveyance an agreement that the grantee shall carry out the provisions of this Declaration, including without limitation, "right of first refusal" as provided in this Section. In the event of any default on the part of any Owner under any Mortgage which entitles the Mortgagee to foreclose same, any sale under such foreclosure, including delivery of a deed to the Mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of this Section; provided the purchaser (or grantee under such deed in lieu of foreclosure) of such Townhouse shall be thereupon and thereafter subject to the provisions of this Declaration; provided the Mortgagee shall not be liable under Section 6.04 hereof. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) shall be the Mortgagee, or its nominee, such Mortgagee or nominee may thereafter sell, convey or lease the Townhouse free and clear of the provisions of this Section; however, its grantee or lessee shall thereupon and thereafter be subject to all of the provisions thereof. The transfer of a deceased joint tenant's interest to the surviving joint tenant or the transfer of a deceased Owner's interest to a devisee by will or such Owner's heirs at law under intestacy laws shall not be subject to the provisions of this Section; provided such devisee or heirs at law shall be thereupon and thereafter subject to the provisions of this Declaration.

ARTICLE 8

DEVELOPMENT OF THE LAND AND DEVELOPMENT LAND

Section 8.01 Future Development. Developer currently owns the Development Land. Developer currently contemplates (a) Future development ("Future Development") on the Development Land in various phases for residential purposes, including townhouse, condominium and/or single family residence, which may include 330 units, more or less, in the aggregate; (b) the establishment of common areas ("Future Common Areas") in such Future Developments for access, utility, service, recreational and other purposes; provided Developer currently intends to construct only one swimming pool and no administrative or service buildings on the Development Land; and (c) the establishment of one or more Texas non-profit corporations as associations ("Future Development Associations"), with functions similar to those of the Association with respect to the applicable Future Developments wherein Developer and the persons ("Future Development Owners") who own the applicable Future Development will be members. Developer currently intends (a) to assign the non-exclusive easement described in Section 2.03.06 to such Future Development Associations and Future Development Owners in order to provide access to Wilcrest Boulevard and existing and future utility lines constructed in the Common Areas; (b) to assign to such Future Development Associations and Future Development Owners the non-exclusive right to use and enjoy the Common Areas, including swimming pool and other recreational facilities, provided (x) such Future Development Associations and Future Development Owners grant reciprocal rights to the Association and the Owners with respect to the Future Common Areas and (y) the cost and expense of maintenance,

operation, repair, replacement, insurance, ad valorem taxation and other expenses with respect to the Common Areas and Future Common Areas will be borne by the Association and each applicable Future Development Association, respectively, in the proportion that the number of single family residence units in the Project or applicable Future Development, as the case may be, bears to the total number of single family residence units in the Project and the applicable Future Development; (c) to cause each Future Development Association to merge into the Association; and (d) a combination of the foregoing. The above statement of the current contemplation or intent of Developer shall not constitute a representation or agreement on the part of Developer and is subject to change or revocation without notice. Each Owner covenants and agrees to the above scheme of Future Development and agrees to exercise such Owner's vote in favor of such scheme of Future Development.

Section 8.02 Easements and Rights Reserved.

.01 Developer hereby reserves the right to use as sales offices and/or model townhouses up to seven (7) Townhouses at any time and from time to time owned by Developer in conjunction with development of the Land and the Future Developments. The rights reserved pursuant to this Section 8.02.01 shall expire on the earlier to occur of (i) a date designated by the Developer, (ii) the date on which the Land and Development Land shall have been fully developed and all residence units thereon have been sold to first purchasers or (ii) December 31, 1985.

.02 Developer in its capacity as owner of the Development Land, hereby reserves a perpetual non-exclusive easement and right-of-way for ingress and egress over, across and through all streets and roadways (private or otherwise) shown on the Plat for the use and benefit of the Development Land and any part thereof.

Section 8.03 Obligation to Grant Reciprocal Rights.

Developer may, from time to time, assign one or more of the easements described in Sections 8.02.01 and 8.02.02 to any Future Development Association and Future Development Owners; provided (x) such Future Development Associations and Future Development Owners grant reciprocal rights to the Association and the Owners with respect to the Future Common Areas; and (y) the cost and expense of maintenance, operation, repair, replacement, insurance, ad valorem taxation and other expenses with respect to the Common Areas and Future Common Areas will be borne by the Association and each applicable Future Development Association, respectively, in the proportion that the number of single family residence units in the Project or Future Development, as the case may be, bears to the number of single family residence units in the Project and such Future Development. Subject to the provisions of this Article 8, Developer reserves the right to make multiple non-exclusive assignments of the easements herein reserved. The time of payment of such costs and the method of ascertaining same shall be specified in the instrument of assignment by the Developer to such assignee and such provisions shall be binding upon the Owners and the Association and such assignees; provided that the cost allocation shall be upon the basis set forth above or other basis mutually agreeable between the Developer, the Association and the Future Development Association, which shall be consistent in material respects with the principle set forth above.

Section 8.04 Agreement to Merge with Future Associations. The Association agrees at any time and from time to time hereafter promptly and in any event within sixty (60) days after written notice from Developer, its successors or assigns, to merge with any Future Development Association provided: (a) the Future Association shall be formed with respect to a portion of the Development Land; (b) the Future Development Association shall be formed pursuant to a declaration of covenants, conditions and restrictions substantially similar in all material respects to this Declaration, provided such Future Development may include townhouse, condominium, single family residential or other residential units; (c) the Future Development Association shall be owner of fee title to the common areas with respect to such Future Development; and (d) after such merger (1) this Declaration, subject to any subsequent amendments hereof, shall be applicable to the Project and such Future Development all of which shall thereafter constitute the Project; (2) the Future Association shall be merged into the Association and the Association shall be the survivor; (3) the rights and privileges, duties and obligations of the Owners and applicable Future Development Owners shall be uniform throughout the Project, including mutual right of use of the Common Areas and Future Common Areas in accordance with the same Rules and Regulations; and (z) the Board of the Association shall stand for reelection within sixty (60) days after such merger.

Section 8.05 Enforcement. The provisions of this Article 8 may be enforced by the Association or the Owners, and by Developer, its successors and assigns, and by any Future Development Association or Future Development owner designated in writing by Developer in any manner provided for in law or in equity. Any such party shall be entitled to specific performance of the provisions of this Article 8.

Section 8.06 Authority of Board. The Board shall have, and is hereby granted, the necessary and requisite authority to enter into such easement and use agreements, or other agreements provided for or permitted hereunder, and to cause the Association to be merged as may be necessary to give effect to this Article 8. Any or all conditions to the granting of easements, reciprocal rights and/or merger may be waived by the Association in the exercise of its sole discretion.

Section 8.07 Development Land. This Declaration, including without limitation this Article 8, shall have no force or effect with respect to the Development Land and shall not constitute any encumbrance with respect to the Development Land or any part thereof. Reference is made in this Article 8 to the Development Land solely for the purpose of describing certain reciprocal easements and other rights that may hereafter arise as between the Land and the Development Land and the limitation upon the persons to whom such easements or rights hereby reserved with respect to the Land may be assigned. No easement or right is hereby granted or reserved with respect to the Development Land, and no easement or other right referred to in this Article 8 with respect to the Development Land or any part thereof shall be of any force or effect unless and until set forth in a document duly executed by the owner or owners of the part of the Development Land to be subject to such right or easement and such document, or a memorandum thereof, is hereafter recorded with the County Clerk of Harris County, Texas.

ARTICLE 9

PARTY WALLS

Section 9.01 General Rules of Law to Apply. Each exterior wall which is built as a part of the original construction of a Townhouse and placed on the dividing line between two Lots (as evidenced by the Plat, as modified in certain instances by the deed from the Developer to the First Purchaser) shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 9.02 Sharing of Repair Maintenance. The cost of the reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of such wall equally.

Section 9.03 Right to Contribution Runs With the Land. The right of any Owner to contribution from any Owner under this Article shall be appurtenant to the Land and shall pass to such Owner's successors in title.

ARTICLE 10

RIGHTS AND PRIVILEGES GRANTED TO MORTGAGEES

Notwithstanding anything contained herein to the contrary and in order to provide an inducement to mortgage lenders to finance individual Townhouses subject to the terms hereof, the Association, each Owner and Common Area shall be subject to the following:

Section 10.01 Notice. The Mortgagee of any Townhouse, at its request (made by written notice to the Association), shall be entitled, with respect to any Townhouse as to which it has a Mortgage, to written notification by the Association (a) with respect to any default by any Owner in the performance of such Owner's obligation under the terms hereof, the Articles of Incorporation of the Association, the Association's Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days; and (b) termination of professional management with respect to the Project. Failure of the Association to give notice pursuant to the terms of this Section 10.01 shall not render the Association liable to such Mortgagee.

Section 10.02 Assessments Prior to Mortgagee's Acquisition. Any Mortgagee who obtains title to any Townhouse pursuant to remedies provided in any Mortgage, foreclosure of such Mortgage or deed in lieu of foreclosure shall take the Townhouse free of any claims for unpaid Assessments against said Townhouse, which shall have accrued prior to the time such Mortgagee obtains title to the Townhouse.

Section 10.03 Consent to Certain Matters. Notwithstanding Section 11.01 or any other provision hereof, unless at least two-thirds (2/3) of the Mortgagees (based upon one vote for each Mortgage owned) and at least two-thirds (2/3) of the Owners (other than the Developer) of the Townhouses have given their prior written approval, neither the Owners nor the Association shall be entitled to:

.01, by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas; provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Project shall not be deemed a transfer within the meaning of this clause;

.02 change the method of determining the obligations, Assessments or charges which may be levied against a Townhouse;

.03 by act or omission change, waive, or abandon any scheme of regulations, or the enforcement thereof, expressly set forth herein and pertaining to the architectural design or the exterior appearance of any Townhouse, the Exterior Portion or the maintenance of the Common Areas;

.04 fail to maintain fire and extended coverage insurance on all insurable Common Areas upon a current replacement cost basis in an amount not less than 100% of the insurable value (based upon current replacement cost); or

.05 use hazard insurance proceeds from losses to any Common Areas for purposes other than the repair, replacement, or reconstruction of such Common Areas.

Section 10.04 Examination. Mortgagees shall have the right to examine the books and records of the Association during normal business hours.

Section 10.05 Taxes. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Areas and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such property, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 10.06 Priority. No Owner or any other party shall have priority over the rights of any Mortgagee pursuant to the applicable Mortgage in the case of a distribution to the Owners of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

ARTICLE 11

AMENDMENT TO DECLARATION AND DURATION OF RESTRICTIONS

Section 11.01 Amendment. Except as otherwise provided by law, after the Election Date, the provisions hereof may be amended by an instrument in writing, signed by Members having not less than 66-2/3% of the Fractional Interests in the Association, but no such amendment shall be effective until a written notice thereof is duly recorded in the Office of the County Clerk of Harris County, Texas. Subject to Article 10 hereof, Developer reserves the right to amend the provisions hereof at any time and from time to time prior to the Election Date. The Bylaws of the Association may be amended as therein set forth.

Section 11.02 Duration. These Restrictions shall remain in full force and effect until January 1, 2020 and shall

be automatically extended for successive ten (10) year periods thereafter; provided, however, these Restrictions may be terminated on January 1, 2020 or on the commencement of any successive ten (10) year period by the filing for record in the Office of the County Clerk of Harris County, Texas, within a period of twelve (12) months prior to such effective date of termination, of a written statement of the election to terminate these Restrictions executed and acknowledged by the Owners at the time of such filing of seventy-five percent (75%) of the Fractional Interests in the Townhouses.

ARTICLE 12

MISCELLANEOUS

Section 12.01 Severability. In the event of the invalidity or partial invalidity or enforceability of any provision or a portion of this Declaration, the remainder of this Declaration shall remain in full force and effect.

Section 12.02 Rules and Regulations. The Rules and Regulations with respect to the day-to-day maintenance, operation and enjoyment of the Project may be amended from time to time by the Association. The Rules and Regulations are of equal dignity with, and shall be enforceable in the same manner as, the provisions of this Declaration, but in the event of a conflict, this Declaration shall control. Each Owner, by accepting conveyance or ownership of a Townhouse, agrees to comply with and abide by the Rules and Regulations, as the same may be amended from time to time.

Section 12.03 Exhibits. Exhibits "A" and "B" attached hereto are hereby incorporated by reference to this Declaration for all purposes as if set out verbatim herein.

Section 12.04 Delay in Enforcement. No delay in enforcing the provisions of this Declaration as to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

Section 12.05 Limitation of Liability of Developer. Developer, as well as its agents, employees, officers, directors, partners and their respective officers, directors, agents and employees, shall not be liable to any Owner or lessee of the Land or any portion thereof or to any other party for any loss, claim or demand in connection with a breach of any provision of this Declaration by any party other than Developer. The Developer is a limited partnership and the liability of its limited partners is limited by law.

Section 12.06 Remedies. In the event any one or more persons, firms, corporations or other entities shall violate or attempt to violate any of the provisions of this Declaration, Developer, the Association and any Owner or authorized lessee or Mortgagee of any Townhouse or any portion thereof, may institute and prosecute any proceeding at law or in equity (i) to abate, prevent or enjoin any such violation or attempted violation, or (ii) to recover monetary damages caused by such violation or attempted violation.

Section 12.07 Enforceability. The Restrictions adopted and established for the Land by this Declaration are imposed upon and made applicable to the Land and each Townhouse and shall run with the Land and each Townhouse and shall be binding upon and inure to the benefit of and be enforceable by Developer, the Association, any Owner or authorized lessee of any Owner or any Mortgagee of a Townhouse, or any part of either, and the respective heirs, legal representatives, successors and assigns of the Developer, the Association, any Owner or authorized lessee of any Owner or any Mortgagee of a Townhouse.

Section 12.08 Headings. Headings are included herein for convenience and shall not be considered in the interpretation of this Declaration.

WITNESS THE EXECUTION HEREOF, as of the 22nd day of January 1981.

LAKESIDE TOWNHOMES, by
Wolcott Development Corporation,
its managing general partner,

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By *E. N. Wolcott*
E. N. WOLCOTT President
DEVELOPER

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared *E. N. Wolcott*, President of Wolcott Development Corporation, managing general partner of LAKESIDE TOWNHOMES, a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said limited partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22nd day of January 1981.

A. D. Lancaster
Notary Public in and for
Harris County, TEXAS

My Commission Expires:

A. D. LANCASTER
Notary Public, Harris County, Texas
My Commission Expires: 3/5/81