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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

BELLOMONTE TOWNHOUSES

W

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

180-19-1273

THIS DECLARATION, made on the date hereinafter set forth by DENISETTE INTERNATIONAL N.W., a corporation, hereinafter referred to as "Declarant".

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W I T N E S S E T H:

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WHEREAS, Declarant is the owner of certain real property in the City of Houston, County of Harris, State of Texas, known as BELLOMONTE TOWNHOUSES, and which is more particularly described on Exhibit "A" attached hereto and incorporated herein for all purposes, and desires to create a residential community with designated Lots and Common Areas (as those terms are defined herein) for the benefit of the present and future Owners of the Lots;

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create a vehicle to which should be delegated and assigned the powers of maintaining and administering the Common Areas and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Bellomonte Townhouse Association 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 aforesaid;

NOW, THEREFORE, Declarant hereby declares that all of the Properties described above, together with such additions as may hereafter be made thereto (as provided in Article XI), shall be held, transferred, sold, conveyed, occupied and enjoyed, subject to the following easements, restrictions, covenants, conditions, charges, and liens, which are for the purpose of protecting the value and desirability of, and which shall run with, the Properties and be binding on all parties having any right, title or interest in the Properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof.

*at Dallas, Texas, by David T. Friedman
3rd Floor, 180-19-1273
Houston, Texas 77056*

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ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to BELLOMONTE TOWNHOUSE ASSOCIATION, a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner (including mortgagee, who has obtained fee simple title), whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Areas" shall mean all real property now or hereafter and from time to time owned by the Association for the common use and enjoyment of the Owners. The Common Area shall include all land contained in Bellomonte Townhouses according to the plat thereof, recorded in Volume 245, Page 95, of the Map Records of Harris County, Texas, save and except Lots 1 through 17 as designated in said plat, subject to all easements, limitations, restrictions, dedications, reservations and other matters applicable thereto by virtue hereof, and/or by virtue of the aforementioned subdivision plat, and subject to the regulations of the City of Houston, Texas, of private streets, together with all improvements, if any, situated thereon or thereunder, including paving of all private streets and parking areas, master water meters and water distribution systems, sanitary and storm sewer collection system. The Declarant may convey, but is not obligated to convey, additional real property to the Common Area.

Section 5. "Lot" shall mean and refer to any of the seventeen (17) plots of land out of the Properties, segregated and described by Declarant as a Lot in the recorded subdivision map or plat of the Properties, and used to locate a separate Townhouse Unit. It is further provided that Declarant may combine one or more of the Lots at any time.

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Section 6. "Townhouse Unit" shall mean and refer to any portion of a building situated upon a Lot.

Section 7. "Declarant" shall mean and refer to Deniset International N.V., a corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, or any mortgagee, corporation, person, trust or association, which may acquire fee simple title to more than two Lots out of the Properties.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend the voting rights and right to use of the facilities owned or operated by the Association, excluding domestic water, by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) the rights of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. Except as otherwise provided in Article X hereof, no such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) vote of the members agreeing to such dedication or transfer has been recorded;

(c) the right of individual owners to the use of parking spaces as provided in Section 2 of this Article;

(d) the right of the Association to limit the number of guests of Owners;

(e) the right of the Association, in accordance with its Articles of Incorporation or By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property. The rights of

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any such mortgagee in said properties shall be subordinate to the rights of the Owners hereunder;

(f) the right of individual Owners of ingress and egress from (and to) his lot over and across the driveway connecting his lot with the 28 foot paved street.

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

The use of all parking areas situated in the Common Area shall be subject to the exclusive control and management of the Board of Directors of the Association, including the Assignment of areas where boats, trailers, etc., may or may not be parked or stored.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. There shall be one membership for each Lot, regardless of the number of persons who may own a Lot (such as husband and wife, or joint tenants, etc.). Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two (2) classes of voting membership.

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. The vote for such Lot shall be exercised as the Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A members equal the total votes outstanding in the Class B membership, or
- (b) on January 1, 1980.

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From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one (1) vote for each Lot it owns.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

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

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties; for domestic water and sanitary sewer service for the residents and Common Area; for the improvement and maintenance of the Common Area, and of the townhomes situated upon the Properties.

Section 3. Annual Assessment. The assessments made shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or Board of Directors of the Association shall from time to time determine is to be paid by all of the Owners, including Declarant, to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Area, which sum may include, among other things, cost of management, all taxes, assessments, fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached, issued in the amount of the maximum replacement value of all of the townhouses, casualty and public liability and other insurance premiums, landscaping and care of grounds, common lighting, repairs and

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renovations, garbage collections, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Managing Agent or Board of Directors under or by reason of this Declaration, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus funds as well as other costs and expenses relating to the Common Area.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of sixty-six and two-thirds percent (66-2/3%) of each class of members.

Section 5. Notice and Quorum For Any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the same notice requirement, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots; provided, however, Lots owned by the Declarant shall be assessed on the following basis: (i) one-tenth (1/10th) of the assessment for Lots with completed houses and owned by parties other than Declarant (herein called "third-party owned houses"), when such lot shall not have a house built or in the process of being built thereon, (ii) one-fourth (1/4th) of the assessment for Lots with third-party owned houses when a house is currently being built, but not completed thereon, or (iii) one-half (1/2) of the assessment for Lots with third-party owned houses, when there shall be a completed but unsold house thereon.

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Section 7. Date of Commencement of Annual Assessments:
Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. It is contemplated that the date of commencement will approximate the date that 75% of the Lots then covered by this instrument have been completed and sold. In no event, however, shall the date of commencement be later than February 1, 1978. The first annual assessment shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for each calendar year, after the first year, shall become due and payable on the first day of January of said year. The due date of any special assessment under Section 4 hereof shall be fixed in a Resolution authorizing such assessment.

Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be January 1st of each year (except special assessments, which shall have a due date set by the Board of Directors).

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments:
Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the rights and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce and aforesaid lien by all methods available for the enforcement of such liens, including judicial foreclosure by an action brought in the name of the Association in a like manner as mortgage or deed of trust lien on real property, and such Owner hereby expressly grants to the Association, a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Lot owners. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages.
The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any

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Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Insurance.

(a) The Board of Directors of the Association shall obtain and continue in effect, blanket property insurance to insure the buildings and structures, if any, in the Common Areas and the Association against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, and said insurance may include coverage against vandalism, in an amount equal to the maximum replacement value of said buildings and structures. The Board may, if it so elects from time to time, obtain fire and extended coverage casualty insurance to insure all Townhouse Units, at full replacement value, and assess the various Owners therefor.

(b) The Board of Directors of the Association shall obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees, and each Owner, from and against liability in connection with the Common Areas.

(c) Each Owner shall be responsible at his own expense and cost for his own personal insurance on his Townhouse Unit, to the extent the Board does not maintain group coverage as herein provided, and contents of his own Townhouse Unit or parking space and his additions and improvements thereto, including decorations, furnishings, and personal property therein, and his personal property stored elsewhere on the Properties; and for his personal liability not covered by liability insurance for all Owners obtained as a part of the common expense.

(d) All costs, charges and premiums for all insurance that the Board of Directors authorized as provided herein shall be a common expense of all Owners and be a part of the maintenance assessment.

Section 11. Water and Sanitary Sewer Fund. Any charges collected by the Association for water and sewage service shall

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be maintained in a separate fund and shall not be commingled with any other assessment fund, and such water or sewer funds shall not be directed to any use other than expense of such water or sewer services.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The provisions hereof shall not become operative until such time as all Lots have been sold by Declarant. Until such time, any architectural committee appointed by the Board of Directors of the Association shall maintain complete architectural control of the Townhouse Units placed on the Lots.

ARTICLE VI

DESTRUCTION OR CONDEMNATION

Section 1. Repair or Restoration After Damage. In the event of damage to or destruction of any Townhouse Unit as a result of fire or other casualty (unless seventy-five percent [75%] or more of the free-standing building encompassing the various Townhouse Units within such free-standing building is destroyed or substantially damaged and seventy-five percent [75%] or more of the Owners who have Townhouse Units in said building do not duly and promptly resolve to proceed with repair or restoration), the Board of Directors may arrange (at the cost and expense of the Owner of the damaged or destroyed Townhouse) for the prompt repair and restoration of the building, both exterior and interior, to the condition they were immediately prior to said damage or destruction (but only to the extent of insurance proceeds actually received by the Association): The Association may elect only to supervise the repair or restoration, in which event the Owner (or his agents) shall be required to repair or

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restore. Each Owner who shall receive any proceeds from the insurance company insuring his Townhouse Unit shall, upon the request of the Association, assign all of said funds to the Board of Directors for the purpose of repairing or reconstructing, as aforesaid, his Townhouse Unit.

If seventy-five percent (75%) or more of any one of the buildings containing the Townhouse Units is destroyed or substantially damaged and seventy-five percent (75%) or more of the Townhouse Unit Owners of the damaged or destroyed building do not duly and promptly resolve to proceed with repair or restoration of said building to the condition it was in immediately preceding the damage or destruction, the Lots on which said destruction or damage has occurred and upon which an Owner does not elect to rebuild his Townhouse Unit shall be landscaped and developed in such a way as to be architecturally compatible with the remainder of the townhouses in the subdivision. If an Owner not electing to reconstruct his Townhouse Unit does not so landscape his lot within a reasonable time after destruction or damage, the Board of Directors shall have the authority to so landscape the Lot and shall thereupon have a lien for any unpaid expense on said Lot.

Notwithstanding the decision of the Owners, should a lienholder of the Properties require that the Units be reconstructed, the decision by the lienholder shall be binding upon the Owners.

Section 2. Condemnation. In the event of a taking in condemnation or by eminent domain of a part or all of the Common Area, the award made for such taking shall be payable to the Association. If the Board of Directors duly and promptly approve the repair and restoration of such Common Areas, the Board of Directors shall arrange for the repair and restoration of such Common Areas and they shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Board of Directors does not duly and promptly approve the repair and restoration of such Common Areas, the Board of Directors shall disburse the net proceeds of such award among the Owners in proportion to their respective common interests.

ARTICLE VII

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder as follows: paint, repair, replace (but not in the event of fire, or other casualty loss normally covered by insurance on the premises and other

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matters referred to in Article VI herein) and care for roofs, gutters and downspouts, (if any), and exterior building surfaces. Such exterior maintenance shall not include: glass surfaces, enclosed patio areas (if any), window and door fixtures and hardware, landscaping installed by Owner, exterior light fixtures operated from a Townhouse Unit, air conditioning equipment, utility company meters, circuit breakers and switch panels, sanitary sewer, gas and electric power lines, nor any work or thing specifically defined as Owner's maintenance in Article VIII, Section 12.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

In the event an Owner is responsible for certain exterior maintenance as set forth in the Rules and Regulations of the Association and such Owner shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and any improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VIII

PARTY WALLS

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

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

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Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Lot. The rights of any Owner to contribution from any other Owner under this Article shall be appurtenant to the Lot and shall pass to such Owner's successors in title.

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

ARTICLE IX

USE RESTRICTIONS

The Lots and the Common Area shall be occupied and used as follows:

Section 1 Residential Use. No Owner shall occupy or use his Lot or building thereon, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence for the Owner, his family, guests and tenants.

Section 2. Obstruction of Common Area. There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior written consent of the Board of Directors.

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Section 3. Insurance. Nothing shall be done or kept in the Common Area which will increase the rate of insurance on the Common Area, without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in the Common Area which will result in the cancellation of insurance on any part of the Common Area, or which would be in violation of any law. No waste will be committed in the Common Area.

Section 4. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, or the Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other Owners. No boat, trailer or truck shall be parked or stored in front of any dwelling unit for more than forty-eight (48) hours. No repair work, dismantling or assembling of motor vehicles or any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street, or in the Common Area.

Section 5. Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, barn, servants quarters or other out buildings shall be used on any Lot at any time as a residence, either temporarily or permanently; nor shall any-used residence or other used structure be moved onto any Lot. During the construction and sales period of the initial dwelling units, the builder may erect and maintain such structures as is customary in connection with such construction and sale of such property, including, but without limitation, a business office, storage areas, construction yards, signs, model units and sales offices.

Section 6. Signs. No sign of any kind shall be displayed to public view on any Lot or building except one sign of not more than five (5) square feet in area advertising the merits of the property for sale or rent. During the construction and initial sales period of the dwelling units the builder may use other signs and displays to advertise the merits of the property for sale or rent.

Section 7. Oil and Mining Operations. No gas or oil drilling, gas or oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot.

Section 8. Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets, not to

exceed a total of two (2) pets, may be kept provided that they shall not become a nuisance and are not kept, bred, or maintained for any commercial purposes.

Section 9. Garbage and Refuse Disposal. No Lot shall be used or maintained as dumping ground for rubbish. Trash, garbage or other waste shall be kept screened by adequate planting or fencing so as to conceal them from public view. There is reserved in favor of the Association the determination of the method of garbage disposal, that is, whether it shall be through public authority or through private garbage disposal contractor(s). All incinerators or other equipment for the storage or disposal of such materials shall be kept in clean and sanitary condition.

Section 10. Sewage Treatment. No sewage treatment system shall be permitted on any Lot.

Section 11. Use of Common Areas. Except in the individual patio areas appurtenant to a residence and except in yards within the Owner's Lot boundaries, no planting or gardening shall be done, and no fences, hedges or walls, shall be erected or maintained upon said Property except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Association's Board of Directors or their designated architectural committee. Except for the right of ingress and egress and the right and easement of enjoyment as defined herein, the Owners are hereby prohibited and restricted from using any of said Property outside the exterior Property lines of each Lot, except as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners of the Properties, and any additions thereto, and is necessary for the protection of said Owners. Maintenance, upkeep and repairs of any patio area and of the yard within such Owner's Lot boundary, shall be the sole responsibility of the individual Owner and not in any manner the responsibility of the Association, except as provided in Article VI. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the Common Area and all exteriors and roofs of the residences, including but not limited to, parking areas and walks, shall be taken by the Board of Directors or by its duly delegated representative.

Section 12. Owner's Maintenance. The Owner shall maintain and keep in repair the following equipment and lines located outside the residence: air conditioning compressor condenser, including pipes and electrical lines connecting same to the residence, sanitary sewer line connecting the residence to

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the sanitary sewer collection system, electric power service conductors from the exterior of the building to the point of connecting to the electric utility company's junction box or transformer, electric circuit breakers, any portion of natural gas, and/or telephone service lines located on the Lot but not maintained by the gas and/or telephone companies, and water service line from curb stop to and throughout the dwelling unit.

An Owner shall do no act nor any work that will impair the structural soundness or integrity of another residence or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other residences or their Owners.

Section 13. Outside Antennas. Without prior written approval of the Board of Directors, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Property, nor upon any structure situated upon the Property other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna.

Section 14. Open Air Drying of Clothes. Open air drying of clothes shall be confined to individual patios on the Owner's Lot and must be kept screened by adequate planting or fencing so as not to be seen from neighboring Lots or other portions of the Properties.

Section 15. Boats, Trailers, Etc.. No boat, trailer, camping unit, or self-propelled or towable equipment or machinery of any sort shall be permitted to park on any Lot except in a closed garage, or in an area adequately screened by planting or fencing so as not to be seen from neighboring Lots or other portions of the Properties; provided, however, that during the construction of improvements on a Lot, necessary construction vehicles may be parked thereon for and during the time of such necessity.

Section 16. Landscaping. All landscaping, fountains, statuary, mailboxes, house numbers, sidewalks, lighting or other improvements on any Lot which are not concealed from view from any other Lot or other portions of the Properties must be harmonious and in keeping with the overall character and esthetics of the Properties. To this end, the plans therefor shall be submitted to the Architectural Control Committee for its approval or disapproval prior to the construction, alteration or placement of such improvements.

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Section 17. Construction. Except in the case of an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the Association, outside construction work or noisy interior construction work shall be permitted only upon Monday through Saturday after 8:00 o'clock A.M. and before 7:00 o'clock P.M. local time.

Section 18. Cesspools. No privy, cesspool or septic tank shall be placed or maintained upon or in any Lot or other portion of the Properties.

Section 19. Consolidation of Lots. Any person owning two or more adjoining Lots, or portions of two or more such Lots, may, with the prior approval of the Architectural Control Committee and the Association, consolidate such Lots or portions thereof into a single building site for the purpose of constructing one Townhouse Unit and such other improvements as are permitted herein.

Section 20. Height Restriction. No building or structures erected, altered or placed on any Lot within the Properties shall exceed 45 ft. in height (measured from the top of the foundation to the topmost part of the roof) or contain less than 1,250 sq. ft. of area, exclusive of open or screened porches, terraces, patios, driveways, carports, garages and/or living quarters for bona fide domestic servants unless specifically approved to the contrary by the Architectural Control Committee.

Section 21. Restrictions on Use. Each Lot within the Properties shall be used for residential purposes only with a private single-family residence or Townhouse Unit and a private garage for not less than two automobiles. The term "residential purposes" as used herein shall be held and construed to exclude any business, commercial, industrial, apartment house, hospital, clinic, and/or professional uses and such excluded uses are hereby expressly prohibited. This restriction shall not prevent the inclusion of living quarters for bona fide domestic servants in connection with a garage or Townhouse Unit or the use of bona fide domestic servants domiciled with an Owner or resident.

Section 22. Non-Discrimination. No action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner or Owners in favor of the other Owners.

Section 23. Annoyances. No activities shall be carried on upon any Lot or the Common Area which might reasonably be considered as giving annoyance to neighbors of ordinary sensibilities

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and which might be calculated to reduce the desirability of the Property as a residential neighborhood, even though such activity be in the nature of a hobby and not carried on for profit.

ARTICLE X

EASEMENTS

Section 1. Construction. Each Lot and the property included in the Common Area shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Declarant. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event the structure containing two or more Townhouse Units is partially or totally destroyed, and then rebuilt, the Owners so affected agree that minor encroachments of parts of the adjacent Townhouse Units on Common Areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 2. Utility, Emergency and Association. There is hereby created a blanket easement and right-of-way upon, across, over and under all of said Properties for ingress, egress, construction, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said Properties and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said Townhouse Units.

An easement is further granted to all police, fire protection, ambulance, garbage and trash collector pick-up vehicles and all similar persons to enter upon the Common Area in the performance of their duties.

Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or to cross over the Common Area and any Lot to perform the duties of maintenance and repair of the Townhouse Unit or Common Area provided for herein.

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Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant shall have the right to grant such easement of said Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way affect any other recorded easement on said premises.

Neither Declarant nor any utility company using the easements herein referred to, shall be liable for any damages done by them or their assigns, their agents, employees or servants, to fences, shrubbery, trees or flowers or other property of the Owner situated upon the Lot covered by said easement.

It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land in said addition by contract, deed, or other conveyance shall not in any event be held or construed to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way, or any pipes, lines, poles, or conduits on or in any utility facility or appurtenances thereto constructed by or under Declarant or its agents through, along or upon said premises or any part thereof, to serve said property or any other portions of the addition, and the right to maintain, repair, sell or lease such appurtenances to any municipality, or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

Section 3. Underground Utility Services.

(a) Underground Electric Service. An underground electric distribution system will be installed in the Properties. The Owner of each Lot, at his own cost, shall furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on Owner's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and

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at the meter. In addition the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained in the Underground Residential Subdivision the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company has installed or agreed to install the underground electric distribution system at no cost to Declarant (except for certain conduits, where applicable) upon Declarant's representation that the Properties are being developed for townhouses of the usual and customary type, constructed upon the premises, designed to be permanently located upon the Lot where originally constructed and built for sale to bona fide purchasers. Should these restrictions be changed so that dwellings of a different type are permitted on the Properties, the electric company shall not be obligated to provide electric service to a Lot where a dwelling of a different type is located unless (a) Declarant has paid to the company an amount representing the excess in cost of the entire underground distribution system over the cost of equivalent overhead facilities to serve the Properties, or (b) the Owner of such Lot, or the applicant for service, shall pay to the company the sum of (1) \$1.00 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot over the cost of equivalent overhead facilities to serve such Lot, plus (2) the cost of rearranging and adding any electric facilities serving such Lot determined by the company to be necessary.

(b) Telephone Service. Telephone service shall be available to each Lot and Common Area. Service between the telephone company's main lines and an individual residence shall be by way of underground conduit. Such conduit system shall be owned and maintained by the Owner, but all service wires therein shall be installed, owned and maintained by the telephone utility.

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(c) Water Service. Water service may be provided to each Lot by way of a water distribution system owned by the Association and connected by means of master meters to City of Houston mains. The distribution system between the gate valve at the City of Houston mains and the curb stop at each residence shall be the property of the Association and shall be operated and maintained by the Association. Each Lot shall bear its share of the utility expense equal to the total expense for water service fee for the month multiplied by a fraction whose denominator is the number of Lots sold with townhouses thereon and with one (1) as the numerator.

(d) Sanitary Sewer Service. Sanitary sewer service may be provided to each Lot by means of a sanitary sewer collection system owned by the Association, which sanitary sewer collection system may be connected to City of Houston sanitary sewer system for final treatment. That portion of the sanitary sewer service line from the point that it connects to the collection system owned by the Association to and throughout the residence shall be owned and maintained by the Owner.

(e) Underground Natural Gas Service. It is anticipated that electrical service shall be used in lieu of natural gas. Nonetheless, Declarant may at its option (and without any obligation to do so) make underground natural gas service available to any or all Lots and Common Areas, and to install any or all gas equipment. If Declarant elects to install any natural gas facilities, the following provisions shall apply. Master metering equipment for any number of residences to be operated thereof may be located on the exterior wall, or in the yard, of a residence, at a point to be designated by the gas utility company. Service between the meter and the main shall be by way of underground pipe constructed, owned and maintained by the gas utility company. The utility company furnishing such service shall have an easement of up to five (5) feet in width entered on the underground pipe installed between its main and the meter serving a residence. Service from the meter to the interior of a residence shall be by way of privately constructed line which may be exposed on the exterior wall of the residence to the point that it enters the structure. (If the meter is located in the yard of a residence, this service shall be by privately constructed underground line from the meter to the point that the pipe penetrates the exterior

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wall of a residence). That portion of the line between the meter and the point that it penetrates the exterior wall of a residence shall be owned and maintained by the Owner.

(f) Use of Easements. Easements for underground utility services may be crossed by driveways and walkways provided the Declarant or Builder makes prior arrangements with the utility furnishing service. Such easements for underground services shall be kept clear of all other improvements, including buildings, patios, or other pavings, other than crossing walkways or driveways, and neither Declarant nor any utility company using the easements shall be liable for their damage done by either of them or their assigns, their agents, employees, or servants, to shrubbery, trees, flowers, or other improvements of the Owner located on the land covered by said easements.

Section 4. Private Street. Any "Private Street" indicated and designated as such on the Plat of Bellomonte Townhouses shall be constructed (and notwithstanding the wording in the Plat) to be an easement available for the general use of the Owners of the Lots, their guests and invitees, and for public access for the benefit of the Lots to the extent required by applicable governmental regulations.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all violations or attempted violations of the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Enforcement may include, without limitation, an injunction suit, damage suit, or a suit to enforce a lien created herein. Injunctive relief may be sought and obtained without the necessity of proving irreparable harm or inadequacy of other remedies and without the necessity for posting bond. Failure by the Association or by any Owner to enforce any covenants or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall

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in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by the then Owners of three-fourths (3/4) of the Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part.

This Declaration may be amended during the first thirty (30) year period by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots; and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots. Any amendment must be recorded in the Deed Records of Harris County, Texas.

Section 4. Annexation of Additional Property.

(a) Additional residential property and Common Area may be annexed to the Properties at any time with the consent of two-thirds (2/3) of each class of members.

(b) Additional land adjoining the Townhouse Subdivision may be annexed by the Declarant without the consent of other members or any Mortgagee within ten (10) years of the date of recording of this instrument.

Section 5. Title to Common Areas. The Declarant may retain the legal title to the Common Areas until such time as it has completed improvements, if any, thereon and until such time as, then, in the opinion of the Declarant, the Association is able to maintain the same, but, notwithstanding any provision herein, the Declarant hereby covenants, for itself, its successors and assigns, that it shall convey the Common Areas to the Association, not later than December 31, 1978.

Section 6. Gender. The singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

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Section 7. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as member or Owner on the records of the Association at the time of such mailing.

Section 8. Notice to First Mortgagees. In the event there is ever a first mortgage ("First Mortgage") covering any Lot, the holder of such first mortgage (the "First Mortgagee") shall be entitled, upon request, to written notification from the Association of any default by the Lot Owner in paying any assessment, which default is not cured within sixty (60) days from the occurrence of such default.

Section 9. Prohibited Actions. Unless written consent is obtained from at least seventy-five percent (75%) of all the following: (i) First Mortgagees (based upon one vote for each First Mortgage owned) and (ii) Owners of unmortgaged Lots (based upon one vote for each Lot owned free and clear of mortgages), the Association shall not be entitled to:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas owned, directly or indirectly, by such Association; however, the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Areas by the Association shall not be deemed a "transfer" within the meaning of this clause;

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner;

(c) By act or omission change, waive, or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Townhouse Units, the exterior maintenance of Townhouse Units, the maintenance of the Common Area party walks or common fences and driveways, or the upkeep of lawns and planting within the subdivision;

(d) Fail to maintain fire and extended coverage on insurable Common Areas, if any, upon a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(e) Use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of such Common Areas.

Section 10. Examination of Books and Records. First Mortgagees shall have the right to examine the books and records of the Association.

Section 11. Advances Made by First Mortgagees. First Mortgagees may, jointly or singly, pay ad valorem 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 Common Areas which are insurable; and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. This instrument in itself reflects the entitlement of each First Mortgagee to the aforementioned reimbursement.

Section 12. Insurance Proceeds and Condemnation Awards Attributable to Common Areas No provision of this instrument gives any Lot Owner or any other party priority over any rights of any First Mortgagee pursuant to their respective First Mortgages in the case of a distribution to a Lot Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Areas.

Section 13. Reserve Fund. It is expressly understood that the annual assessments herein required shall include an adequate reserve fund for maintenance, repairs and replacements of those elements of the Common Areas that must be replaced on a periodic basis; such reserve shall be payable in regular installments rather than by special assessments.

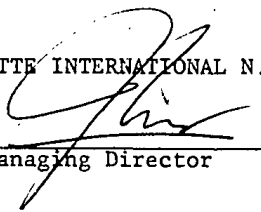
Section 14. Default in Payment of Assessments. Each Lot Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents the right and power to bring all actions against such Lot Owner personally for the collection of such assessments as a debt and to enforce the lien herein created by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Article 3810 of the Texas Revised Civil Statutes, and such Lot Owner hereby expressly grants to the Association a power of sale in connection with said lien. The Association may designate a Trustee in writing from time to time to post or cause to be posted the required notices and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by an instrument in writing signed by the President or a Vice President

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of the Association and attested by the Secretary or any Assistant Secretary of the Association and filed for record in the Official Public Records of Real Property of Harris County, Texas. The lien provided for in this instrument shall be in favor of the Association for the common benefit of all Lot Owners. In the event that the Association has decided to foreclose the lien provided herein for the non-payment of assessments by any Lot Owner, the Association shall mail to such Lot Owner or Lot Owners and the mortgagee of the Lot for which the Assessment has not been paid, a copy of the Notice of Trustee's Sale no less than twenty-one (21) days prior to the date on which said sale is scheduled by posting same through the U.S. Postal Service, postage prepaid, certified or registered, return receipt requested, properly addressed to the Lot Owner or Lot Owners at their last known address according to the records of the Association. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid, all sums due the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of the unit shall be required to pay a reasonable rent for the use of the unit and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect same, and, further, shall be entitled to sue for recovery of possession of the unit premises at forcible detainer without the necessity of giving any notice to the former Lot Owner or Lot Owners or any occupants of the unit sold at foreclosure. A foreclosure of the Association's lien for unpaid assessments shall not affect, in any way, a valid first lien of any mortgagee on any unit sold at such foreclosure, whether the instruments creating such lien were recorded before or after the time at which the lien for assessments became fixed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 15th day of April, 1977.

DENISETTE INTERNATIONAL N.V.

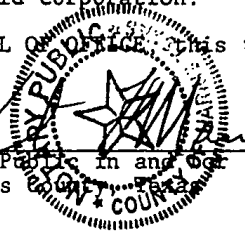
By  Managing Director

180-19-1298

STATE OF TEXAS)
)
COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared Ramon Gonzalez Parra Managing Director of DENISETTE INTERNATIONAL N.V., a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL ON this the 1st day of April, 1977.

A circular notary seal for Harris County, Texas, featuring a five-pointed star in the center. The text around the star reads "NOTARY PUBLIC" at the top and "HARRIS COUNTY TEXAS" at the bottom. A signature is written across the seal.

Notary Public in and for
Harris County, Texas

180-19-1299

CONSENT OF MORTGAGEE

The undersigned, HOUSTON NATIONAL BANK, being the owner and holder of the indebtedness secured by that certain Deed of Trust dated February 25, 1977, recorded under Clerk's File No. F-057831 (and additionally secured by that certain Collateral Assignment of Leases of even date therewith recorded under Clerk's File No. F-057830), all in the Official Public Records of Real Property of Harris County, Texas, covering the land and property described in the foregoing Declaration of Covenants, Conditions and Restrictions - Bellomonte Townhouses (the "Restrictions"), hereby consents to the execution and recordation of the foregoing Restrictions and hereby subordinates the lien of the said Deed of Trust (and Collateral Assignment of Leases) and any and all other liens owned or held by it to such Restrictions, all with the same effect as if this instrument had been executed and recorded prior to the execution and recordation of the said Deed of Trust (and Collateral Assignment of Leases).

This Consent shall not be construed to be a release of said liens or any part thereof.

EXECUTED this 15 day of November, 1977.

HOUSTON NATIONAL BANK

By Jim Bell
Asst. Vice President

ATTEST:

Diane S. Evans
Real Estate Officer

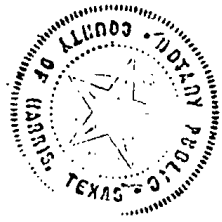
RECORDER'S MEMORANDUM:
This instrument is not satisfactory for photographic
recording due to carbon or photo copy, discolored
paper, etc., or due to illegibility. All black-outs, ad-
ditions and changes were present at time instrument
was filed and recorded.

180-19-1300

STATE OF TEXAS)
COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared Jim Bell - Asst Vice President of HOUSTON NATIONAL BANK, a banking corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15 day of November, 1977.



Sheila D. Givens
Notary Public in and for
Harris County, Texas
SHEILA D. GIVENS
Notary Public in and for Harris County, Texas
My Commission Expires 9-20-79

