

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS OF INVERNESS ESTATES SECTION ONE (1)
AND INVERNESS ESTATES SECTION TWO (2)
A HARRIS COUNTY SUBDIVISION**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, 2920 Venture, Ltd., a Texas limited partnership, (the "Declarant") is the sole record owner of that certain property heretofore platted and subdivided into that certain residential subdivision known as Inverness Estates, Section One (1) according to the map or plat thereof recorded under and Film Code No. 565095 of the Map Records of Harris County, Texas (the "Subdivision") and Inverness Estates, Section Two (2) according to the map or plat thereof recorded under and Film Code No. 569215 of the Map Records of Harris County, Texas; and

WHEREAS, the Declarant desires to establish a uniform plan for the development, improvement and sale of the Lots in the Subdivision, and to ensure the preservation of such uniform plan for the benefit of both the present and future owners of residential Lots in the Subdivision in order to protect and enhance the quality, value, desirability, and attractiveness of all Lots in the Subdivision.

NOW, THEREFORE, the Declarant hereby declares as follows:

**ARTICLE I
DEFINITIONS**

As used in this Declaration, the terms set forth below shall have the following meanings:

SECTION 1.1. ANNUAL ASSESSMENT(S). The assessments levied pursuant to Article VII hereof for managing, maintaining, operating, repairing, and insuring the Common Area, and other purposes set out in this Declaration.

SECTION 1.2. ARCHITECTURAL REVIEW COMMITTEE OR ARC. The Architectural Review Committee established and empowered in accordance with Article IV of this Declaration, which term shall also include the Modification Committee referenced in Section 4.2 of this Declaration.

SECTION 1.3. ARCHITECTURAL GUIDELINES. Those guidelines and standards the Architectural Review Committee is empowered to adopt and amend from time to time, which govern the Improvement to Property.

SECTION 1.4. ARTICLES OF INCORPORATION. The Articles of Incorporation of the Association.

SECTION 1.5. ASSOCIATION. INVERNESS ESTATES PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and/or assigns.

SECTION 1.6. ASSESSMENT(S). An Annual Assessment, a Special Assessment, Reimbursement Assessment and other assessments levied in accordance with this Declaration.

SECTION 1.7. **BOARD OR BOARD OF DIRECTORS.** The Board of Directors of the Association as elected in accordance with the Articles of Incorporation and the Bylaws.

SECTION 1.8. **BUILDER.** Each Owner who is in the construction business or Person who regularly engages in the construction business who purchases a Lot for the purpose of constructing a new Dwelling Unit for sale to the public.

SECTION 1.9. **BYLAWS.** The Bylaws of the Association, as the same may be amended from time to time.

SECTION 1.10. **COMMON AREA.** All of the Subdivision other than the Lots, including the restricted reserves and private streets shown on the Plat. The Common Area may be owned by (a) the Association for the benefit of and for the common use and enjoyment of the Owners of Lots in the Subdivision; or (b) Declarant for the common use and enjoyment by those Owners of Lots in the Subdivision entitled to use such Common Area, until such time as Declarant conveys fee simple title to such Common Area to the Association.

SECTION 1.11. **DECLARANT.** Shall mean and refer to 2920 Venture, Ltd., a Texas limited partnership, its successors and assigns so designated in writing by 2920 Venture, Ltd. No Person or entity merely providing loans to or purchasing (in the ordinary course of such purchaser's business) one or more Lots from 2920 Venture, Ltd. shall be considered a "Declarant".

SECTION 1.12. **DECLARATION.** The covenants, conditions, restrictions, easements, reservations and stipulations that shall be applicable to and govern the improvement, use, occupancy, and conveyance of all the Lots and Reserves in the Subdivision set out in this instrument or any amendment thereto.

SECTION 1.13. **DWELLING UNIT(S).** A residential building designed for, and limited and restricted to, occupancy by a single family on a Lot, not including an accessory building or garage.

SECTION 1.14. **ELECTION DATE.** The earliest of the dates when (a) the last vacant Lot in the Subdivision is sold to an Owner, other than Declarant or a Builder, or (b) Declarant by written notice to the Board notifies the Board of its election to cause the Election Date to occur.

SECTION 1.15. **IMPROVEMENT TO PROPERTY.** Includes, without limitation: (a) the construction, installation or erection of any building, structure, or other Improvement, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure, or other Improvements; (c) the grading, excavation, filling, or similar disturbance to the surface of any Lot, including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation or changes to the landscaping on any Lot; and (e) any exterior modification, expansion, change or alteration of any previously approved Improvement to Property, including any change of exterior appearance, color, or texture not expressly permitted by this Declaration, Architectural Guidelines, or the Rules and Regulations.

SECTION 1.16. **IMPROVEMENTS.** All structures and any appurtenances thereto of every type or kind, including, but not limited to: buildings, outbuildings, swimming pools, spas, hot tubs, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, sidewalks, walkways, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening, walls, retaining walls, stairs, decks, fixtures, windbreaks, poles, signs, exterior tanks, exterior air conditioning fixtures and equipment, water softener fixtures, exterior lighting, recreational equipment or facilities, radio, conventional or cable or television antenna or dish, microwave television antenna, and landscaping that is placed on and/or visible from any Lot.

SECTION 1.17. **LOT(S).** Each of the Lots shown on the Plats of the Subdivision.

SECTION 1.18. MAINTENANCE FUND. Any accumulation of the Assessments collected by the Association in accordance with the provisions of this Declaration and interest, penalties, costs and other sums and revenues collected by the Association pursuant to the provisions of this Declaration or by law.

SECTION 1.19. MEMBER(S). All Owners of Lots as provided in Section 3.3 of this Declaration.

SECTION 1.20. MORTGAGE. A security interest, mortgage, deed of trust, or lien instrument voluntarily granted by an Owner of a Lot to secure the payment of a loan made to such Owner, duly recorded in the office of the County Clerk of Harris County, Texas, and creating a lien or security interest encumbering a Lot and some or all Improvements thereon.

SECTION 1.21. MORTGAGEE. A mortgagee under a Mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of any such mortgagee or beneficiary.

SECTION 1.22. NOTICE AND HEARING. A written notice and a hearing before the Board of Directors or a tribunal appointed by the Board in the manner provided, as applicable, in this Declaration, or by law.

SECTION 1.23. OWNER(S). Any person, firm, corporation or other entity, including Declarant or any combination thereof that is the record owner of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as a security for the performance of an obligation.

SECTION 1.24. PERSON(S). A natural person, a corporation, a partnership, or any other legal entity.

SECTION 1.25. PLAT(S). The official plat of Inverness Estates, Section One (1) filed of record under and Film Code No. 565095 in the Map Records of Harris County, Texas and the official plat of Inverness Estates, Section Two (2) filed of record under and Film Code No. 569215 in the Map Records of Harris County, Texas, and any other subdivisions annexed into the jurisdiction of the Association by a Supplemental Declaration and any replats thereof.

SECTION 1.26. PLANS. The final construction plans and specifications (including a related site plan) for all elevations (front side and rear) of any Dwelling Unit, building or improvement of any kind to be erected, placed, constructed, maintained or altered on any portion of the Property.

SECTION 1.27. PROPERTY. All of that certain property known as Inverness Estates, Section One (1), a subdivision according to the map or plat thereof recorded under Film Code No. 565095 in the Map Records of Harris County, Texas.

SECTION 1.28. REIMBURSEMENT ASSESSMENT. A charge against a particular Owner and its Lot for the purpose of reimbursing the Association for expenditures and other costs of the Association incurred in curing any violation, directly attributable to the Owner, of this Declaration or the Rules and Regulations, pursuant to Section 7.8 hereof.

SECTION 1.29. RESERVE(S). The Restricted Reserves depicted on the Plat.

SECTION 1.30. RULES AND REGULATIONS. Such rules and regulations as the Association may promulgate from time to time with respect to the Subdivision, which may include reasonable provisions for fines for violation of such Rules and Regulations.

SECTION 1.31. SPECIAL ASSESSMENT. A charge against each Owner and his/her Lot as approved by the Members in accordance with Section 7.4 hereof.

SECTION 1.32. SUBDIVISION. All that certain real property reflected on the Plats.

SECTION 1.33. SUBDIVISION FENCE. The fence constructed on (i) the rear Lot lines of Lots 1, 2, 17-19, 26-39 inclusive in Block 1, Section 1 and Lots 1-4 inclusive in Block 3, Section 2 of the Subdivision; (ii) the most northerly side lot line of Lot 2 in Block 1, Section 1 and Lot 1 in Block 1, Section 2 of the Subdivision; and (iii) the most southerly side lot line of Lot 3 in Block 1, Section 1 of the Subdivision.

ARTICLE II **ESTABLISHMENT OF GENERAL PLAN**

SECTION 2.1. GENERAL PLAN AND DECLARATION. This Declaration hereby is established pursuant to and in furtherance of a common and general plan for the improvement and sale of Lots within the Subdivision and for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Subdivision. Declarant, for itself, its successors, and assigns, hereby declares that the Subdivision and each part thereof shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration, for the duration thereof. The Lots and Common Area in the Subdivision shall be subject to the jurisdiction of the Association.

SECTION 2.2. EQUITABLE SERVITUDES. The covenants, conditions, restrictions, limitations, reservations, easements, and exceptions of this Declaration hereby are imposed as equitable servitudes upon each Lot, and the Common Area within the Subdivision, as a servient estate, for the benefit of each and every other Lot and parcel of Common Area within the Subdivision, as the dominant estate.

SECTION 2.3. COVENANTS APPURTENANT. The covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration shall run with, and shall inure to the benefit of and shall be binding upon, all of the Subdivision, and each Lot and the Common Area therein, and shall be binding upon and inure to the benefit of: (a) the Subdivision; (b) Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all Persons having, or hereafter acquiring, any right, title, or interest in all or any portion of the Subdivision and their heirs, executors, successors, and assigns.

SECTION 2.4. RESTRICTION ON FURTHER SUBDIVISION. No Lot shall be further subdivided, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed by any Owner without the prior written approval of the Board.

ARTICLE III **MANAGEMENT AND OPERATION OF SUBDIVISION**

SECTION 3.1. MANAGEMENT BY ASSOCIATION. The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power and obligation to provide for the management, acquisition, construction, maintenance, repair, replacement, administration, and operation of the Subdivision as herein provided for and as provided for in the Articles of Incorporation, Bylaws, and the Rules and Regulations. In the event of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; and in the event of a conflict between the Articles of Incorporation or the Bylaws and the provisions of the Declaration, the provisions of the Declaration shall control. The business and affairs of the Association shall be

managed by its Board of Directors, unless otherwise reserved to the Members of the Association by law, the terms of the Declaration, Articles of Incorporation, or the Bylaws. It shall be the responsibility of each Owner or occupant of a Dwelling Unit to obtain copies of and become familiar with the terms of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations and Architectural Guidelines.

The Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision in accordance with the Declaration, including without limitation, the right to grant utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, operation of recreational facilities, or other matters of mutual interest. In addition to other powers granted the Board of Directors herein or in the Articles of Incorporation, the Board of Directors of the Association shall also have the power, but no obligation, to create procedures for resolving disputes between Owners or occupants of Dwelling Units, including appointment of committees to consider or reconsider resolutions of any disputes.

SECTION 3.2. BOARD OF DIRECTORS. The number, term, and qualifications of the members of the Board of Directors shall be governed by the Articles of Incorporation and the Bylaws.

SECTION 3.3. MEMBERSHIP IN ASSOCIATION. Each Owner, whether one Person or more of a Lot shall, upon and by virtue of becoming such Owner, automatically become and shall remain a Member of the Association until ownership of the Lot ceases for any reason, at which time the membership in the Association shall also automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership.

SECTION 3.4. TRANSFER OF MEMBERSHIP FEES. Prior to changing the name of the Owner of any Lot on the membership rolls of the Association, the Association or its managing agent (if authorized by the Board of Directors) may charge a transfer fee or processing fee when ownership to any Lot changes or the Mortgage on the Lot is refinanced.

SECTION 3.5. VOTING OF MEMBERS. The Association shall have two classes of membership.

Class A. Class A Members shall be all those Owners as defined in Section 3.3, with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership in Section 3.3. When more than one person holds interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to seven (7) votes for each Lot in which it holds the interest required for membership by Section 3.3; provided, however, that the Class B membership shall cease and be converted to Class A membership on the Election Date.

SECTION 3.6. POWER TO ADOPT RULES AND REGULATIONS. The Association, through its Board of Directors, may adopt, amend, repeal, and enforce Rules and Regulations, fines, levies, and enforcement provisions as it deems necessary or desirable with respect to the interpretation and implementation of the Declaration, the operation of the Association, the use and enjoyment of the Common Area, and the use of any other property within the Subdivision, including the Lots. Any such Rules and Regulations shall be reasonable and uniformly applied to all Members and their family,

tenants, and guests. Such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors and filing same of record in the Official Public Records of Real Property of Harris County, Texas. Each Member shall comply with such Rules and Regulations and shall see that Persons claiming through such Member comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

SECTION 3.7. POWER TO ENFORCE DECLARATION AND RULES AND REGULATIONS. The Association shall have the power to enforce the provisions of this Declaration and any Rules and Regulations and shall take such action as the Board deems necessary or desirable to cause compliance by each Member and each Member's family, guests, or tenants. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and of the Rules and Regulations of the Association by any one or more of the following means: (a) by entry upon any Lot within the Subdivision, without liability by the Association to the Owner thereof, for the purpose of enforcement of this Declaration or Rules and Regulations, as more particularly described in Section 12.6 hereof; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration or the Rules and Regulations; (d) by exclusion of any Member or Member's family, guests, or tenants from use of any recreation facilities in the Common Area during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests, or tenants, unless the breach is a continuing breach in which case, such exclusion shall continue for so long as such breach continues; (e) by suspension of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or Members' family, guests, or tenants, of this Declaration or such Rules and Regulations unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting a Reimbursement Assessment against any Member for breach of this Declaration, Articles of Incorporation, Bylaws, or such Rules and Regulations by such Member or Member's family, guests, or tenants; and (g) by levying and collecting reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations or resolutions of the Board of Directors of the Association, from any Member or Member's family, guests, or tenants, for breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests, or tenants. In connection with the Association's rights above, Members shall be given notice of the action of the Board and be given an opportunity for a hearing as required by Sections 209.006 and 209.007 of the Texas Property Code.

SECTION 3.8. BOARD ACTIONS IN GOOD FAITH. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its members or any other party.

SECTION 3.9. POWER TO GRANT EASEMENTS. Declarant, while Declarant owns the Common Area and thereafter the Association, shall have the power to grant access, utility, drainage, water, facility, cable television, and other such easements in, on, over, or under the Common Area. Additionally, the Association shall have the power to grant access, utility, drainage, water facility, cable television, and other such easements in, on, over, and under Lots provided that such easements do not unreasonably interfere with the rights of the Owner of such Lots.

SECTION 3.10. BOOKS AND RECORDS. The books and records of the Association shall be available for review and inspection in the manner prescribed by Article 1396-2.23 of the Texas Non-Profit Corporation Act or successor statute.

SECTION 3.11. SAFETY AND SECURITY IN SUBDIVISION. NEITHER THE DECLARANT, NOR THE ASSOCIATION, THEIR DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AND ATTORNEYS, ("ASSOCIATION AND RELATED PARTIES") SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SAFETY OR SECURITY WITHIN THE SUBDIVISION. THE ASSOCIATION AND RELATED PARTIES SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY.

ARTICLE IV **ARCHITECTURAL APPROVAL**

SECTION 4.1. ARCHITECTURAL REVIEW COMMITTEE. A committee of three (3) members, all of whom shall be appointed by Declarant, except as otherwise set forth herein. Declarant shall have the continuing right to appoint all three (3) members until the Election Date. Thereafter, the Board shall have the right to appoint all members. Members of the Architectural Review Committee may, but need not be, Members of the Association and the Board. Members of the Architectural Review Committee appointed by Declarant may be removed at any time and shall serve until resignation or removal by Declarant. The initial Members of the Architectural Review Committee are: David Garrett, Israel Fogiel and Sandra Fogiel. Members of the Architectural Review Committee appointed by the Board may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board. The Architectural Review Committee shall have the right to designate a Committee Representative. All third parties shall be entitled conclusively to rely upon such person's actions as the actions of the Architectural Review Committee itself until such time of removal by the Architectural Review Committee.

SECTION 4.2. MODIFICATION COMMITTEE. Prior to the Election Date, the Declarant and thereafter the Board shall have the right, but not the obligation, at any time to create a separate committee known as the "Modifications Committee" to perform the obligations of the Architectural Review Committee with respect to the review of plans for the alteration or modification of the Improvement to Property after construction of the Dwelling Unit. The Declarant or Board, as applicable, shall also have the right to abolish such committee at any time. In the event such committee is created it shall consist of three (3) members appointed by the Declarant or Board, as applicable, and the Declarant or Board, as applicable, shall have the power to remove a member at any time. In the event a Modifications Committee is created, such committee shall have all of the duties and powers granted to the Architectural Review Committee in this Declaration with respect to the alteration or modification of Improvements to Property unless or until the Declarant or Board, as applicable, determines there should no longer be two (2) separate committees and abolishes the Modifications Committee, in which event all such duties and powers shall thereafter be restored to the Architectural Review Committee.

SECTION 4.3. APPROVAL OF IMPROVEMENTS REQUIRED. The approval of the Architectural Review Committee shall be required for any Improvement to Property before commencement of construction of such Improvement to Property, other than an Improvement to Property made by Declarant.

SECTION 4.4. ADDRESS OF COMMITTEE. The address of the Architectural Review Committee shall be at the principal office of the Association.

SECTION 4.5. SUBMISSION OF PLANS. Before commencement of work to accomplish any proposed Improvement to Property, the Owner of the Lot proposing to make such Improvement to Property (the "Applicant") shall submit to the Architectural Review Committee at its offices copies of such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications, and samples of materials and colors as the Architectural Review Committee reasonably shall request, showing the nature, kind, shape, height, width, color, materials,

and location of the proposed Improvement to Property, as may be more particularly described from time to time in any Architectural Guidelines adopted by the Architectural Review Committee. The Architectural Review Committee may require submission of additional plans, specifications, or other information before approving or disapproving the proposed Improvement to Property. Until receipt by the Architectural Review Committee of all required materials in connection with the proposed Improvement to Property, the Architectural Review Committee may postpone review of any materials submitted for approval.

SECTION 4.6. CRITERIA FOR APPROVAL. The Architectural Review Committee shall approve any proposed Improvement to Property only if it determines in its reasonable discretion that the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Subdivision as a whole; that the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Subdivision, including, without limitation, quality of materials and location with respect to topography and finished grade elevation; that the Improvement to Property will comply with the provisions of this Declaration and the Plat, ordinances, governmental rules, or regulation; and that the Improvements to Property will not detract from the beauty, wholesomeness, and attractiveness of the Subdivision or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the Association. The Architectural Review Committee may condition its approval of any proposed Improvement to Property upon the making of such changes thereto as the Architectural Review Committee may deem appropriate.

SECTION 4.7. ARCHITECTURAL GUIDELINES. The Architectural Review Committee from time to time may adopt, supplement or amend the Architectural Guidelines, which provides an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline only and the Architectural Review Committee may impose other requirements in connection with its review of any proposed Improvements. If the Architectural Guidelines impose requirements that are more stringent than the provisions of this Declaration, the provisions of the Architectural Guidelines shall control.

SECTION 4.8. ARCHITECTURAL REVIEW FEE AND DEPOSIT. The Architectural Review Committee may, in its Architectural Guidelines, provide for the payment of a fee to accompany each request for approval of any proposed Improvement to Property and to cover the cost of inspecting and reinspecting any Improvement to Property. Builder shall be exempt from payment of such fee. The Architectural Review Committee may provide that the amount of such fee shall be uniform for similar types of any proposed Improvement to Property or that the fee shall be determined in any other reasonable manner, such as based upon the reasonable cost of the proposed Improvement to Property. The Architectural Review Committee may also require a deposit to the Association to cover any damages to the Common Area or other property under the Association's control or which the Association either has or assumes responsibility for maintenance and/or repairs.

SECTION 4.9. DECISION OF COMMITTEE. The decision of the Architectural Review Committee shall be made within thirty (30) days after receipt by the Architectural Review Committee of all materials required by the Architectural Review Committee. The decision shall be in writing and, if the decision is not to approve a proposed Improvement to Property, the reasons therefor shall be stated. The decision of the Architectural Review Committee promptly shall be transmitted to the Applicant at the address furnished by the Applicant to the Architectural Review Committee.

SECTION 4.10. APPEAL TO ASSOCIATION BOARD. If the Architectural Review Committee denies or refuses approval of a proposed Improvement to Property, the Applicant may appeal to the Board of Directors by giving written notice of such appeal to the Association and the Architectural Review Committee within twenty (20) days after such denial or refusal unless all of the members of the Board are also members of the Architectural Review Committee. The Board of Directors shall hear the appeal with reasonable promptness after reasonable notice of such Notice and

Hearing to the Applicant and the Architectural Review Committee and shall decide with reasonable promptness whether or not the proposed Improvement to Property shall be approved. The decision of the Board of Directors shall be final and binding on all Persons.

SECTION 4.11. FAILURE OF COMMITTEE TO ACT ON PLANS. Any request for approval of a proposed Improvement to Property shall be deemed approved by the Architectural Review Committee, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Architectural Review Committee within thirty (30) days after the date of proof of receipt by the Architectural Review Committee of all required materials, provided, however, that no such deemed approval shall ever operate to permit any Applicant to construct or maintain any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines, the Architectural Review Committee at all times retaining the right to object to any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines.

SECTION 4.12. PROSECUTION OF WORK AFTER APPROVAL. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in strict conformity with the description of the proposed Improvement to Property in the materials submitted to the Architectural Review Committee. Failure to complete the proposed Improvement to Property within nine (9) months after the date of approval or such other period of time as shall have been authorized in writing by the Architectural Review Committee (unless an extension has been granted by the Architectural Review Committee in writing) or to complete the Improvements to Property in strict conformity with the description and materials furnished to the Architectural Review Committee, shall operate automatically to revoke the approval by the Architectural Review Committee of the proposed Improvement to Property. No Improvement to Property shall be deemed completed until the exterior fascia and trim on the structure has been applied and finished and all construction materials and debris have been cleaned up and removed from the site and all rooms in the Improvement to Property, other than attics and detached garages have been finished. Removal of materials and debris shall not take in excess of thirty (30) days following completion of the exterior.

SECTION 4.13. NOTICE OF COMPLETION. Promptly upon completion of the Improvement to Property, the Applicant shall deliver a notice of completion ("Notice of Completion") to the Architectural Review Committee and, for all purposes hereunder, the date of receipt of such Notice of Completion by the Architectural Review Committee shall be deemed to be the date of completion of such Improvement to Property, provided that the Improvement to Property is, in fact, completed as of the date of receipt of the Notice of Completion.

SECTION 4.14. INSPECTION OF WORK. The Architectural Review Committee or its duly authorized representative shall have the right, but not the obligation, to inspect any Improvement to Property before or after completion, provided that the right of inspection shall terminate sixty (60) days after the Architectural Review Committee shall have received a Notice of Completion from the Applicant.

SECTION 4.15. NOTICE OF NONCOMPLIANCE. If, as a result of inspections or otherwise, the Architectural Review Committee finds that any Improvement to Property has been constructed or undertaken without obtaining the approval of the Architectural Review Committee, or has been completed other than in strict conformity with the description and materials furnished by the Applicant to the Architectural Review Committee, or has not been completed within the required time period after the date of approval by the Architectural Review Committee, the Architectural Review Committee shall notify the Applicant in writing of the noncompliance ("Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

SECTION 4.16. FAILURE OF COMMITTEE TO ACT AFTER NOTICE OF COMPLETION. If, for any reason other than the Applicant's act or neglect, the Architectural Review Committee fails to notify the Applicant of any noncompliance within sixty (60) days after receipt by the Architectural Review Committee of a written Notice of Completion from the Applicant, the Improvement to Property shall be deemed in compliance if the Improvement to Property in fact was completed as of the date of Notice of Completion; provided, however, that no such deemed approval shall operate to permit any Applicant to construct or maintain any Improvement to the Property that violates any provision of this Declaration or the Architectural Guidelines, the Architectural Review Committee at all times retaining the right to object to any Improvement to Property that violates this Declaration or the Architectural Guidelines.

SECTION 4.17. APPEAL TO BOARD OF FINDING OF NONCOMPLIANCE. If the Architectural Review Committee gives any Notice of Noncompliance, the Applicant may appeal to the Board of Directors by giving written notice of such appeal to the Board and the Architectural Review Committee within thirty (30) days after receipt of the Notice of Noncompliance by the Applicant. Additionally, if, after a Notice of Noncompliance, the Applicant fails to commence diligently to remedy such noncompliance, the Architectural Review Committee shall request a finding of noncompliance by the Board of Directors by giving written notice of such request to the Association and the Applicant within thirty (30) days after delivery to the Applicant of a Notice of Noncompliance from the Architectural Review Committee. In either event, the Board of Directors shall hear the matter with reasonable promptness after reasonable notice of such Notice and Hearing to the Applicant and the Architectural Review Committee and shall decide, with reasonable promptness, whether or not there has been such noncompliance and, if so, the nature thereof and required corrective action. The decision of the Board of Directors shall be final and binding on all Persons.

SECTION 4.18. CORRECTION OF NONCOMPLIANCE. If the Board of Directors determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date of receipt by the Applicant of the ruling of the Board of Directors. If the Applicant does not comply with the Board ruling within such period, the Board may, at its option but with no obligation to do so, (a) record a Notice of Noncompliance against the Lot on which the noncompliance exists in the Official Public Records of Real Property of Harris County, Texas; (b) remove the noncomplying Improvement to Property; and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Board elects to take any action with respect to such violation, the Applicant shall reimburse the Association upon demand for all expenses incurred therewith. If such expenses are not promptly repaid by the Applicant or Owner to the Association, the Board may levy a Reimbursement Assessment for such costs and expenses against the Owner of the Lot in question. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the Board to take such action) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise.

SECTION 4.19. NO IMPLIED WAIVER OR ESTOPPEL. NO ACTION OR FAILURE TO ACT BY THE ARCHITECTURAL REVIEW COMMITTEE OR BY THE BOARD OF DIRECTORS SHALL CONSTITUTE A WAIVER OR ESTOPPEL WITH RESPECT TO FUTURE ACTION BY THE ARCHITECTURAL REVIEW COMMITTEE OR THE BOARD OF DIRECTORS, WITH RESPECT TO ANY IMPROVEMENT TO PROPERTY. SPECIFICALLY, THE APPROVAL BY THE ARCHITECTURAL REVIEW COMMITTEE OF ANY IMPROVEMENT TO PROPERTY SHALL NOT BE DEEMED A WAIVER OF ANY RIGHT OR AN ESTOPPEL AGAINST WITHHOLDING APPROVAL OR CONSENT FOR ANY SIMILAR IMPROVEMENT TO PROPERTY OR ANY SIMILAR PROPOSALS, PLANS, SPECIFICATIONS, OR OTHER MATERIALS SUBMITTED WITH RESPECT TO ANY OTHER IMPROVEMENT TO PROPERTY BY SUCH PERSON OR OTHERWISE.

SECTION 4.20. POWER TO GRANT VARIANCES. The Architectural Review Committee may authorize variances from compliance with any of the provisions of Article V of this

Declaration (except for the provisions relating to single family residential construction and use as defined in Article V, Section 5.2 and Article VI, Section 6.2), including restrictions upon placement of structures, the time for completion of construction of Improvements to Property, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. Such variances must be evidenced in writing and shall only become effective when signed by at least a majority of the members of the Architectural Review Committee. Notwithstanding anything contained in this Declaration to the contrary, the Committee Representative shall not have the power to grant a variance, except for Consents to Encroach relating to minor encroachments. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Architectural Review Committee other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned.

SECTION 4.21. COMPENSATION OF ARCHITECTURAL REVIEW COMMITTEE MEMBERS. The members of the Architectural Review Committee shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve. The Board may also compensate the Committee Representative for services rendered.

SECTION 4.22. RECORDS OF ACTION. The Architectural Review Committee shall report in writing to the Board of Directors all final action of the Architectural Review Committee and the Board shall keep a permanent record of such reported action.

SECTION 4.23. ESTOPPEL CERTIFICATES. The Board of Directors, upon the reasonable request of any interested party and after confirming any necessary facts with the Architectural Review Committee, shall furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance herewith. Any person, without actual notice of any falsity or inaccuracy of such a certificate, shall be entitled to rely on such certificate with respect to all matters set forth therein.

SECTION 4.24. LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING PROVIDED IN THIS DECLARATION TO THE CONTRARY, NEITHER THE DECLARANT, THE ARCHITECTURAL REVIEW COMMITTEE, THE ASSOCIATION, NOR ANY AGENT, EMPLOYEE, REPRESENTATIVE, MEMBER, SHAREHOLDER, PARTNER, OFFICER OR DIRECTOR THEREOF, SHALL HAVE ANY LIABILITY OF ANY NATURE WHATSOEVER FOR ANY DAMAGE, LOSS OR PREJUDICE SUFFERED, CLAIMED, PAID OR INCURRED INCLUDING CLAIMS BASED UPON THEIR SOLE OR CONTRIBUTORY NEGLIGENCE BY ANY PERSON ON ACCOUNT OF (A) ANY DEFECTS IN ANY PLANS AND SPECIFICATIONS SUBMITTED, REVIEWED, OR APPROVED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE IV ABOVE, (B) ANY DEFECTS, STRUCTURAL OR OTHERWISE, IN ANY WORK DONE ACCORDING TO SUCH PLANS AND SPECIFICATIONS, (C) THE FAILURE TO APPROVE OR THE DISAPPROVAL OF ANY PLANS, DRAWINGS, SPECIFICATIONS OR OTHER DATA SUBMITTED BY AN OWNER OR OCCUPANT OF A DWELLING UNIT FOR APPROVAL PURSUANT TO THE PROVISIONS OF ARTICLE IV, (D) THE CONSTRUCTION INSPECTION OR PERFORMANCE OF ANY WORK RELATED TO SUCH PLANS, DRAWINGS AND SPECIFICATIONS, (E) BODILY INJURIES (INCLUDING DEATH) TO ANY PERSON OR OTHER DAMAGE TO ANY DWELLING UNIT, IMPROVEMENTS OR THE PERSONAL PROPERTY OF ANY PERSON, WHICH MAY BE CAUSED BY, OR ARISE AS RESULT OF, ANY DEFECT, STRUCTURAL OR OTHERWISE, IN ANY DWELLING UNIT OR IMPROVEMENTS OR THE PLANS AND SPECIFICATIONS THEREOF OR ANY PAST, PRESENT OR FUTURE SOIL AND/OR SUBSURFACE CONDITIONS, KNOWN OR UNKNOWN AND (F) ANY OTHER LOSS,

CLAIM, DAMAGE, LIABILITY OR EXPENSE, INCLUDING COURT COSTS AND ATTORNEY'S FEES SUFFERED, PAID OR INCURRED BY ANY PERSON ARISING OUT OF OR IN CONNECTION WITH THE USE AND OCCUPANCY OF ANY LOT, DWELLING UNIT, COMMON AREA OR ANY OTHER IMPROVEMENTS SITUATED THEREON.

SECTION 4.25. CONSTRUCTION PERIOD EXCEPTION. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Architectural Review Committee may temporarily suspend the provisions of Articles V and VI contained in this Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing shall be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Subdivision.

ARTICLE V **ARCHITECTURAL RESTRICTIONS**

SECTION 5.1. DWELLING UNIT SIZE. No one-story building or Living Unit shall contain less than one thousand eight hundred square feet (1,800') of heated/air-conditioned living space. No two-story building or Living Unit shall contain less than two thousand square feet (2,000') of heated/air-conditioned living space. All computations of living area shall be exclusive of attics, basements, open or screened porches, terraces, patios, driveways, and garages. Measurements shall be to the face of the outside walls of the living area.

SECTION 5.2. HEIGHT AND CHARACTER OF DWELLING UNIT. No Dwelling Unit shall be erected, altered, or permitted to remain on any Lot other than one Dwelling Unit used for single family residential purposes only, as provided in Section 6.2, and not to exceed the lesser of two (2) stories or fifty feet (50') above the level of the street in front of the Lot in question, and a fully enclosed garage as provided in Section 5.5 and other bona fide servants quarters; provided, however, that the servants quarters' structure may not exceed the main dwelling in height. Provided further that it shall be permissible to have third-level living space in the Dwelling Unit completely under a sloped roof with dormers or gables or additional levels beneath ground level in the Dwelling Unit, garage, or servant's quarters, so long as the maximum height of the buildings does not exceed fifty feet (50').

Unless the Architectural Review Committee otherwise agrees in writing, the exterior finish of the first and second floors of the front, and the first floor of the sides, of a Dwelling Unit shall be brick, stone, or other masonry. All other exterior products shall be hardiplank or similar. Any deviation from these requirements shall require the prior written approval of the Architectural Review Committee.

SECTION 5.3. LOCATION OF DWELLING UNIT. Except as may be authorized in writing by the Architectural Review Committee, no Dwelling Unit or Improvement shall be located i) nearer to any front Lot line than the building set back line depicted on the Plat, ii) nearer to any side Lot line than five feet (5'), except for detached garages which may be located within three feet (3') of the side set back line and iii) nearer to any rear Lot line than the easements reflected on the Plat. The set back restrictions in ii) and iii) above do not apply to fences, driveways or sidewalks.

SECTION 5.4. USE OF TEMPORARY STRUCTURES. No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn, or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided, however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portions of the Subdivision as in its sole discretion may seem necessary or convenient while selling Lots, selling or constructing residences, or constructing other

Improvements within the Subdivision. The right to use temporary structures in connection with the construction of Improvements may be assigned from time to time, in whole or in part, by Declarant to Builders.

SECTION 5.5. CARPORTS/GARAGES. No carports shall be constructed on any Lot without the prior written consent of the Architectural Review Committee. All garages shall be: (a) fully operable; (b) capable of housing at least two (2) automobiles; and, (c) enclosed by garage doors which must be kept in the closed position when the garage is not being used by the Owner or occupant of the Dwelling Unit. No parking spaces in a garage may be used for the storage of personal property if the result is that one or more vehicles used or kept by the residents of the Lot must be parked in the driveway or in the street in front of the Lot. The garage portion of any model home may be used by Builders for sales purposes, storage purposes, and other related purposes; however, upon (or before) the sale of any such model home to the first purchaser thereof, the garage portion of the model home shall be converted to a fully enclosed garage with garage doors. No second stories on detached garages shall be constructed on any Lot without the prior written consent of the Architectural Review Committee.

SECTION 5.6. DRIVEWAYS. Unless the Architectural Review Committee agrees otherwise, each Lot shall have driveway access to the street on which the Dwelling Unit constructed thereon faces. Subject to the foregoing limitations, the Owner of each Lot shall construct and maintain at his/her expense a driveway from his/her garage to an abutting street.

SECTION 5.7. ROOFS. All roofs must be approved by the Architectural Review Committee in writing. Roofs must be Three Tab Twenty (20) Year Composition Shingles or better and must be the color of weatherwood. Roof pitch should be a minimum of 6:12 unless otherwise approved in writing by the Architectural Review Committee.

SECTION 5.8. GRASS, SHRUBBERY AND LANDSCAPING. Prior to sale thereof and at all times thereafter, each Lot with a Dwelling Unit thereon shall be sodded with grass in front of the house up to the fence line. In a corner lot, the corner side yards must also be sodded with grass up to the fence line. The front yard shall have no less than twelve (12) five (5) gallon shrubs and two (2) trees with a minimum of three inches (3") in trunk diameter. All areas visible from any street shall be landscaped with shrubbery and trees of types and quantities approved by the Architectural Review Committee.

SECTION 5.9. ANTENNAS, SATELLITE DISHES AND MASTS. No exterior antennas, aerials, satellite dishes; or other apparatus for the reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any Lot, which are visible from any street, Common Area or another Lot, unless it is impossible to receive an acceptable quality signal from any other location. In that event, the receiving device may be placed in the least visible location where reception of an acceptable quality signal is possible. The Board of Directors may require painting or screening of the receiving device, which painting or screening does not substantially interfere with an acceptable quality signal. In no event are the following devices permitted: (i) satellite dishes, which are larger than one (1) meter in diameter; (ii) broadcast antenna masts, which exceed the height of the center ridge of the roofline; or (iii) MMDS antenna masts, which exceed the height of twelve feet (12') above the center ridge of the roofline. No exterior antennas, aerials, satellite dishes, or other apparatus shall be permitted, placed, allowed or maintained upon any Lot, which transmit television, radio, satellite or other signals of any kind. This section is intended to be in compliance with the Telecommunications Act of 1996 (the "Act"), as the Act may be amended from time to time; this section shall be interpreted to be as restrictive as possible, while not violating the Act. The Board of Directors may promulgate Architectural Guidelines, which further define, restrict or elaborate on the placement and screening of receiving devices and masts, provided such Architectural Guidelines are in compliance with the Telecommunications Act.

SECTION 5.10. FLAGPOLES. No flagpole shall be permanently erected on any Lot, unless prior written approval has been granted by the Architectural Review Committee.

SECTION 5.11. EXTERIOR LIGHTING. All exterior lighting other than front porch lights installed by the Builder must first be approved by the Architectural Review Committee.

SECTION 5.12. SOUND DEVICES No horns, whistles, bells, or other sound devices, except for security systems and intercom systems used exclusively to protect the Dwelling Unit, shall be placed or used on any Lot or Improvements. This section shall not preclude the use of outdoor speakers for hi-fi, stereos, or radios if the sound level is maintained at a reasonably low level with respect to adjoining property.

SECTION 5.13. WINDOW TREATMENT. No window in any Dwelling Unit or other Improvement that is visible from any other Lot, any Reserve, or a street may be covered with any aluminum foil or other reflective material. All window treatments including curtains, drapes, blinds, shutters, and/or shades that are visible from any street or Reserve must be shades of white or beige, unless otherwise approved by the Architectural Review Committee.

SECTION 5.14. AIR CONDITIONERS. No roof or wall type air conditioner that is visible from any street or any other Lot, shall be used, placed or maintained on or in any Dwelling Unit, garage or other Improvement. Window air conditioning units are prohibited. Air conditioners must be screened from public view.

SECTION 5.15. WALLS AND FENCES. The construction or installation of walls and fences (including the location thereof), by Owners on Lots shall be subject to approval by the Architectural Review Committee in accordance with the provisions of this Declaration and any Architectural Guidelines. Fences may be 6'-tall wood notched with one inch (1") by four inch (4") pickets with good neighbor design between Dwelling Units and with pickets exposed to streets. Notwithstanding the foregoing sentence, a fence along a lot boundary abutting Restricted Reserve "D" and Restricted Reserve "E" in Section 2 shall be 6'-tall galvanized steel or wrought iron, painted black. All other fences must be approved in writing by the Architectural Review Committee. The use of chain link fences is prohibited on all Lots. The Association shall maintain the Subdivision Fence and any fences on the Common Area. The Association is granted an easement over and across the Lots upon which the Subdivision Fence is located or across Lots as needed to maintain fences on Common Areas in order to maintain or rebuild the Subdivision Fence or fences on the Common Area as may be necessary in the sole judgment of the Board. The Owners of the Lots upon which the Subdivision Fence is located shall (i) ensure no roots, branches or other portions of plants ever impair the structural integrity of the Subdivision Fence; and (ii) be responsible for all damages to the Subdivision Fence caused by said Owners intentional or negligent acts. The Subdivision Fence may not be altered without the written consent of the Architectural Review Committee.

SECTION 5.16. DISPOSAL UNIT REQUIREMENTS. Each kitchen in each Dwelling Unit or servant's quarters situated on any Lot shall be equipped with a garbage disposal unit.

SECTION 5.17. REMOVAL OF TRASH AND DEBRIS DURING CONSTRUCTION. During the construction, repair, and restoration of Improvements, each Builder shall remove and haul from the Lots all tree stumps, tree-limbs, branches, underbrush, and all other trash or rubbish cleared from the Lot to permit construction of the Improvements, including landscaping. No burning of trash or other debris is permitted on any Lot, and no materials or trash hauled from any Lot may be placed elsewhere within the Subdivision, unless approved in writing by the Architectural Review Committee. Additionally, each Owner or Builder, during construction of Improvements, continuously shall keep the Lot in a reasonably clean and organized condition. Papers, rubbish, trash, scrap, and unusable building materials are to be kept, picked up, and hauled from the Lot on a regular basis. Other useable

building materials are to be kept stacked and organized in a reasonable manner. No trash, materials, or dirt shall be placed in any street. Any such trash, materials, or dirt inadvertently spilling or getting into the street or street gutter shall be removed, without delay, no less frequently than daily.

SECTION 5.18. EXCAVATION AND TREE REMOVAL. The digging of dirt or the removal of any dirt from any Lot is expressly prohibited, except as may be necessary in conjunction with the landscaping of or construction on such Lot. No trees in excess of six inches (6") in trunk diameter shall be cut or removed, except to remove dead trees, without the approval of the Architectural Review Committee. Provided, however, trees that are within eight feet (8') from the foundation of a Dwelling Unit may also be removed to protect the foundation of the Dwelling Unit.

SECTION 5.19. DRAINAGE. No Owner of a Lot shall be permitted to construct Improvements on such Lot or grade such Lot or permit such Lot to remain in or be placed in such condition that rain water falling on such Lot drains to any other Lot or the Common Area; and, in pursuance of the preceding requirement, underground drains and gutters on roofs or other means approved by the Architectural Review Committee or Board, as may be applicable, shall be required in order that all such rain water and irrigation water shall drain into an underground drainage system at such Lot (or other means approved by the Architectural Review Committee or Board, as may be applicable).

SECTION 5.20. PRIVATE UTILITY LINES. All electrical, telephone and other utility lines and facilities which are located on a Lot and which are not owned and maintained by a governmental entity or a public utility company shall be (i) installed in underground conduits or other underground facilities, unless otherwise approved in writing by the Architectural Review Committee, and (ii) shall be maintained at all times by the Owner of the Lot upon which is located.

SECTION 5.21. WIND GENERATORS. No wind generators shall be erected or maintained on any Lot that are visible from any street, Lot or the Reserves.

SECTION 5.22. SOLAR COLLECTORS. No solar collector shall be installed without the prior written approval of the Architectural Review Committee. Any such installation shall be in harmony with the design of the Dwelling Unit. Solar collectors shall be installed in a location not visible from any street, unless otherwise approved by the Architectural Review Committee.

SECTION 5.23. LOT AND IMPROVEMENT MAINTENANCE. The Owner of each Lot shall maintain the same and adjacent street right-of-way, and the improvements, sod, trees, hedges, and plantings thereon, in a neat and attractive condition. Such maintenance shall include regular mowing, edging of turf areas, weeding of plant beds, fertilizing, weed control and watering of the turf and landscape areas on each Lot. Diseased or dead plants or trees must be removed and replaced within a reasonable time. On front lawns and wherever visible from any street, there shall be no decorative appurtenances placed, such as sculptures, birdbaths, birdhouses, fountains or other decorative embellishments unless such specific item(s) have been approved in writing by the ARC. The Association or Declarant shall have the right, after ten (10) days notice to the Owner of any Lot, setting forth the action intended to be taken by the Association or Declarant, provided at the end of such time such action has not already been taken by such owner (i) to mow or edge the grass thereon, (ii) to remove any debris therefrom, (iii) to trim or prune any tree, hedge, or planting that, in the opinion of the Association or Declarant, by reason of its location or height, or the manner in which it has been permitted to grow, is detrimental to the enjoyment of adjoining Property or is unattractive in appearance, (iv) to repair or stain/paint any fence thereon that is out of repair or not in harmony, with respect to color, with fencing on adjacent property and (v) to do any and all things necessary or desirable in the opinion of the Association or Declarant to place such Lot in a neat and attractive condition consistent with the intention of the Declaration. The person who is the Owner of such Lot at the time such work is performed by the Association shall be personally obligated to reimburse the Association (or Declarant, as the case may be) for the cost of such work within ten (10) days after it is

performed by the Association or Declarant, and if such amount is not paid within said period of time, such owner shall be obligated thereafter to pay interest thereon at the maximum rate allowable by law, and to pay attorney's fees and court costs incurred by the Association in collecting said obligation, and all of the same to the extent performed by the Association shall be secured by the lien retained to the Association in Section 7.1 of this Declaration.

SECTION 5.24. DAMAGE OR DESTRUCTION OF IMPROVEMENTS. In the event of damage to any Improvement (not the product of normal wear and tear), the Owner shall have the shorter of the period permitted by applicable laws or sixty (60) days to begin repairing or demolishing the destroyed or damaged portion, and, once timely commenced, such repairs or demolition must be pursued diligently to completion. If, however, damage to the Improvements is not covered by insurance, or if the Owner's claim is not approved by the Owner's insurance company, or if the Owner decides not to restore the Improvements at such time, then the Owner may apply for a "hardship" extension to the operation of this restriction to be submitted to the Board within sixty (60) days from the date of such destruction or damage. The Board shall rule on the Owner's Application for a "hardship" extension within thirty (30) days from the date of submission. In no event shall the granting of a "hardship" extension in a particular case be deemed a waiver of the right to enforce this restriction thereafter. If a hardship extension is granted, the Owner thereafter immediately shall cause the damaged or destroyed Improvement to be demolished and the Lot to be suitably landscaped, subject to the approval of the Architectural Review Committee, so as to present a pleasing and attractive appearance.

SECTION 5.25. HOLIDAY DECORATIONS. Exterior holiday decorations are only allowed for generally recognized holidays and may be placed on a Lot no earlier than thirty (30) days in advance of the holiday. Holiday decorations shall be promptly removed from each Lot and Dwelling Unit as soon as such holiday passes and in no event shall such decorations be allowed to remain on a Lot or Dwelling Unit for more than ten (10) days after the holiday passes.

SECTION 5.26. UTILITY METERS AND HVC EQUIPMENT. All electrical, gas, telephone and cable television meters shall be located at the rear or side of all Dwelling Unit out of view from the streets in the Subdivision. All exterior heating, ventilating and air-conditioning compressor units and equipment shall be located at the rear of the Dwelling Unit or at the side of the Lot screened from view in a manner approved by the Architectural Review Committee.

SECTION 5.27. RECREATIONAL FACILITIES. Free-standing playhouses, play structures and treehouses are permitted only with the approval of the Architectural Review Committee. The type, color and location of a basketball goal on a Lot must also be approved in writing by the Architectural Review Committee. Provided, however, no basketball goals may be attached to the roof of the Dwelling Unit and no basketball goals may ever be placed in front of the building set back line on a Lot. Barbecue grills or other types of outdoor cooking equipment shall be located only at the rear of the Dwelling Unit; all barbecue grills and other types of outdoor cooking equipment must be maintained and kept in a neat and attractive condition. The Architectural Review Committee is hereby vested with the authority to determine whether a barbecue grill or other type of outdoor cooking equipment on a Lot is being maintained in a neat and attractive condition and its determination shall be final.

SECTION 5.28. CONSOLIDATION AND SUBDIVISION OF LOTS. Upon the written approval of the Architectural Review Committee, any Owner of one or more adjoining Lots (or portions thereof) may consolidate such Lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting site, in which case i) setback lines shall be measured from the resulting side property lines rather than from the Lot lines as indicated on the Plat, and ii) the resulting site shall be considered one Lot for all purposes under the Declaration. No Owner may ever subdivide Lots so that the resulting building sites are less square footage than the smallest Lot as originally reflected on the Plat.

SECTION 5.29. MAILBOXES. Mailboxes shall be cluster mailboxes or mailboxes acceptable in the areas approved by the U.S. Postal Service. Individual mailboxes must conform to the guidelines established by the ARC and be approved by the ARC.

ARTICLE VI **USE RESTRICTIONS**

SECTION 6.1. GENERAL. No Owner shall use the Common Area, if any, or use or permit such Owner's Lot or Dwelling Unit to be used for any purpose that would (a) void any insurance in force with respect to the Subdivision; (b) make it impossible to obtain any insurance required by this Declaration; (c) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (d) constitute a violation of the Declaration or any applicable law or (e) unreasonably interfere with the use and occupancy of the Subdivision by other Owners.

SECTION 6.2. SINGLE FAMILY RESIDENTIAL USE. Each Owner shall use his/her Lot and the Dwelling Unit on his/her Lot, if any, for single family residential purposes only. As used herein, the term "single family residential purposes" shall be deemed to specifically prohibit, by way of illustration but without limitation, the use of any Lot for a duplex apartment, a garage apartment or any other apartment or for any multi-family use or for any business (profit or non-profit), educational, church, professional or other commercial activity of any type, except that an Owner may use his/her residence as a personal office for a profession or occupation, provided: (a) the public is not invited, permitted, or allowed to enter the Dwelling Unit or any structure or Improvement upon such Lot and conduct business therein; (b) no signs advertising such profession or business are permitted; (c) no on-site employees are permitted; (d) no offensive activity or condition, noise and/or odor are permitted; and (e) such use in all respects complies with the laws of the State of Texas, the ordinances of the City of Houston, and the laws, rules, and regulations of any regulatory body or governmental agency having authority and jurisdiction over such matters. The term "single family residential purposes" shall also be defined as: (a) one or more persons related by blood, marriage, or adoption, which may include only parents, their children (including foster children and wards), their dependent brothers and sisters, their dependent parents, their dependent grandparents, and their domestic servants; and (b) no more than two unrelated persons living together as a single housekeeping unit and their children (including foster children and wards), their dependent brothers or sisters, their dependent parents, their dependent grandparents, and their domestic servants.

SECTION 6.3. CARE-GIVING FACILITIES. No Lot shall be used for the operation of a i) boarding or rooming house, a residence for transients, half-way house, day-care center, treatment facility, or, ii) residence of unrelated individuals who are engaging in, undertaking, or participating in any group living for rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency unless any such facility is otherwise allowed by the terms of state or federal law negating the provisions of restrictive covenants prohibiting same.

SECTION 6.4. VEHICLES. No motor vehicle or non-motorized vehicle, boat, trailer, marine craft, recreational vehicle, camper rig off of truck, hovercraft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, easement, right-of-way, unless such vehicle or object is completely concealed from public view inside a garage or enclosure approved by the Architectural Review Committee. Passenger automobiles, passenger vans, motorcycles, or pick-up trucks that: (a) are in operating condition; (b) have current license plates and inspection stickers; (c) are in daily use as motor vehicles on the streets and highways of the State of Texas; (d) which do not exceed six feet ten inches (6'10") in height, or eight feet (8') in width, or twenty-four feet (24') in length; and (e) have no commercial advertising located thereon, may be parked in the driveway on a Lot, however, no vehicle shall be parked in a driveway or on the streets in the Subdivision in excess of forty-eight (48) consecutive hours or so as to obstruct or block a sidewalk. No go carts, dirt bikes, three,

four or six wheelers or similar type of all terrain vehicles may be operated on the streets or in the Common Area of the Subdivision. No vehicle may be repaired on a Lot unless the vehicle being repaired is concealed from view inside a garage or other approved enclosure. This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of a house or houses in the immediate vicinity; provided, however, overnight parking of any vehicles in the street is prohibited. Owners or occupants of Lots may seek a temporary variance from this restriction for their guests, however, any such request for a variance must receive the prior approval of the Board of Directors of the Association. The Board of Directors of the Association may adopt additional Rules and Regulations regulating parking on Lots and the streets in the Subdivision.

SECTION 6.5. NO NOXIOUS OR OFFENSIVE ACTIVITY. No noxious or offensive activity shall be carried on upon any property within the Subdivision nor shall anything be done or placed thereon that is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to others.

SECTION 6.6. NO HAZARDOUS ACTIVITIES. No activity shall be conducted on and no Improvements shall be constructed on any property within the Subdivision that is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior or exterior fireplace.

SECTION 6.7. FIREWORKS AND FIREARMS. The discharge of fireworks or firearms within the Property is prohibited. The terms "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size or caliber.

SECTION 6.8. RESTRICTIONS ON GARBAGE AND TRASH. No refuse, garbage, trash, lumber, grass, shrub or tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse, or debris of any kind shall be kept, stored, or allowed to accumulate on any Lot except within an enclosed container of a type, size and style approved by the Board and appropriately screened from view, except that any such container may be placed in a designated area for garbage or trash pickup no earlier than six o'clock p.m. on the day preceding trash pickup of such garbage and trash and shall be returned to an enclosed structure or an area appropriately screened from view no later than midnight of the day of pickup of such garbage and trash.

SECTION 6.9. CLOTHES DRYING. No outside clothesline or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Lot if visible from any other Lot, nor shall clothing or household fabric or any other article be hung, dried, or aired on any Lot in the Subdivision in such a way as to be visible from other Lots/streets or the Common Area.

SECTION 6.10. ANIMALS. No animals of any kind shall be raised, bred, or kept in the Subdivision except as hereinafter provided. A reasonable number of dogs, cats, or other household pets may be kept on a Lot (except for fish or reptiles of a type customarily kept within normal home aquariums and birds kept inside cages inside a Dwelling Unit, with respect to which there shall be no limitation on amount) provided that: (a) they are not kept, bred, or maintained for commercial purposes; (b) they do not make objectionable noises, create any objectionable odor, or otherwise constitute an unreasonable nuisance to other Owners; (c) they are kept within the Dwelling Unit, an enclosed yard on the Lot occupied by the Owner of such pets, or on a leash being held by a Person capable of controlling the animal; and (d) they are not in violation of any other provision of this Declaration and such limitations as may be set forth in the Rules and Regulations. A "reasonable number" as used in this Section ordinarily shall mean no more than two (2) pets per Dwelling Unit; provided, however, that the Board may determine that a reasonable number in any instance may be more or less than two (2). The Association, acting through the Board, shall have the right to prohibit maintenance of any animal,

bird or fish that, in the sole opinion of the Board, is not being maintained in accordance with the foregoing restrictions. Each Owner, tenant or guest of an Owner shall have the absolute duty and responsibility to clean up after such animals to the extent they have used any portion of the Lot of another Owner or any Common Area.

SECTION 6.11. SIGNS AND BILLBOARDS. No sign of any kind shall be displayed to public view on any residential Lot, except a sign(s) of not more than six (6) square feet area which is used to: (a) advertise the property for sale or lease; (b) indicate traffic control or security services; (c) identify the builder or contractor while construction is in progress on such Lot; or (d) promote a political candidate, party or issue for a thirty (30) day period starting no earlier than thirty (30) days prior to the date of the election or referendum and which must be removed no later than the day after the date of the election or referendum; or (e) local school spirit signs approved by the Architectural Review Committee for designated periods of time. Additionally, the right is reserved by Declarant to construct and maintain signs, billboards, and advertising devices as is customary in connection with the sale of newly constructed Dwelling Units. The Declarant and the Association shall also have the right to erect identifying signs at each entrance to the Subdivision. In no event shall any sign, billboard, poster or advertising device of any character, other than as specifically prescribed in the first sentence of this Section be erected, permitted or maintained on any Lot without the express prior written consent of the Architectural Review Committee. The Declarant and Association shall have the right to remove any sign that is not in conformance.

SECTION 6.12. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall any walls, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

SECTION 6.13. PRIVATE WATER WELLS AND SEPTIC TANKS. Private water wells and septic tanks are prohibited on Lots.

SECTION 6.14. LEASING. Lots may only be leased for single family residential purposes as defined in Section 6.2. No Owner shall be permitted to lease his/her Lot for hotel or transient purposes, which for purposes of this Section is defined as a period of less than one (1) year. No Owner shall be permitted to lease less than the entire Lot. Every such lease shall be in writing. Every such lease shall provide that the tenant shall be bound by and subject to all of the terms of the Declaration, Articles of Incorporation, By-Laws, Architectural Guidelines and Rules and Regulations of the Association. The Owner making such lease shall not be relieved from any of such obligations under said documents. The Owner shall advise the Association in writing of the name, mailing address and phone number of all occupants of the Dwelling Unit.

SECTION 6.15. POOLS, SPAS, HOT TUBS AND PONDS. All pools, spas and hot tubs shall be maintained in a healthy, safe and sanitary condition. The bacterial content of the water in any pool, spa, hot tub or pond or other water feature of any type shall not be allowed to exceed the safe limits as prescribed by established standards of the Texas Department of Health, as applicable.

SECTION 6.16. LAKE-USE RULES AND REGULATIONS. Lake-use rules and regulations for Inverness Estates are attached as Exhibit "A".

ARTICLE VII COVENANTS FOR ASSESSMENTS

SECTION 7.1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. The Declarant, for each Lot owned within the Subdivision, 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:

- (a) Annual Assessments;
- (b) Special Assessments;
- (c) Reimbursement Assessments; and
- (d) Any other assessment or charges levied by the Association, as allowed by law or this Declaration.

The Annual, Special, Reimbursement Assessments and other Assessments (the "Assessments"), together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which the Assessments are made. The Assessments, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the Assessments fell due. The personal obligation for delinquent Assessments shall not pass to his/her successors in title unless expressly assumed by them.

SECTION 7.2. PURPOSE OF ANNUAL ASSESSMENTS. Each Lot in the Subdivision is hereby subjected to an Annual Assessment for the purpose of creating a fund to be designated and known as the "Maintenance Fund", which Annual Assessment will be paid by the Owner or Owners of each Lot within the Subdivision to the Association, on or before January 1 of each year, in advance annual installments, commencing on a date and in a manner to be promulgated by the Board of Directors of the Association. The rate at which each Lot will be assessed will be determined annually and may be adjusted from year to year by the Association, as hereinafter provided as the needs for the Subdivision may, in the judgment of the Association, require. Such assessment will be uniform, except as hereinafter provided for Declarant and any Builder to whom Declarant sells a Lot. The Association shall use the proceeds of said Maintenance Fund for the use and benefit of all residents of the Subdivision, as well as any other subdivision brought within the jurisdiction of the Association; provided, however, that other subdivisions to be entitled to the benefit of this Maintenance Fund must be impressed with and subjected to the Annual Assessment on a uniform, per Lot basis, equivalent to the Annual Assessment imposed hereby. The uses and benefits to be provided by the Association shall include, by way of clarification and not limitation, at its sole option, any and all of the following: establishing and maintenance of a reserve fund, constructing and/or maintaining paths, parks, landscape reserves, parkways, easements, esplanades, fences, cul-de-sac and street medians, the Entrance Wall/Fence, and the Common Area, payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions and conditions affecting the Subdivision to which the Maintenance Fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the Assessments; employing service providers; and doing other things necessary or desirable, in the opinion of the Association, to keep the Subdivision neat and in good order or which is considered of general benefit to the Owners or occupants of the Subdivision. It is understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation that any of the above will, in fact, be provided by the Association.

SECTION 7.3. MAXIMUM ANNUAL ASSESSMENT. Until January 1 of the year immediately following the conveyance of the first Lot to a resident Owner, the maximum annual Assessment shall be Six Hundred Dollars (\$600.00) per Lot per year.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment may be increased each year not more than fifteen percent (15%) above the Annual Assessment for the previous year without a vote of the membership.

- 599-22-0224
- 1.2
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above fifteen percent (15%) by a vote of two-thirds (2/3rds) of those Members eligible to vote who are voting in person or by proxy, at a meeting duly called for this purpose.
 - (c) The Board of Directors may fix the Annual Assessment at an amount not to exceed the maximum permitted herein.

SECTION 7.4. SPECIAL ASSESSMENTS. In addition to the Annual Assessments authorized above, the Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any use or benefit provided for herein in Section 7.2. Provided, however, any such assessment shall have the assent of two-thirds (2/3rds) of the votes of Members eligible to vote who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 7.5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 7.3. AND 7.4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 7.3 or 7.4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of Members or of proxies entitled to cast thirty percent (30%) of all the eligible votes shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement and the required quorum as the subsequent meetings shall be one-half (½) 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 7.6. UNIFORM RATE OF ASSESSMENT. Both Annual and Special Assessments must be fixed at a uniform rate; provided, however, Lots which are owned by a Builder, as defined herein, shall be assessed at the rate of one-half (½) of any Annual Assessment or Special Assessment currently assessed. Provided further, notwithstanding anything contained in the Declaration to the contrary, Lots owned by Declarant are exempt from the payment of Annual and Special Assessments until the Class B membership has converted to Class A membership as provided in Section 3.5.

SECTION 7.7. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENTS. The Annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot to an Owner other than Declarant. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors.

SECTION 7.8. REIMBURSEMENT ASSESSMENTS. The Board of Directors, subject to the provisions hereof, may levy a Reimbursement Assessment against any Member if the failure of the Member or the Member's family, guests, or tenants to comply with this Declaration, the Articles of Incorporation, the Bylaws, Architectural Guidelines, or the Rules and Regulations shall have resulted in the expenditure of funds or the determination that funds will be expended by the Association to cause such compliance. The term Reimbursement Assessment shall also include any fines levied by the Association. The amount of the Reimbursement Assessment shall be due and payable to the Association ten (10) days after notice to the Member of the decision of the Board of Directors that the Reimbursement Assessment is owed.

SECTION 7.9. ESTOPPEL CERTIFICATES. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Managing Agent of the

Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

SECTION 7.10. ATtribution OF PAYMENTS. If any Owner's payment of an Assessment payment is less than the amount assessed and the payment does not specify whether it should be applied against a Common Assessment, Special Assessment, or Reimbursement Assessment, the payment received by the Association from the Owner shall be credited in the following order of priority: (a) Reimbursement Assessment until the Reimbursement Assessment has been satisfied; (b) Special Assessment until the Special Assessment has been satisfied; and (c) Annual Assessment until the Annual Assessment has been satisfied. In each of the foregoing cases, payments received shall be credited first to interest, attorney's fees, and other costs of collection, and next to principal reduction, satisfying the oldest obligations first, followed by more current obligations, in accordance with the foregoing order of priority.

SECTION 7.11. EFFECT OF NONPAYMENT OF ASSESSMENTS. Any assessments not paid within thirty (30) days after the due date shall be delinquent and shall be subject to the following:

- (a) late charges, interest at the rate of eighteen percent (18%) per annum from the due date, and all costs of collection, including reasonable attorney's fees; and
- (b) all rights of the Owner as a Member of the Association shall be automatically suspended until all Assessments and related costs are paid in full, including usage of the Common Area, and during such suspension, such Owner shall not be entitled to vote upon any matters coming before the membership. 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/her Lot.

The Association may bring an action at law against the Owner personally obligated to pay same or foreclose the Association's lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale, and each Owner expressly grants to the Association a power of sale in connection with the non-judicial foreclosure of the Association's lien and the right to appoint trustees to exercise said power of sale. Non-judicial foreclosure shall be conducted by notice and posting of sale in accordance with the then applicable laws of the State of Texas; and the Board of Directors of the Association is expressly empowered hereby to designate a trustee in writing from time to time to post or cause to be posted any required notices and to conduct any such non-judicial foreclosure sale. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale, and to acquire, hold, lease, mortgage, or convey the same.

SECTION 7.12. NO OFFSETS. The Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration or claim by the Owner of non-use of the Common Area or abandonment of his/her Lot or claim by the Owner of inconvenience or discomfort arising from the making of repairs or Improvements to Common Area or from any action taken to comply with any law or any determination of the Board of Directors or for any other reason.

SECTION 7.13. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the Assessments provided for herein shall be subordinate to the liens of any Mortgagee. Sale or transfer of any Lot shall not affect the lien of the Assessment; however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of the Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such

Lot from liability for the Assessments thereafter becoming due or from the lien thereof.

SECTION 7.14. **REIMBURSEMENT OF DECLARANT.** Recognizing that the initial cost of administration and maintenance of the Common Area and the Association may have to be subsidized by Declarant, the Directors (whether the Directors are same as the Declarant, his/her agents, servants, or employees and without being liable for any claim made by any Member of the Association that the Directors' fiduciary duty to the other Members of the Association has been breached due to a conflict of interest) may execute promissory notes and/or other instruments evidencing any debt the Association owes the Declarant for monies expended by the Declarant or loaned to the Association by Declarant for and on behalf of the Association.

ARTICLE VIII **EASEMENTS AND UTILITIES**

SECTION 8.1. **TITLE TO UTILITY LINES.** The title conveyed to any Lot within the Subdivision shall be subject to any easement affecting same for utility or other purposes and shall not be held or construed to include the title to the water, gas, electricity, telephone, cable television, security, storm sewer, or sanitary sewer lines, poles, pipes, conduits, or other appurtenances or facilities constructed by the Declarant, the Association, or public or private utility companies upon, under, along, across, or through such utility easements; and the right (but no obligation) to construct, maintain, repair, and operate such systems, utilities, appurtenances, and facilities is reserved to the Declarant or the Association and their successors and assigns. The Owners of the respective Lots shall not be deemed separately to own pipes, wires, conduits, or other service lines running through their property that are used for or serve other Lots, but each Owner shall have an easement for such use of the aforesaid facilities as shall be necessary for the use, maintenance, and enjoyment of his/her Lot.

SECTION 8.2. **ASSOCIATION EASEMENTS.** The Association, its agents, servants, and employees shall have all other such easements as specifically referenced throughout this Declaration.

ARTICLE IX **ELECTRICAL SERVICE**

SECTION 9.1. **UNDERGROUND ELECTRICAL DISTRIBUTION.** An underground electrical distribution system has been installed within the Subdivision which will be designated an Underground Residential Subdivision (the "URS") and which underground service area shall serve all Lots in the Subdivision. The Owner of each Lot in the URS shall, at his own costs, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of the electric company's metering on the customer's structure to the point of attachment at such company's installed transformer or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated 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 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 URS, the electric service to each Lot there shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle alternating current.

Easements for the underground service may be crossed by driveways and walkways provided that the Builder or Owner makes prior arrangements with the utility company furnishing electric service and provides and installs the necessary electric conduit of approved type and size under such

driveway or walkway prior to construction thereof. Such easement for the underground service shall be kept clear of all other improvements including buildings, patios, or other paving, and neither Builder nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants, to shrubbery, trees, or improvements (other than crossing driveways or walkways provided the conduit has been installed as outlined above) of the Owner and located on the land covered by said easement.

ARTICLE X **INSURANCE**

SECTION 10.1. GENERAL PROVISIONS. The Board shall have the authority to determine whether or not to obtain insurance for the Association and upon the Common Area, if any, and if insurance is obtained, the amounts thereof. In the event that insurance is obtained, the premiums for such insurance shall be an expense of the Association, which shall be paid out of the Maintenance Fund.

SECTION 10.2. INDIVIDUAL INSURANCE. Each Owner shall be responsible for insuring his/her Lot and his/her Dwelling Units, its contents and furnishings. Each Owner, at his/her own cost and expense, shall be responsible for insuring against the liability of such Owner.

ARTICLE XI **AMENDMENT TO DECLARATION AND DURATION OF RESTRICTIONS**

SECTION 11.1. AMENDMENT BY OWNERS. The terms of this Declaration may be amended at any time by an instrument signed by those Owners owning at least two-thirds ($\frac{2}{3}$) of the Lots within the Subdivision. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Official Public Records of Real Property of Harris County, Texas. Prior to the Election Date, any amendments to the Declaration by Owners must be approved in writing by the Declarant, which written approval must be filed of record with the amendment of the Declaration.

SECTION 11.2. AMENDMENT BY DECLARANT. Declarant shall have and reserves the right at any time and from time to time before the Election Date, without the consent of other Owners or the representatives of any mortgagee to amend this Declaration for the purpose of: (a) securing to the Owners the benefits from technological advances, such as security, communications, or energy-related devices or equipment that did not exist or were not in common use in similar subdivisions at the time this Declaration was adopted; (b) prohibiting the use of any device or apparatus developed or available for use following the date of this Declaration, if the use of such device or apparatus would adversely affect the Association or the Subdivision or would adversely affect the property values within the Subdivision; or (c) clarifying or resolving any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors, or omissions herein; provided, however, that no such amendment shall change the voting rights of the Declarant or other Members, annexation rights of Declarant, any Owner's proportionate share of Assessments, or the property description of any Owner and such Owner's mortgagee who do not join in the execution of such correction instrument. Any such amendment shall become effective upon the recordation of a written instrument setting forth such amendment in the Official Public Records of Real Property of Harris County, Texas.

SECTION 11.3. DURATION. This Declaration shall remain in full force and effect until January 1, 2021, and shall be extended automatically thereafter for successive ten (10) year periods; provided however, that this Declaration may be amended at any time, as set forth in Sections 11.1. and 11.2.

ARTICLE XII
MISCELLANEOUS

SECTION 12.1. SEVERABILITY. In the event of the invalidity or partial invalidity or partial unenforceability of any provision in this Declaration, the remainder of the Declaration shall remain in full force and effect.

SECTION 12.2. NUMBER AND GENDER. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities and associations of every kind and character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

SECTION 12.3. DELAY IN ENFORCEMENT. No delay in enforcing the provisions of this Declaration with respect 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.

SECTION 12.4. ENFORCEABILITY. This Declaration shall run with the Subdivision and shall be binding upon and inure to the benefit of and be enforceable by the Association and each Owner of a Lot in the Subdivision, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. In the event any action to enforce this Declaration is initiated against an Owner or occupant of a Lot by the Association, the Association or other Owner, as the case may be, shall be entitled to recover reasonable attorney's fees from the Owner or occupant of a Lot who violated this Declaration.

SECTION 12.5. REMEDIES. In the event any Person shall violate or attempt to violate any of the provisions of the Declaration, the Association, each Owner of a Lot within the Subdivision, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation. Provided, however, prior to any enforcement action authorized by this Declaration, the Association must comply with any and all applicable statutes of the State of Texas including Chapter 209 of the Texas Property Code or any successor statute.

SECTION 12.6. RIGHT OF ENTRY; ENFORCEMENT BY SELF HELP. The Association shall have the right, in addition to and not in limitation of all the rights it may have under this Declaration, to enter upon any Lot, including any Improvements located thereon, for emergency, maintenance, or repair which right may be exercised by the Association's Board, officers, agents, employees, managers, and all police officers, firefighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after no less than ten (10) days notice to the Owner or occupant of the Lot or Improvements. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon any Improvements or any portion of a Lot to abate or remove, using such force as reasonably may be necessary, any Improvement to Property, other structure, or thing or condition that violates this Declaration, the Bylaws, the Rules and Regulations, or any use restrictions. Unless an emergency situation exists, such self-help shall be preceded by not less than ten (10) days written notice. All costs of self-help, including reasonable attorney's fees actually incurred, should be assessed against the violating Owner and shall be collected as provided for herein for the collection of the Assessments. All such entries shall be made with as little inconvenience to the Owner as is practicable in the judgment of the Association and any damages caused thereby (as distinguished from repairs with respect to which the Association is entitled to a Reimbursement Assessment) shall be borne by the Maintenance Fund of the Association.

SECTION 12.7. VIOLATIONS OF LAW. Any violation of any federal, state, municipal, or local law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Subdivision hereby is declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

SECTION 12.8. REMEDIES CUMULATIVE. Each remedy provided under this Declaration is cumulative and not exclusive.

SECTION 12.9. NO REPRESENTATIONS OR WARRANTIES. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Subdivision, or any improvement thereon, its or their physical condition, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes, or regulation thereof, unless and except as specifically shall be set forth in writing or incapable of being waived by law.

SECTION 12.10. VACATING OF PLAT OR CORRECTION OF PLAT BY DECLARANT AND OWNERS. No provision of this Declaration shall preclude the Declarant or Owners of Lots in the Subdivision from vacating a plat or filing a replat to correct any error in the original platting or replatting of such Lots in the Subdivision, or from otherwise recording a partial replat, provided that such vacating or replatting is done in accordance with applicable Texas statutes.

SECTION 12.11. LIMITATION ON LIABILITY. NEITHER THE ASSOCIATION, THE BOARD, THE ARCHITECTURAL REVIEW COMMITTEE, DECLARANT, OR ANY OFFICER, AGENT, OR EMPLOYEE OF ANY OF THE SAME ACTING WITHIN THE SCOPE OF THEIR RESPECTIVE DUTIES DESCRIBED IN THIS DECLARATION SHALL BE LIABLE TO ANY PERSON FOR ANY REASON OR FOR ANY FAILURE TO ACT IF THE ACTION OR FAILURE TO ACT WAS IN GOOD FAITH AND WITHOUT MALICE.

SECTION 12.12. CAPTIONS FOR CONVENIENCE. The titles, headings, captions, article and section numbers used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration. Unless the context otherwise requires, references herein to articles and sections are to articles and 78 of this Declaration.

SECTION 12.13. GOVERNING LAW. This Declaration shall be construed and governed under the laws of the State of Texas.

ARTICLE XIII **PROPERTY RIGHTS IN COMMON AREA**

SECTION 13.1. CONVEYANCES TO THE ASSOCIATION. Although Declarant may retain the legal title to easements or fee simple parcels designated as Common Area, or portions thereof, until Declarant conveys legal title to the last Lot in the Subdivision, Declarant, at any time after the date hereof, may convey legal title to all or a portion of such Common Area to the Association. The Association shall be obligated to accept title to, operate and maintain the Common Area conveyed to the Association as elsewhere provided in this Declaration. Declarant hereby covenants that the Common Area or portions thereof that it may convey to the Association shall be free and clear of all liens and encumbrances (other than the lien for property taxes and Assessments not then due and payable) but such conveyance shall be subject to the terms of the Declaration and easements, covenants, conditions, restrictions and equitable servitudes, or other encumbrances of record as of the date hereof or hereafter placed of record that do not materially adversely affect the use and enjoyment of the Common Area by the Association or Owners.

SECTION 13.2. RIGHTS OF MEMBERS. Every Member of the Association and the Declarant shall have a beneficial interest of nonexclusive use and enjoyment in and to the Common Area and such interest 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 publish Rules and Regulations governing the use of the Common Area and to establish penalties for infractions thereof;
- (b) The right of the Association to enter into and execute contracts with any party (including, without limitation, Declarant or its affiliates) for the purpose of providing maintenance or other materials or services consistent with the purposes of the Association and this Declaration.

**ARTICLE XIV
ANNEXATION OF ADDITIONAL LAND**

SECTION 14.1. ADDITIONAL LAND. Prior to the Election Date, additional residential property and Common Area outside of the Subdivision that are adjacent to or in the proximity of the Subdivision (at any time and from time to time) may be annexed by the Declarant into the Subdivision, without the consent of the Owners or any other parties; provided, however, that such additional property is made subject to similar terms and conditions as set forth in this Declaration and that such annexed property is impressed with and subject to at least the Assessments imposed pursuant to this Declaration. Such additional property may be annexed into this Subdivision by a written instrument executed by the Declarant and recorded in the Official Public Records of Real Property of Harris County, Texas.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed the foregoing instrument on this 20 day of JANUARY, 2005.

**2920 VENTURE, LTD.,
A TEXAS LIMITED PARTNERSHIP**

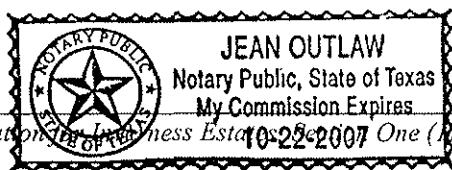
By: GAC Management Co., Ltd.,
General Partner
By: GA Companies, LLC,
General Partner

By: 
Israel Fogiel, President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Before me, a notary public, on this day personally appeared Israel Fogiel, known to me to be the person whose name is subscribed to the foregoing instrument and, being by me first duly sworn and declared that he executed same in the capacity and consideration therein expressed.

Given under my hand and seal of office this the 20th day of January, 2005.




NOTARY PUBLIC - STATE OF TEXAS

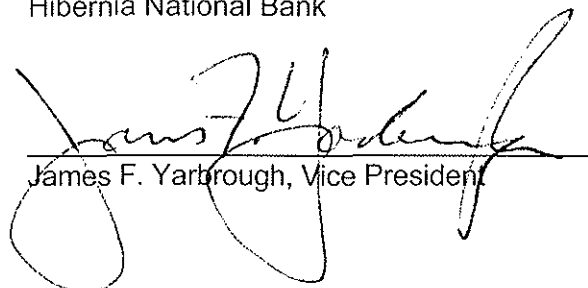
CONSENT OF LIENHOLDER

The undersigned, being a lienholder against Inverness Estates, Section One (1) and Inverness Estates Section Two (2), does hereby consent and agree to the foregoing "Declaration of Covenants, Conditions, Restrictions and Easements of Inverness Estates, Section One and Inverness Estates Section Two, a Harris County Subdivision" to which this instrument is attached.

Hibernia National Bank

1/21/05
Date

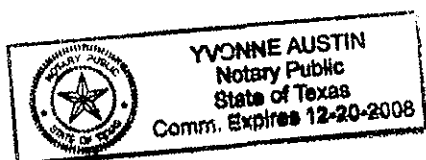
By:


James F. Yarbrough, Vice President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this day personally appeared James F. Yarbrough, Vice President of Hibernia National Bank known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purpose and consideration therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 21 day of Jan, 2005, to certify which witness my hand and official seal.



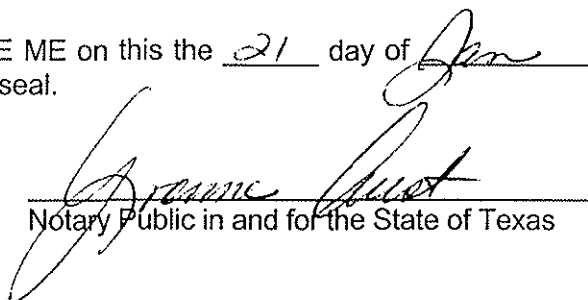

Notary Public in and for the State of Texas

EXHIBIT "A"

INVERNESS ESTATES PROPERTY OWNERS ASSOCIATION LAKE-USE RULES & REGULATIONS

1. Use of the Lakes & Detention Ponds

All owners, members and occupants in good standing of the Association and their guests, subject to the Lake-Use Rules & Regulations shall be allowed access to and the usage of the lakes and detention ponds. Access to and use of these waters shall be for recreational purposes only. No person who is not a member in good standing or a guest of a member not in good standing of the Association shall be allowed access or use of these waters. The lakes and detention ponds are private impoundments for the use and enjoyment of members in good standing with the Association and trespassers shall be prohibited to use these waters and are subject to removal and prosecution.

2. Special Events

Should a member of the Association wish to utilize any of the lakes or ponds for a special event, the Association shall require that a usage and release of liability agreement be executed based on the proposed use. Any use of these waters for special events is subject to prior written approval of the Board of Directors.

3. Boating

No boats, canoes, rafts or other waterborne craft shall be propelled by means of an internal combustion engine(s), either inboard or outboard. All permitted watercraft shall be approved by the Association and shall display an Association decal. All permitted watercraft may be used between the hours of 6:00 a.m. and 10:00 p.m. Exception: Use of an outboard motor shall be allowed for lake maintenance only.

4. Swimming

Swimming or any activity that may cause a member or guest to be in the water is strictly prohibited. This includes but is not limited to swimming, wading, scuba diving, snorkeling, tubing, windsurfing, etc.

5. Diving, Climbing & Jumping

Diving, climbing and jumping on, from or into the lakes, ponds, bulkheads, docks, waterfalls, etc. is strictly prohibited.

6. Fishing

Members in good standing and their guests are permitted to fish in the lakes and ponds or from the shoreline. Use of the following fishing techniques is not allowed:

- a) Trotlines
- b) Throwlines
- c) Juglines
- d) Nets
- e) Traps
- f) Yo-Yo's

Taking of fish from the waters of the Association shall be prohibited if a catch and release policy is in effect. No member shall stock, release or introduce any type of fish or animals into the waters of the Association. No fish feeders of any type are allowed to be installed near or discharge into the water unless performed by the Association. If harvesting is allowed, harvest sizes and bag (creel) limits will be set forth by the Association and posted. The Association reserves the right to amend these rules as they deem necessary.

7. Hunting

Hunting is not allowed and the possession of any type of firearms is strictly prohibited. This includes but is not limited to BB guns, pellet guns, bows and arrows, etc.

8. Bulkhead

The bulkhead is not a support structure and no dock, pier or other structure shall be placed on top of, directly in front of or next to or directly in back of or next to the bulkhead. Repairs to the bulkhead shall be the sole responsibility of the Inverness Estates Property Owners Association. Damage to the bulkhead, caused by a member or their guest(s), shall be the responsibility of that member and must be repaired immediately. However, any repairs must be approved by the Association.

9. Piers & Docks

Piers, docks, decks, ramps, etc. are not permitted.

10. Landscaping

All trees, shrubs or other vegetation shall be maintained in such a manner as not to obstruct passage on the water or make passage hazardous. No trees or other deep-rooted vegetation may be planted within ten (10) feet from the bulkhead or edge of the water. Willow trees are discouraged but, if introduced, shall not be planted within twenty-five (25) feet from the bulkhead or edge of the water. Any trees, shrubs or other vegetation shall be kept trimmed so as not to overhang the water. It should be noted that some chemicals are used, from time to time, during maintenance of the waters, to control aquatic vegetation and any damage to member's trees, shrubs or other vegetation is the sole responsibility of the member. No member shall introduce any type of vegetation into any waters of the Association.

11. Pumps

No manual, electric, solar, gas or motorized pumps nor any device used to extract water from the lakes and ponds will be allowed for the private use of the members such as irrigation, cleaning, swimming pools, jacuzzis, spas, hot tubs, air conditioning/heating, etc.

12. Waterfowl

Members are not permitted to manipulate the number of waterfowl by introduction, harvesting, extraction or breeding. The Association reserves the right to remove, dispose of or destroy any waterfowl it feels is necessary whether or not such waterfowl belongs to or was purchased by a member without liability to any member.

13. Fertilizers & Chemicals

Fertilizers, pesticides, herbicides, insecticides or other chemicals shall not be permitted within ten (10) feet of the bulkhead or edge of the water. Members and groundskeepers shall be expected to mow around the water in a manner as to minimize the discharging of clippings into the water. Tree limbs or other structures shall not be placed in the water for the use of fishing or any purpose unless deemed necessary by the Association.

14. Swimming Pools

Members who have swimming pools are not permitted to discharge or drain pool water directly into the lakes and ponds. French drains, flower beds, hot tubs, spas, jacuzzis, air conditioning/heating, etc. are also prohibited from draining or discharging directly into these waters.

15. Garbage Disposal

Trash, garbage, refuse or other waste or pollutants of any kind shall not be disposed of in or near the waters of the Association.

16. Pets

Members and their guests shall not bring animals or pets to the lakes and ponds except for dogs and cats restrained by leash. No animals whatsoever shall be permitted in a watercraft or in the water. Members are required to remove their pet's debris from the lake or pond area immediately.

17. Nuisances

No noxious or offensive behavior or activity shall be permitted in or around the lakes and ponds, nor shall anything be done that may be or become an annoyance to other persons as determined by the Association. Any actions not specifically mentioned in these Lake-Use Rules & Regulations but which is deemed, by the Association, to be noxious, offensive, annoying, injurious or hazardous shall be prohibited.

18. Enforcement

All members and their guests shall abide by these rules and regulations and shall assist the Association in their enforcement. The Board of Directors, at its discretion, may delegate the power to interpret and the duty to enforce these rules and regulations to a duly appointed committee. This includes but is not limited to the right to determine a member's privilege to use the waters of the Association for a determinable period of time as well as to levy fines.

19. Safety

The safety and well-being of the members and their guests is the primary goal of the Association. The lakes and ponds have been designed, constructed and maintained to provide as much safety as reasonably can be expected. However, all members and their guests should recognize that there are associated risks inherent with all lakes and ponds, whether natural or man-made, and these risks are the sole liability of the members and their guests.

20. Indemnification

Every member does hereby agree to defend, indemnify and hold harmless the Association and it's Board of Directors from and against any such claim for injury or damage to the member, his property, tenants, employees, agents, customers or guests whether the injury or damage results or is claimed to have resulted from any negligence of the Association or it's Board of Directors.

Below is a list of safety rules to be followed by all members and their guests:

- 1) No watercraft shall be left unattended in the water at any time.
- 2) No watercraft shall be stored in the water.
- 3) Children under the age of thirteen (13) and non-swimmers must wear a U.S. Coast Guard approved life jacket while in any watercraft.
- 4) All children under the age of sixteen (16) shall be accompanied by an adult or guardian while in any watercraft.
- 5) Intoxicated persons and consumption or possession of any alcoholic beverage while in a watercraft is strictly prohibited.
- 6) Use of glass containers near the water or while in the watercraft is prohibited.
- 7) All guests or non-members must be accompanied by a member in good standing while in or near the waters of the Association.
- 8) Feeding and interaction with wildlife and/or waterfowl is prohibited.
- 9) Care should be exercised when removing a fish from a hook. It is recommended that all hooks be barbless to facilitate the catch and release policy.
- 10) Any person witnessing any concerning action or discovery of any concerning situation should immediately notify the Association or it's Board of Directors.

This is by no means an exhaustive list of safety rules and any person should exercise caution and common sense when a question arises regarding safety issues of the Association's lakes, ponds and waterways.

21. Modifications

These Lake-Use Rules & Regulations may be amended from time to time by the Board of Directors of the Association. Amendments shall be made available to all members in a manner determined by the Board of Directors.

AFTER RECORDING, RETURN TO:
Inverness Estates Property Owners Association, Inc.
8000 IH-10 West, Suite 700
San Antonio, TX 78230

Hold [unclear] [unclear]

FILED
05 JAN 26 AM 11:30
[Signature]
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 on

JAN 26 2005



Barclay B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS