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AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
INWOOD FOREST TOWNHOMES

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

THIS AMENDMENT to the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for INWOOD FOREST TOWNHOMES, made on the date hereinafter set forth by UNITED SAVINGS ASSOCIATION OF TEXAS (formerly SOUTHWESTERN SAVINGS ASSOCIATION), which owns 100% of the lots in that certain property known as INWOOD FOREST TOWNHOMES,

W I T N E S S E T H

WHEREAS, UNITED SAVINGS ASSOCIATION OF TEXAS owns 100% of the lots in that certain 1.9835 acre tract of land known as Inwood Forest Townhomes , a subdivision out of the Samuel Leeper Survey, Abstract 522, Harris County, Texas, according to the map or plat thereof recorded in Volume 150 at Page 40MR of the Map Records of Harris County, Texas; and

WHEREAS, the original Declaration of Covenants, Conditions, and Restrictions for Inwood Forest Townhomes and filed in Microfilm File 121-17-2449 , of the Deed Records of Harris County, Texas, on June 6, 1975, and

WHEREAS, in accordance with Article X, Section 3 of said original Declaration of Covenants, Conditions and Restrictions for Inwood Forest Townhomes, the Members of Inwood Forest Townhomes Association owning 100% of the lots in the Inwood Forest Townhomes subdivision wishes to amend said original Declaration of Covenants, Conditions, and Restrictions for Inwood Forest Townhomes;

NOW THEREFORE, UNITED SAVINGS ASSOCIATION OF TEXAS hereby amends said original Declaration of Covenants, Conditions and Restrictions for Inwood Forest Townhomes to read as follows:

RESERVATIONS, RESTRICTIONS AND EASEMENTS

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

WHEREAS, UNITED SAVINGS ASSOCIATION OF TEXAS, a Texas Corporation, (said Company, along with its successors and assigns, including but not limited to any person or entity who succeeds to said company's rights by foreclosure or deed in lien of foreclosure, being hereinafter referred to as the "Developer") is the owner of that certain 1.9835 acre tract of land known as "Inwood Forest Townhomes", a subdivision out of the Samuel Leeper Survey, Abstract 522, Harris County, Texas (which land is hereinafter referred to as the "Property"), according to the map or plat thereof recorded in Volume 150 at Page 40MR of the Map Records of Harris County, Texas (hereinafter, as same may be from time to time replatted, referred to as the "Plat");and which is described by metes and bounds as follows:

Block 1

BEGINNING at a Southwest corner of a 1.48976 acre tract, being the point of intersection of the East ROW line of Antoine Drive and the North ROW line of Maple Hill Drive;

THENCE, North 10 deg. 21' 14" West, 153.69 feet along the East ROW line of Antoine Drive to point for corner;

THENCE, North 79 deg. 38' 46" East, 145.00 feet to point for corner;

THENCE, South 89 deg. 58' 46" East, 91.332 feet to point for corner;

THENCE, South 10 deg. 21' 14" East, 69.793 feet to point for corner;

THENCE, South 89 deg. 53' 46" East, 27.00 feet to point for corner;

THENCE; South 00 deg. 06' 14" West, 25.00 feet to point for corner;

THENCE, South 89 deg. 53' 46" East, 172.903 feet to point for corner;

THENCE, South 00 deg. 06' 14" West, 120.50 feet to the North ROW line of Maple Hill Drive and point for corner;

THENCE, North 89 deg. 53' 46" West, 102.08 feet along the North ROW line of Maple Hill Drive to the P.T. of a curve and point for corner;

THENCE, along the North ROW line of said Maple Hill Drive and the arc of said curve to the P.C. of said curve, this curve having an arc distance of 56.549 feet, a radius of 270.00 feet, and a chord distance of 56.445 feet and a chord bearing of North 83 deg. 53'46" West to a point for corner;

THENCE, North 77 deg. 53' 46" West, 116.874 feet along the North ROW line of said Maple Hill Drive to the P.T. of a curve and point for corner;

THENCE, along the North ROW line of said Maple Hill Drive and the arc of said curve to the P.C. of said curve, this curve having an arc distance of 117.589 feet, a radius of 300 feet, and a chord distance of 116.837 feet and a chord bearing of North 89 deg. 07' 30" West to a point for corner;

THENCE, South 79 deg. 38' 46" West, 17.883 feet along the North ROW line of Maple Hill Drive to a point for corner;

THENCE, North 55 deg. 21' 14" West, 14.142 feet along the North ROW line of Maple Hill Drive to the PLACE OF BEGINNING, containing 1.48976 acres of land, more or less, and:

Block 2

BEGINNING at a Northwest corner of a 0.49496 acre tract, being the point of intersection of the East ROW line of Antoine Drive and the South ROW line of Maple Hill Drive;

THENCE, North 34 deg. 38' 46" East, 14.142 feet along the South ROW line of Maple Hill Drive to point for corner;

THENCE, North 79 deg. 38' 46" East, 54.357 feet along the South ROW line of Maple Hill Drive to the P.T. of a curve and a point for corner;

THENCE, along the South ROW line of said Maple Hill Drive and the arc of said curve to the P.C. of said curve, this curve having an arc distance of 114.892 feet, a radius of 300.00 feet and a chord distance of 114.14 feet and a chord bearing of South 89 deg. 07' 30" East to a point for corner;

THENCE, South 10 deg. 21' 14" East, 105.268 feet to a point for corner;

THENCE, South 79 deg. 38' 46" West, 176.460 feet to the East ROW line of Antoine Drive and a point for corner;

THENCE, North 10 deg. 21' 14" West, 117.00 feet along the East ROW line of Antoine Drive to the PLACE OF BEGINNING, containing 0.49496 acres, more or less. The combined acreage of Blocks 1 and 2 being 1.98472 acres, more or less.

WHEREAS, Developer has divided certain portions of the Property into lots (hereinafter referred to individually as a "Townhome Site" and collectively as the "Townhome Sites") as reflected on the Plat and has constructed townhome improvements to same (hereinafter, along with the Townhome Site attributable thereto, referred to individually as a "Townhome" and collectively as the "Townhomes") and proposes to sell or rent same for residential site purposes; and

WHEREAS, the Developer desires to establish a uniform plan to develop the Property for the mutual benefit and pleasure of the future owners of Townhomes therein (hereinafter referred to, along with the Developer to the extent that it owns Townhome Sites or Townhomes, individually as a "Owner" and collectively as the "Owners"), and to protect the property values therein by imposing upon each Townhome, each Townhome Site and the entire Property the matters hereinafter set forth;

NOW, THEREFORE, for itself and for the future Owners, Developer does hereby make adopt and establish, in addition to those matters set forth on or otherwise resulting from the Plat and the recordation thereof, the reservations, restrictions, declarations, conditions, easements, limitations, charges, liens, covenants and other matters hereinafter set forth, each of which shall be applicable to the Townhome Sites and Townhomes individually and to the Property in its entirety, and binding personally upon the Owners thereof.

ARTICLE 1 - ARCHITECTURAL CONTROL

1.01. Developer hereby appoints INWOOD FOREST TOWNHOMES ASSOCIATION, INC., a Texas non-profit corporation (said company, along with its successors, representatives and assigns, being hereinafter referred to as the " Association") to perform, in addition to all its other responsibilities and duties, and function of architectural control for the Property, upon the terms set forth hereinbelow.

1.02. No person shall commence, or permit or cause the commencement of (a) the destruction (in whole or in part) of any Townhome or the construction, erection or replacement of any other

or additional improvement or structure, permanent or temporary, or a change (structural or non-structural) on a Townhouse Site or within a Townhouse, (b) the painting or exterior decorating of same, (c) the placing in any Townhouse window or on any Townhouse wall or roof of any item, temporary or permanent, visible from the outside of such Townhouse, (d) the penetrating of any interior Townhouse wall which abutts the Townhouse wall of any other Townhouse with any material or device other than small brackets to be used solely for the hanging of pictures, mirrors and other wall decorations and which do not adversely impair the sound insulation features of the interior walls or the air space between or (e) the planting, rearrangement or alteration of any trees, shrubs, bushes, hedges,flowerbeds or any other type of garden or decorative vegetation on a Townhouse Site (other than in interior patio areas) or elsewhere on the Property (any of the above items (a) - (e) being hereinafter referred to individually as an "Alteration") until all plans, specifications and drawings therefor or other description thereof as may reasonably be required by the Association, including construction plans, landscaping plans and plot plans showing the exact location and size of such Alteration, shall have been submitted to the Association and written approval thereof shall first have been obtained thereform; provided, however, that (i) if the Association should fail to approve or disapprove any proposed Alteration within thirty (30) days after the requisite approval documentation therefor is submitted to it for approval, approval shall have been deemed given, (ii) no proposed Alteration shall be approved by the Association if the Association shall find that the proposed Alteration would be disharmonious with the overall appearance and quality, including specifically the design, color, workmanship and materials, of the other Townhouses or would otherwise impair the safety or the market value of any other Townhouse or portion of the property and (iii) nothing contained in or inferable from the above shall be construed to impose any obligation on the Association to approve any proposed Alteration and the Association may, at its election, refuse to permit same, permit same to be performed by the Owner or permit same but only if performed by or at the direction of the Association.

ARTICLE 2 - GENERAL CONSTRUCTION RESTRICTIONS

2.01. Each and every Alteration shall be a necessary or resonable incident to the Townhouse of which it is a part.

2.02. No Owner shall be permitted to construct or place, or to allow to remain, any Alteration which in any manner encroaches or overlaps across his Townhouse Site lot line; provided, however, that it is contemplated that various Townhouses and appurtenances thereto, as originally built by the Developer, will overlap, and a result of shifting, settlement, movement, repairs or reconstruction may overlap, a Townhouse Site line and encroach over only an adjacent Townhouse Site or the Common Open Area and therefore there shall be excluded from the foregoing prohibition, and neither the Developer nor any subsequent encroaching Owner shall have any liability because of any and all encroachments and overlaps to the extent that they were due to any of the aforesaid causes; provided, however, that in the case of repair or reconstruction, no encroachment shall be permitted to any greater extent than existed in the Townhouse as originally built by the Developer. Accordingly, upon or after each conveyance by the Developer of a Townhouse which encroaches upon, or if encroached upon by an adjacent Townhouse, an easement therefor shall be automatically created to the extent of (but only to the extent of) such encroachment as contemplated in the precedin sentence, which easement shall run with the title to and shall be in favor of, and binding upon, the encroaching Townhouse and the encroached Townhouse, respectively. In addition, no Owner

whose Townhouse Site is encroached upon by an encroachment permitted hereunder shall, to any extent, have any dominion over, or the right to deny the encroaching Owner, and his contractors, sub-contractors and repairman to access to or the right to enjoy, any permitted encroachment.

2.03 No Owner shall permit either prior to, during or after completion of construction of any Alteration any structure of a temporary character, including but not limited to a trailer, tent, shack or outbuilding of any character, to be placed on his Town-house Site or elsewhere on the Property.

2.04. The Developer hereby reserves unto itself, its successors and assigns, the right to permit any Owner or Owners of two or more contiguous Townhouse Sites, or portions thereof, to consolidate such Townhouse Sites or portions thereof into one Townhouse Site with the privilege of placing or constructing Alterations consistent with these restrictions on such resulting Townhouse Site.

ARTICLE 3 - GENERAL USE RESTRICTIONS

3.01. No Townhouse Site or any Townhouse constructed thereon may be used for any purpose other than as a private, single family residence.

3.02. No Owner shall conduct or permit the conduct of any commercial or noxious or offensive activity whatsoever upon or within his Townhouse or elsewhere upon the Property, nor shall he permit anything to be done on or within his Townhouse or elsewhere on the Property which is or may be an annoyance or nuisance to other Owners, their families or guests.

3.03. No Owner shall use or permit the use of Townhouse or any other portion of the Property to raise, breed or keep any animals, reptiles or fowl of any kind; provided, however, that (a) dogs, domestic cats and other usual household pets may be kept by an Owner in his Townhouse if the purpose thereof is not commercial and their presence does not constitute a nuisance to other Owners and (b) no Owner shall keep any pet which the Association, in its sole discretion, considers to be dangerous to or disruptive of the enjoyment of any portion of the Property by, other Owners, their families or guests. All pets which may be kept in compliance herewith shall, at all times, be kept either within the confines of the Owner's Townhouse Site or, if beyond such confines of the Owner's Property, on leash or in a cage.

3.04. No Owner shall use or permit the use of his Townhouse or any other protion of the Property as a dumping ground for rubbish, trash, garbage or any other waste material. All Owners shall place their rubbish, trash, garbage and waste materials in sanitary, tightly closed, containers located (a) on days when no garbage pickup is scheduled, within the property lines of their Townhouse Site and (b) on days when garbage pickup is scheduled, at a site within the garage or carport assigned to each Owner's Townhouse.

3.05. No Owner shall use or discharge or permit the use or discharge on or from his Townhouse or elsewhere on the Property, for hunting or sport purposes, any pistol, rifle, shotgun or any other firearm, or any bow and arrow, or any other device capable of killing or injuring.

3.06. Each Owner shall keep the foundation, glass, floors, interior Townhouse walls, exterior Townhouse walls that do not

face streets or the Common Open ARea, utility systems, interior, patio area and patio walls of his Townhouse in a high state of maintenance, repair and appearance. If any Owner should allow his residence to deteriorate or otherwise reach a state of disrepair so that same has become, in the judgment of the Association, unsightly or otherwise a detriment to the Property, the Association may give written notice to such Owner specifying the nature of such deterioration or disrepair. If, within thirty (30) days after the giving of such notice, the Owner has not remedied the situation to the complete satisfaction of the Association, the Association shall thereafter be entitled (but shall not be obligated), without further notice to or consent from such Owner, to enter upon his Townhouse and perform all reasonably necessary work therein or theron, the cost of which shall (a) be borne entirel by such Owner in addition to his Maintenance Charge (as that term is defined in Section 5.01 hereinbelow), (b) be due and payable to the Association upon demand, (c) accrue interest at the rate of 9½% per annum until paid and (d) be secured by the Maintenance Charge Lien (as that term is defined in Section 5.03 hereinbelow). If any Owner, either willfully or negligently, causes any damage to any improvement situated with the Property, the Association may make all expenditures necessary to repair, replace or remove same, the cost of which shall be borne solely by the Owner causing same and shall be subject to the provisions of subparagraph (a) through (d) hereinabove. In addition, at any time or times as the Association may elect, the Association may repaint the exterior of any or all Townhouses at the color of its selection, regardless of whether same are, at that time, in disrepair.

3.07. No Owner shall place or permit to be placed any sign, billboard, poster or advertising device of any character on his Townhouse or elsewhere upon the Property, without the prior written consent of the Association. The Developer, however, shall have the right to construct and maintain, or cause to be constructe and maintained, such sign, billboards, posters and advertising devices as it deems appropriate in connection with the sale or rental of Townhouses.

3.08. No Owner shall build or permit to be built any open fires in his Townhouse or elsewhere on the Property; provided, however, that this Section 3.08 shall not be construed as precluding the use by any Owner of his interior fireplace or of small and safe outdoor cooking facilities such as charcoal grills, but only (a) within his interior patio or such areas as may, from time to time, be designated (and revoked) for such purpose by the Developer or the Association and (b) in strict compliance with such instructions as may be provided in manufacturer's or vendor's manuals.

3.09. The articles of incorporation, by-laws, rules and regulations of the Association, as from time to time adopted and amended by it, shall be deemed incorporated by reference in this instrument to the same extent as if recited verbatim herein; provided, however, that the applicable legal requirements for amending the articles, by-laws, rules and regulations shall be as recited in such document and not as set forth in Section 8.06 hereinbelow, notwithstanding such incorporation by reference. Each Owner shall, at all times, use his Townhouse and otherwise comply fully with such articles of incorporation, by-laws, rules and regulations and a breach or default thereof shall constitute a violation by such Owner of the provisions of this instrument.

3.11. An Owner may lease his Townhouse for occupation as a single family residence provided that such lease (a) is in writing, (b) is expressly subject to all the terms, provisions and conditions set forth herein and in the articles of incorproation and by-laws of the Association as amended from time to time, and (c) provides that failure of the lessee to comply with the terms, provisions and conditions set forth herein or in the articles of incorporation or by-laws of the Association, as amended from time to time, shall be a default under such lease.

ARTICLE 4 - COMMON OPEN AREA

4.01. Developer hereby declares that portion of the Property lying entirely within its confines and reflected and defined on the Plat as "Common Open Area" and additionally those portions designated "Paved Private Street", "Private Driveway" and "Park" (which last portion shall include all off street parking) to be common area (herein referred to, as existing and as revised, as the "Common Open Area"), which shall be used and maintained in the manner hereinafter set forth.

4.02. Subject to 4.04 hereinbelow, the Common Open Area shall be and hereby is reserved for the exclusive use of, and used exclusively by, the Owners, their immediate families and guests, for ingress to and egress from Townhouses and for recreational purposes only and, to effectuate the aforesaid, an easement (non-exclusive as among the previously defined permitted users) is hereby granted to each Owner for such purposes; provided, however, that the Association may, from time to time, make, adopt and change such rules and regulations governing the use thereof (which shall thereupon become binding on all permissable users) which it deems to be in the best interest of all such users. The right to use the Common Open Area is not severable from the ownership of a Townhouse, voluntarily or involuntarily, and shall automatically pass upon transfer of title to a Townhouse, with or without specific reference to the transfer of such right to use the Common Open Area in the documents transferring title to a Townhouse.

4.03. No Owner shall ever deface, destroy, cut, remove or injure, or permit any of his family or guests to deface, destroy, cut, remove or injure, any improvement or any trees, shrubs, bushes, hedges or flowers situated upon or planted in or growing upon the Common Open Area.

4.04. Notwithstanding anything to the contrary contained herei the Developer shall be entitled, and hereby reserves the right, at any time and from time to time, both before and after any Townhouse has been conveyed by it and without the necessity of obtaining any prior, coincident or subsequent consent from any Owner, to grant easements to utility companies or to any municipal district for utility purposes (including specifically for the installation, maintenance and operation of any and all utility systems or facilities) in, along, across, under and over all or any portions of the Property, including specifically any Townhouse Site, the Common Open Area and the public streets and/or the private streets and driveways as reflected on the Plat, provided that the right to grant utility easements within the Common Open Area shall automatically be transferred to the Association of title to the Common Open Area, with or without specific reference to such right to grant utility easements in the documents transferring the title to the Common Open Area.

4.05. In addition to the provisions of Section 4.04 hereinabove an underground electric distribution system has been installe within the Property at the execution of the Agreement for Underground Electric Service between the electric company and the Developer. Each Owner shall, at his own cost, furnish, install,

own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on the customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Townhome Site. The electric company finishing service shall make the necessary connections at said point of attachment and at the meter. In addition, each Owner 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 such Owner's Townhome. For so long as such underground service is maintained the electric service to each Townhome Site shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

4.06. Subject to the provisions of Section 4.04 the Common Open Area shall not be transferred or encumbered by the Association without the prior approval of all holders of recorded first lien deeds of trust covering any Townhome.

ARTICLE 5 - MAINTENANCE CHARGE

5.01. Each Townhome, upon (but not before) the initial sale by the Developer to the first Owner thereof, shall be subjected to a maintenance charge (herein referred to as the "Maintenance Charge"). The Maintenance Charge shall accrue monthly and, subject to Section 5.07 herein below, shall be equal to one-twelfth (1/12th) of one twenty-third (1/23rd), being each Owner's pro rata portion of the projected Maintenance Fund (as that term is defined in Section 6.01 hereinbelow) requirement for the Association's then fiscal year. The Maintenance Charge shall begin to accrue as aforesaid and shall continue to accrue and be paid until terminated as provided in Section 5.06 hereinbelow. The Maintenance Charge attributable to each Townhome shall be payable monthly, on a calendar basis, and shall be made to the Association at its principal place of office in Harris County, Texas, or as the Association may otherwise direct or permit. Payment shall be made in full, regardless of whether any Owner has any dispute with the Developer, the Association, any other Owner or any other person or entity regarding any matter to which this instrument relates or pertains. All past due Maintenance Charge payments shall bear interest at the rate of 9½% per annum until paid. Payment of the Maintenance Charge shall be a continuing affirmative covenant both personal to each Owner (other than the Developer) and any subsequent Owner of each Owner's Townhome and a covenant running with the land; provided, however, that to the extent, but only to the extent, that a Maintenance Charge attributable to a Townhome was unpaid on the date of a recorded first lien deed of trust was foreclosed or a deed in lieu thereof was executed and delivered, (i) the mortgagee or any other person who takes title thereto by foreclosure or a deed in lieu of foreclosure and (ii) all persons claiming by, through or under such mortgagee or such other person, shall take same free and clear of the unpaid Maintenance Charge which existed on the date such foreclosure was effected of the deed in lieu thereof was executed and delivered. Each Owner, and each prospective Owner (except as excluded in the preceding sentence) is hereby placed on notice that such provision may operate to place upon him the responsibility for the payment of Maintenance Charges attributable to a period prior to the date he purchased his Townhome but after the initial sale thereof by the Developer; provided, however, that this shall not be construed to deny the priority of the lien of any first recorded deed of trust

ARTICLE 6 - MAINTENANCE FUND

6.01. The Association shall receive each Maintenance Charge, as paid, and shall act as custodian and administrator thereof, and shall have the right to pool, merge and combine all Maintenance Charges and all funds received from other sources into a single Maintenance Fund without the necessity of maintaining a single Maintenance Fund for each Owner or for the entirety of the Owners. However, the Association will keep, or cause to be kept, accurate records of all such funds so received, attributable as to their source, and will advise any Owner or any prospective purchaser of a Townhouse, or first mortgage upon his request, of the total Maintenance Charge payments received from, or due by, him or by the present Owner, as the case may be. Unless the Association is specifically requested to furnish such information, however, it shall have no obligation to furnish same or any liability, either to waive past due Maintenance Charge collections or otherwise, to any person who becomes an Owner without knowledge of the previous Owner's delinquency in the payment thereof. In addition, the Association will furnish to each Owner an quarterly report of the Association's operations, reflecting all revenues and disbursements during the preceding fiscal year, and a balance sheet prepared as of the end of such fiscal year.

6.02. Neither the Developer nor the Association shall be liable to any person or persons whomsoever for failure or inability to collect any Maintenance Charge or any part thereof from any Owner.

6.03. To the extent permitted by the Maintenance Fund, the Association, shall perform each service set forth herein below and may perform any other act permitted elsewhere in this instrument. Where the Maintenance Fund is inadequate to allow all such services or acts to be performed, the Association shall be entitled to determine which of the services or acts are to be performed from available funds and which are to be deferred until additional funds are available. Under no circumstances will the Developer or the Association ever be obligated to any Owner to contribute or lend any money to, or to expend any funds other than from, or to borrow any money to supplement, the Maintenance Fund in order to perform any such service, and the Association's judgment in expending funds for these purposes shall be final and conclusive so long as such judgment is not exercised in bad faith.

(a) The landscaping and maintenance of the grounds, lawns, terraces, shrubs and plants on each Townhouse Site, within the Common Open Area and within any esplanades lying within public or private streets, including mowing and watering.

(b) The installation, operations, insurance and maintenance of the lighting, fencing and other recreational facilities within the Common Open Area, including any sums for borrowed money attributable to any of same; provided, however, the Association shall have no obligation to insure any of the same, if, in the Assocaition's judgment, there is no significant hazard or risk or loss or damage to be insured against.

(c) The improvment and maintenance of any common passages, walkways, garages, carports, storage areas and easements within the Property.

(d) The collection and disposition of garbage and other rubbish from each Townhouse and from the Common Open Area.

(e) The enforcement of any matter contained herein or in any particular conveyance of a Townhouse, including the collection of the Maintenance Charge and the maintenance and operation of the Maintenance Fund.

(f) The retention of companies, policemen or watchmen to provide security for the Property as needed.

(g) The maintenance and operation of any exterior lighting system for all public and private streets and driveways which lie within the confines of the Property.

(h) The maintenance of all public and private streets and driveways which lie within the confines of the Property.

(i) The maintenance of the exterior of all Townhouse and Townhouse Sites (vacant or otherwise), including without limitation the painting, repair and replacement of the roof and wall which face streets or the Common Open Area.

(j) The doing of all other things which may be necessary or desirable in the opinion of the Association to maintain the entire Property in a well kept manner, and to make each Townhouse Site a more enjoyable residence for its Owners.

6.04 Subject to its by-laws and articles of incorporation, the Association may retain or employ any third party or parties to perform any function which the Association may or must perform and may sue the Maintenance Fund to pay such third parties for the functions so performed.

ARTICLE 7 - RESERVATIONS

7.01 Developer hereby reserves unto itself, its successors and assigns, and hereby grants to the Association, perpetual rights of ingress and egress on, over, in and across the entirety of the Property and each Townhouse as may be necessary or reasonably appropriate in order for the Association to perform functions required of or permitted it anywhere in this instrument, including specifically but without limitation in Section 3.06 and Section 6.03 hereinabove, or to confirm that each Owner is complying with the matters set forth in this instrument.

7.02. Developer hereby reserves unto itself, its successors and assigns, the temporary rights of ingress and egress on, over, in and across the Common Open Areas with men, materials and equipment in order to complete the construction of all the Townhouses. The rights granted in this Section 7.02 shall terminate on the date the last Townhouse is initially sold by the Developer.

ARTICLE 8 - GENERAL PROVISIONS

8.01. Notwithstanding anything contained herein to the contrary, unless at least 85% of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than the sponsor, developer or builder) of the individual Townhouse have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission seek to abandon, partition, subdivide, encumber, sell or trade the common property owned, directly or indirectly, by the Association, for the benefit of the Townhouses;

(2) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(3) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of units, the exterior maintenance of the common property walks or common fences and driveways, or the upkeep of lawns and plantings in the Development;

(4) fail to maintain fire and extended coverage on insurable Common Property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(5) use hazard insurance proceeds for losses to any Common Property for other than the repair, replacement or reconstruction of such common property.

8.02. The first mortgages of the Townhouses may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Property and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy and such common property and first mortgage making such payments shall be owed immediate reimbursement therefor from the Association.

8.03. Notwithstanding anything contained herein to the contrary, the Association dues or charges shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of the Common Property that must be replaced on a periodic basis and are payable in regular installments rather than by special assessments. Any payment by the Association of less than FIVE HUNDRED AND NO/100 DOLLARS ($500.00) may be authorized by the officers of the Association; any payment by the Association of less than ONE THOUSAND AND NO/100 ($1,000.00) but greater than FIVE HUNDRED AND NO/100 DOLLARS ($500.00) shall be authorized by the Board of the Association; and any payment by the Association of an amount greater than ONE THOUSAND AND NO/100 DOLLARS ($1,000.0 shall be authorized solely by majority approval of the Association.

8.04. No violation of any matter referred to anywhere in this instrument shall impair, diminish or detrimentally affect the rights of any mortgagee or trustee under any deed of trust or security instrument outstanding against any Townhouse Site or Townhouse at the time of such violation.

8.05. The invalidity, violation, abandonment or waiver of any one or more of, or any part of, any provision provided for in this instrument shall in no way affect, diminish or impair the remaining provisions provided for herein, which remaining provisions shall continue to be in full force and effect.

8.06. Each of the covenants, conditions, reservations and restrictions set forth in this instrument shall be both covenants running with the land and personal obligations, binding upon all Owners of any Townhouse Site or Townhouse therein, from the date hereof until January 1, 1998, at which time each such covenant,

condition, reservation and restriction shall be automatically extended for successive ten (10) year increments thereafter, provided however, that if, prior to April 1, 1998 or, if such extension occurs, any ten (10) year anniversary date thereafter, the Owners of at least eighty-five percent (85%) of the then Lots within the Property execute and record in the appropriate records of the Office of the County Clerk of Harris County, Texas, an instrument wherein it is agreed to terminate, alter or amend all or any such covenants, conditions, reservations and restrictions, same shall be terminated, altered or amended. The provisions of any such instrument shall become operative and binding upon all Owners, regardless of whether all signed such instrument, at the end of the applicable period.

8.07. Any covenant, condition, reservation or restriction set forth in this instrument may be enforced at law or in equity by either the Association or, except as otherwise limited in Section 5.04 hereinabove, by any aggrieved Owner without the necessity of joining the Association; provided, however, that under no circumstance shall the Association or the Developer ever be liable to any Owner or any other person or entity for failure or inability to enforce or to attempt to enforce, or to enjoin the breach of, any such covenant, condition, reservation or restriction of the Maintenance Charge Lien. Any and all sums expended by the Association in enforcing any provision of this instrument shall be repaid the Association by the Owner against whom such enforcement is brought, and shall be subject to the provisions of Section 3.06 (a) through (d) hereinabove.

8.08. Each contract for sale, deed, deed of trust or other instrument which may hereafter be executed with respect to any property situated within the Property shall be deemed to have been executed, delivered and accepted subject to all of the provisions of this instrument and all such provisions shall, without further action, be incorporated by reference therein, regardless of whether any such instrument specifically incorporates by reference therein any provision hereof or the entirety of this instrument or recites the same verbatim therein.

8.09. The Association shall be composed of two (2) classes of members, as set forth in Section 8.11 hereinbelow. Each Owner shall automatically become a member of the Association upon his acquisition of, and shall continue to be a member for so long as he owns a fee or undivided fee interest in, a Townhouse. Membership in the Association is not severable from the ownership of a Townhouse, voluntarily or involuntarily, and shall pass automatically upon the transfer of title to a Townhouse, with or without specific reference to the transfer of membership in the documents transferring such title. Each member shall be entitled to all of the rights set forth in the Texas Non-Profit Corporation Act. No member shall have any greater rights than any other member of the same class, regardless of any variation in size, value or otherwise of his Townhouse.

8.10. Nothing contained in or inferable from this instrument is intended to limit, or shall be construed as limiting to any extent and under any circumstance any power of the Association granted it under the provisions of the Texas Non-Profit Corporation Act, as in effect on the date hereof, and if subsequently amended, as subsequently amended but only to the extent that such amendment enlarges such powers.

8.11. The Association shall have two classes of voting membership. Class A members shall be all Owners other than the Developer. Class A members shall be entitled to one (1) vote for each Townhome in which they hold the interest required for membership by Section 8.09. When more than one person holds such interest in any Townhome, all such persons shall be members. The vote for such Townhome shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Townhome. The Class B members shall be the Developer and it shall be entitled to three (3) votes for each Townhome in which it holds the interest required for membership by Section 8.09; provided, however, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (a) when the total votes outstanding in the Class A membership first equals or exceeds the total votes outstanding in the Class B membership or (b) on the fifth anniversary date of the declaration of these Reservations, Restrictions and Easements.

EXECUTED as of this the 10th day of August, 1978.

ATTEST:

UNITED SAVINGS ASSOCIATION OF TEXAS

John A. Adkins
John A. Adkins
Assistant Secretary

Gem B. Childress
Gem B. Childress
Vice President

THE STATE OF TEXAS )
)
COUNTY OF HARRIS )

BEFORE ME, the undersigned, a Notary Public in and for Harris County, Texas, on this day personally appeared Gem B. Childress, Vice President of United Savings Association of Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said United Savings Association of Texas, a corporation and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 10th day of August, A. D., 1978.

Sally R. Steinberger
Notary Public, Harris County, Texas

SALLY R. STEINBERGER
Notary Public In and for Harris County, Texas
My Commission Expires Nov. 1, 1971