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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE
UNIVERSITY PLACE TOWNHOUSES
A PROJECT WITHIN THAT PLATTED SUBDIVISION
KNOWN AS UNIVERSITY GREEN, SECTION SIX
IN HARRIS COUNTY, TEXAS

J111940

057-81-0949

STATE OF TEXAS X
COUNTY OF HARRIS X

THIS DECLARATION, made on the date hereinafter set forth by
FRIENDSWOOD DEVELOPMENT COMPANY, an Arizona corporation, hereinafter
referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property hereto-
fore platted and subdivided into that certain subdivision known as
University Green, Section Six, in Harris County, Texas, described in
the plat, hereinafter referred to as "the plat," recorded in Volume
272, Page 42 of the Map Records of Harris County, Texas, consisting
of Tracts 1 through 28, unnamed Common Open Areas, and private
streets and being hereinafter referred to as the "Property"; and

WHEREAS, Declarant desires to create on the Property a residen-
tial townhouse community with designated "Lots", and "Common Open
Areas" (as those terms are defined herein) for the benefit of the
present and future owners of said Lots; and

WHEREAS, the Property heretofore was subjected to certain
restrictive covenants recorded under File No. D830511, Film Code No.
158-38-0528, and by instrument recorded under File No. D830512, Film
Code No. 158-38-0546, amended by instrument recorded under File No.
D936762, Film Code No. 165-27-0781 and further amended by instrument
recorded under File No. E401702, Film Code No. 118-14-1625 of the
Official Public Records of Real Property of Harris County, Texas,
which instruments are fully incorporated herein and made a part
hereof for all purposes; and

WHEREAS, the Property is subject to that certain community
services instrument executed by Friendswood Development Company

dated July 29, 1963 and recorded under File No. B 731706, Film Code No. 093-12-0173 in the Official Public Records of Real Property of Harris County, Texas, which instrument is fully incorporated herein and made a part hereof for all purposes; and

WHEREAS, Declarant desires to hold, sell and convey the Property subject to the following additional covenants, restrictions, reservations, and easements, which are for the purpose of establishing a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of both present and future owners of said Lots,

NOW, THEREFORE, Declarant hereby adopts the following covenants, conditions and restrictions which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property and which shall be applicable to the Lots of said Property and shall run with the land and shall bind all parties having or acquiring any right, title, or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to TOWNHOUSE OWNERS' ASSOCIATION OF UNIVERSITY PLACE, INC., a non-profit corporation incorporated under the laws of the State of Texas, its successors and assigns.

Section 2. "Board of Directors" and "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 3. "Common Open Areas" shall mean and refer to the surface estate of all those areas of land, including private streets and parking areas, within the Property owned or held in easement by the Association for the common use and enjoyment of the Owners. Title to the surface estate of Common Open Areas shall be held by the Association subject to the provisions of this Declaration.

Section 4. "Conveyance" shall mean and refer to conveyance of a fee simple title to the surface estate of a Lot by metes and bounds description.

Section 5. "Covenants" shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this Declaration.

Section 6. "Declarant" shall mean Friendswood Development Company, a corporation incorporated under the laws of the State of Arizona, its successors and assigns.

Section 7. "Easements" shall mean and refer to the various utility or other easements of record, those shown on the map or plat of which the Property is a part, and such other easements as are created or referred to in this Declaration.

Section 8. "Lot" shall mean and refer to each part or parcel of land out of any Tract intended as and constituting the building site for one (1) townhouse for individual use and ownership and shall include both the land, which in any sale, grant, conveyance, mortgage or other legal instrument shall be described by metes and bounds as a part of and with reference to the Tract in which it is situated, and the townhouse and improvements constructed or to be constructed thereon, excepting and excluding all minerals.

Section 9. "Member" shall mean and refer to each person or entity who holds membership in the Association.

Section 10. "Owner" shall mean and refer to the record owner (other than Declarant), whether one or more persons or entities, of the fee simple title to the surface estate in any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11. "Property" shall mean and refer to the surface estate of that certain tract of land hereinabove described which comprises the subdivision platted as University Green, Section

Six, in Harris County, Texas, and to any additional lands as may hereafter be brought within the jurisdiction of the Association.

Section 12. "Subdivision" shall mean and refer to the surface estate of University Green, Section Six, as described in the hereinabove referenced plat.

Section 13. "Townhouse" shall mean and refer to an individual unit constructed on a Lot as part of a residential building containing two or more such individual units.

Section 14. "Tract" shall mean and refer to those numbered parcels of the Property shown and designated as "Tract" on the subdivision plat referred to hereinabove.

ARTICLE II

RESERVATIONS, EXCEPTIONS, DEDICATIONS AND CONDEMNATION

Section 1. Incorporation of Plat. The subdivision plat of University Green, Section Six, which the Property comprises, dedicates for use as such, subject to the limitations set forth therein, certain streets and easements shown thereon, and such subdivision plat further establishes certain dedications, limitations, reservations and restrictions applicable to the Property. All dedications, limitations, restrictions and reservations shown on the subdivision plat, to the extent they apply to the Property, are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each contract, deed and conveyance executed or to be executed by or on behalf of Declarant, conveying each Lot within the Property.

Section 2. Declarant's Reservation. It is expressly agreed and understood that the title conveyed by Declarant to any Lot, Tract, or parcel of land within the Property by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto constructed by or under

Declarant or its agents through, along or upon the Property or any part thereof to serve said Property, and the right to maintain, repair, sell or lease such appurtenances to any municipality, or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

Section 3. Reservation of Minerals. The Property, and any future land made subject to this Declaration, are hereby subjected to the following reservation and exception: All oil, gas and other minerals in, on and under the hereinabove described Property are hereby excepted or reserved by predecessor or predecessors in title of Declarant and which exception is made in favor of present owner or owners of such minerals as their interests may appear of record. The right to use the surface of the Property for exploring, drilling for, producing and mining oil, gas, and other minerals was waived by predecessor or predecessors in title of Declarant in that instrument recorded under File No. E635958, Film Code No. 132-20-0366 of the Official Public Records of Real Property of Harris County, Texas. However, to the extent Declarant has the right, Declarant does hereby waive any right to use the surface for exploring, drilling for, producing, and mining oil, gas, and other minerals in, on, and under the Property.

Section 4. Condemnation. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all First Mortgagees known to the Association to have an interest in any Lot. The expense of participation in such proceedings by the Association shall be borne by the Association and paid for out of assessments collected pursuant to Article V hereof. The Association is specifically authorized to obtain and pay for such

assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for such taking shall be deposited with the Association, and such damages or awards shall be applied as provided herein. In the event that an action in eminent domain is brought to condemn a portion of the Common Open Areas, the Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto; or to convey such portion of the Property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not for each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Owner and First Mortgagee, if any, as their interests may appear. The Association, if it deems advisable, may call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible, the Common Open Areas so taken or damaged. In the event it is determined that such Common Open Areas should be replaced or restored by obtaining other land, this Declaration shall be duly amended by instrument executed by the Association on behalf of the Owners.

ARTICLE III
PROPERTY RIGHTS

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

- (a) the right of the Association to grant or dedicate easements in, on, under or above the Common Open Areas or any part thereof to any public or governmental agency or authority or to any utility company for any service to the Property or any part thereof;
- (b) the right of the Association to dedicate as public streets the private streets in the Subdivision now available for the general use of the public;
- (c) no Owner shall plant, place, fix, install or construct any vegetation, hedge, tree, shrub, fence, wall, structure or improvement or store any personal property on the Common Open Areas or any part thereof without the prior written consent of the Association. The Association shall have the right to remove anything placed on the Common Open Areas in violation of the provisions of this subsection and to assess the cost of such removal against the Owner responsible;
- (d) the right of Declarant (and its sales agents and representatives) to the nonexclusive use of the Common Open Areas and the facilities thereof, for display and exhibit purposes in connection with the sale of Townhouses within the Property, which right Declarant hereby reserves; provided, however, that such use shall not continue for a period of more than five (5) years after conveyance of the Common Open Areas within the Property to the Association; provided, further, that no such use by Declarant or its sales agents or representatives shall otherwise unreasonably restrict the Members in their use and enjoyment of the Common Open Areas.
- (e) the right of the Association to limit the number of guests of Owners utilizing the recreational facilities and improvements owned by the Association and provided upon Common Open Areas or Lots.
- (f) the right of the Association to establish uniform rules and regulations and to charge reasonable admission and other

fees pertaining to the use of any recreational facilities owned by the Association;

(g) the right of the Association to suspend the voting rights of an Owner and his right to use any recreational facility of the Association during the period he is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against his Lot and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. The aforesaid rights of the Association shall not be exclusive but shall be cumulative of and in addition to all other rights and remedies which the Association may have by virtue of this Declaration or its By-Laws or at law or in equity on account of any such default or infraction;

Section 2. Delegation of Use. Owners may delegate, in accordance with the By-Laws, their right to or enjoyment of the Common Open Areas to members of their families, tenants or contract purchasers who reside in Owners' Townhouses.

Section 3. Waiver of Use. No Owner may be exempt from personal liability for assessments duly levied by the Association, nor release a Lot owned from the liens and charges hereof, by waiver of the use and enjoyment of the Common Open Areas thereon or by abandonment of Owner's Lot.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each person or entity who is a record Owner of any of the Property which is subject to assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association.

Section 2. Voting Classes. The Association shall have two classes of voting membership:

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

Class B. The Class B member shall be the Declarant and shall be entitled to vote for each Tract owned. Declarant will be allotted three (3) votes for each unit (i.e., Lot) that is allowed to be situated within a Tract as designated on the subdivision plat for University Green, Section Six. Class B membership shall cease and be converted to Class A membership on the earlier of the following dates:

- (a) the date on which the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or
- (b) January 1, 1988.

Section 3. Clear Lake City Community Association Voting Rights. As a resident of a community within the Clear Lake City Community Association, Owners shall have the right to vote in that Association's special and regular elections, as provided in the Clear Lake City Community Association, Inc. By-Laws and any amendments thereto from time to time made.

ARTICLE V

COVENANT FOR MAINTENANCE

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and 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 or charges, and
 - (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.
- The regular and special assessments, together with interest, penalties, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, penalty, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the Members of the Association and for the improvement and maintenance of the Common Open Areas including the improvements and landscaping thereon, and each improved Lot, as defined in Article 1X hereof, or to the payment to or reimbursement of other affected parties or governmental entities for the improvement and maintenance thereof.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment, not including insurance assessments as described in Section 10 hereof, shall be Seven Hundred Eighty Dollars (\$780.00) per Lot.

- (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 ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(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 ten (10%) percent by a vote of two-thirds (2/3) of each class of Members entitled to vote in person or by proxy, at a meeting duly called for this purpose.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement in the Common Open Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members entitled to vote in person or by proxy, at a meeting duly called for this purpose.

Section 5. Rate of Assessment. All Lots within the Property shall commence to bear their applicable assessments simultaneously and improved Lots owned by the Declarant are not exempt from assessment. Lots which are owned or transferred to a Builder or which are occupied by residents shall be subject to an annual assessment determined by the Board of Directors. Improved Lots owned by Declarant shall be subject to the annual assessment as determined by the Board of Directors pursuant to the terms of this Declaration. Unimproved Lots which are owned by Declarant shall be assessed at the rate of one-fourth (1/4) of the annual assessment; however, said assessment shall be made only in the event and then only to the extent that assessments from Lots owned by other than Declarant are not sufficient to meet the operating budget of the Association. As used herein, the term "improved Lot" shall be construed to mean a Lot on which a Townhouse has been constructed and is ready for occupancy as evidenced by the issuance of a Certificate of Occupancy by the City of Houston, Texas. As used

herein, a "transfer" of a Lot by Declarant to a "Builder" shall be construed to mean when a Lot is made available for improvement by said Builder and there is written confirmation, reservation, or conveyance of said Lot by Declarant in favor of Builder. As used herein, the term Declarant shall be construed to mean only Friendswood Development Company, its successors and assigns, and a Lot owned, reserved, or held by the Friendswood Development Company doing business as Village Builders, a builder, shall be subject to an annual assessment as provided herein.

Section 6. Date of Commencement 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 or a transfer of any Lot owned by Declarant to a Builder. 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 each Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessments on a specified Lot have been paid.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot.

Section 8. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not

affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability of any assessments which thereafter become due or from the lien thereof.

Section 9. Exempt Properties. Any portion of the Property dedicated to and accepted by a local public authority, or owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 10. Insurance Assessments. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain and maintain a blanket insurance policy with special extended coverage, insuring all the buildings and improvements located on the Tracts for the full replacement cost thereof against loss or damage by fire, lightning, windstorm, hurricane, hail, explosion, riot, civil commotion, smoke, aircraft, land vehicles, vandalism, and malicious mischief. The cost of such blanket insurance policy shall be divided equally among all Lots on which a Townhouse has been constructed and shall be assessed against said Lots in addition to the maximum annual assessment provided for hereinabove. Such assessment shall be a lien and obligation of the Owners of said Lots and shall become due and payable as determined by the Board of Directors. Each Owner shall be furnished a Certificate of Insurance indicating the amount of insurance, perils insured against, and the cost insurance. The blanket policy shall be written in the name of the Association as Trustee. Flood insurance coverage shall be on an optional basis and shall be obtained only with approval of the majority of the Owners. It will be the individual responsibility of each Owner at Owner's own expense to provide insurance covering personal property and personal liability.

In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed property to the same condition as before the casualty. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids from any licensed contractors, and then may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed property.

In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding such damaged or destroyed property, the Board of Directors shall levy a special assessment against all Members of the Association to make up any such deficiency for repair or rebuilding of such property.

ARTICLE VI

CLEAR LAKE CITY

COMMUNITY SERVICES CHARGE

The Property, being a part of the greater community development known as Clear Lake City, is subject to certain charges and assessments provided for in that certain instrument dated July 29, 1963, and recorded under File No. B 731706, Film Code No. 093-12-0173 in the Official Public Records of Real Property of Harris County, Texas, as hereinabove referred to. These charges and assessments are, and shall be paid, in addition to the charges and assessments provided for in Article V above. The charges and assessments

imposed by said instrument promote the social welfare and provide recreational services and facilities to residents and owners of property in Clear Lake City.

Therefore, it is covenanted and agreed that each Lot, in accordance with the terms of the aforesaid instrument, is hereby subjected to an annual community services charge in the initial amount of eight (8) mills per square foot, subject to adjustment as provided for in the said instrument, to be paid to the Clear Lake City Community Association, Inc., annually on the date as set by the Clear Lake City Community Association Board of Trustees, which amount shall be prorated on a monthly basis. This charge and assessment against each Lot shall constitute and be secured by a lien thereon as provided for in the instrument aforesaid.

In the event of any conflict between any portion of this Article and any portion of the aforesaid instrument, the latter shall govern and control.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Architectural Approval. The Property is a part of a greater community development commonly known as Clear Lake City. The overall plan for the development of the various areas and sections which make up Clear Lake City contemplates centralization of architectural control to enhance, insure and protect the attractiveness, beauty, and desirability of the area as a whole while at the same time permitting compatible distinctiveness of individual developments within the area. For this purpose, Declarant hereby reserves and retains the right of architectural control to itself or its assignee as hereinafter provided. Declarant shall initially appoint an Architectural Control Committee, consisting of not less than three (3) members, who need not be members of the Association, and who by majority vote may designate a representative to act for

them. Any vacancy shall be filled by a successor appointed by the remaining member or members; until such successor(s) shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications, and plot plans submitted or to designate a representative with like authority.

It is accordingly covenanted and agreed that no building, fence, wall, or other structure shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition to or change or alteration to such structure or the color thereof, (including, without limitation, site landscaping and grading plans, patio covers and trellises, plans for off-street parking of vehicles and utility layout), be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Control Committee. In the event said Committee, or its designated representative, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. All plans and specifications shall be submitted in writing over the signature of the Owner of the Lot or the Owner's authorized agent. The Architectural Control Committee shall have the right to require any Owner to remove or alter any structure which has not received approval or is built other than per the approved plans. The requirement of this Article is in addition to any approvals or permits required by any appropriate governmental entity. Approval of plans as complying with the applicable Minimum Construction Standards adopted and promulgated from time to time for the Property by Declarant or its assigns, shall be only for such purposes and shall not serve as approval for any other purpose.

Declarant hereby reserves and retains the right at its option to assign its rights hereinabove set forth to an architectural control committee appointed by the TOWNHOUSE OWNERS' ASSOCIATION OF UNIVERSITY PLACE, INC. In the event Declarant elects to assign such rights of approval, such assignment shall be evidenced by an instrument in writing and acknowledged by the proper officers of Declarant and placed of record in the appropriate records of the County Clerk of Harris County, Texas.

Section 2. No Liability. Neither Declarant, the Association, its Board of Directors; or the Architectural Control Committee or the members thereof shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any Owner of a Lot affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Control Committee for approval agrees by submission of such plans and specifications, and every Owner agrees, that no action or suit for damage will be brought against Declarant, the Association, its Board of Directors, the Architectural Control Committee, or any of the members thereof.

Section 3. Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained herein, after the expiration of one (1) year from the date of issuance of a building permit by municipal or other governmental authority for any improvement, said improvement shall, in favor of purchasers and encumbrancers in good faith and for value, be deemed to be in compliance with all provisions of this Article VII unless actual notice of such noncompliance or noncompletion, executed by the Architectural Control Committee, or its designated representative, shall appear of record in the office of the County Clerk and Recorder of Harris County, Texas, or unless legal proceedings shall have been instituted to enforce compliance or completion.

Section 4. Rules and Regulations. The Architectural Control Committee may from time to time, in its sole discretion, adopt, amend and repeal rules and regulations interpreting and implementing the provisions of this Article VII.

Section 5. Variances. Where circumstances, such as topography, location of property lines, location of trees, or other matters require, the Architectural Control Committee, by the vote or written consent of a majority of the members thereof, may allow reasonable variances as to any of the covenants, conditions or restrictions contained in this Declaration under the jurisdiction of such committee pursuant to this Article VII, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property.

ARTICLE VIII

PARTY WALLS

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

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

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if any other Owner thereafter makes use of the wall, such Owner shall contribute

to the cost of restoration in proportion to such use thereof, without prejudice, however, to the right of any Owner to call for a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

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

ARTICLE IX

EXTERIOR MAINTENANCE

In addition to maintaining the Common Open Areas, the Association shall provide exterior maintenance of each Lot which is subject to assessment hereunder and improvements located thereon, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces (including garages), trees, shrubs, grass, walks, driveways and other exterior improvements. Such exterior maintenance shall not include glass surfaces, screens or screen doors, exterior doors, garage doors (except that painting of garage doors shall be included as part of exterior maintenance), mechanical garage door openers, or window fixtures or other hardware or patios, or any exterior wall whose surface is covered with temporary fixtures, wall plants, such as English ivy, or Owner patio fences, patio walls, covers or trellises. Such exterior maintenance shall not extend to any part of the private patio areas, nor to any plant, shrub, tree, or improvement which Owner may plant or maintain on his Lot as authorized by the Association. Further, the Association shall not be obligated to repair any damage occasioned by casualty, vandalism, or natural disasters such as hurricanes or floods, it being understood that the Association shall be obligated to provide routine maintenance required by ordinary wear and tear only.

In the event that the need for maintenance or repair is caused by casualty, vandalism, or natural disaster or through the willful

or negligent act of any Owner, Owner's family, guests, or invitees and insurance does not cover such need for maintenance or repair, the Association may, at its option, provide such maintenance and repair and the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

For the purpose of performing the maintenance required herein the Association through its duly authorized agents, contractors or employees, shall have the right to enter upon any Lot and the exterior of any Townhouse at reasonable hours on any day except Sunday, unless with the consent of the Owner.

Any and all repairs and maintenance work described in this Article shall be performed, if at all, at the Association's direction and at its sole discretion.

ARTICLE X

DUTIES AND MANAGEMENT OF THE ASSOCIATION

Section 1. Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

(a) Own, maintain and otherwise manage all Common Open Areas and all facilities, improvements and landscaping thereon, and all other property acquired by the Association.

(b) Pay any real and personal property taxes and other charges assessed against the Common Open Areas.

(c) Have the authority to obtain, for the benefit of all of the Common Open Areas, all water, gas and electric services and refuse collection.

(d) Grant easements where necessary for utilities and sewer facilities over the Common Open Areas to serve the Common Open Areas and the Lots.

(e) Maintain such policy or policies of insurance as the

Board of Directors of the Association may deem necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members.

(f) Have the authority to contract with a management company for the performance of maintenance and repair and for conducting other activities on behalf of the Association provided that such contract shall be limited to a duration of one (1) year, except with the approval of a majority of the Members entitled to vote. Any such management agreement shall provide that it will be terminable by the Association without a termination fee for cause upon thirty (30) days' written notice or without cause by either party upon ninety (90) days' written notice.

(g) Have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board of Directors of the Association.

(h) Have a duty to landscape and maintain the landscaping upon the Common Open Areas and Lots (except for Owner's patio areas); the duty to maintain the exterior of the perimeter walls located at entrances to the Property, Common Open Areas and greenbelt buffers and parks.

(i) Have a duty to maintain all private streets in the Common Open Areas within the Property in conformance with the requirements prescribed for public streets by the City of Houston or Harris County, whichever prevails.

ARTICLE XI

EASEMENTS

Section 1. Utility Easements. The rights and duties of the Owners of Lots within the Property with respect to sanitary sewer and water, electricity, gas and telephone, security system and cable television lines and drainage facilities shall be governed by the following:

(a) Wherever sanitary sewer house connections and/or water

house connections or electricity, gas or telephone and cable television lines or drainage facilities are installed within the Property, which connection lines or facilities or any portion thereof, lie in or upon land owned by the Association or others than the Owner of a Lot served by said connections, lines or facilities, such Owners of Lots served shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lots within the Property in or upon which said connections, lines or facilities, or any portion thereof, lie to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

(b) Wherever sanitary sewer house connections and/or water house connections or electricity, gas, telephone, security system and cable television lines or drainage facilities are installed within the Property, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections which service that Owner's Lot.

Easements over the Lots and Common Open Areas for the installation and maintenance of electric, telephone, security system, cable television, water, gas and sanitary sewer lines and drainage facilities are hereby reserved by Declarant, together with the right to grant and transfer the same.

Section 2. Surface Areas of Utility Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded plat of University Green, Section Six, and no structure, patio or paving shall be placed on any of said easements. The surface of easements for underground utility services may be paved for driveways and walkways provided prior arrangements with the utility companies have been made. It is expressly agreed that neither Declarant nor any utility company using the easements shall be liable for any damage done by either or

both of them or their assigns, their agents, employees or servants, to shrubbery, trees, flowers or other improvements (other than driveways or walkways where prior arrangements have been made) as a result of any activity relating to the construction, maintenance, or repair of any facility in any such easement area.

Section 3. Public Streets and Driveways. All Lots within the Property shall have access to a public or private street. Public and private street rights-of-way are shown on the recorded plat of University Green, Section Six. Since private streets adjoining and connecting the public streets have been constructed within and across Common Open Areas, a non-exclusive easement is hereby granted to each Owner, and such Owner's invitees and guests and the general public for the use of said private streets as a means of ingress and egress to all Lots abutting thereto.

Section 4. Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles and other service vehicles to enter upon Common Open Areas, including but not limited to private streets, in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and management personnel to enter the Common Open Area to render any service.

Section 5. Universal Easement. It is hereby declared that each Lot and the Common Open Areas shall be conveyed subject to an easement for the benefit of adjacent Lots. The Owner of each Lot is hereby granted an easement over all adjoining Lots and Common Open Areas to the extent and for the purpose of accommodating and maintaining any encroachment due to engineering errors, original construction errors, settlement or shifting of buildings, or any other cause existing as of the date of the conveyance of such Parcel bearing an encroachment to its Owner. In addition, each Lot is hereby declared to include an easement over all adjoining Lots and Common Open Areas to the extent and for the purpose of accommodating

and maintaining overhanging roofs and eaves as originally constructed. An easement for an encroachment shall terminate automatically in the event an encroachment ceases to exist. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration, shall be appurtenant to the Lot benefited, and shall be conveyed together with transfer of title to said Lot.

Section 6. Sidewalk Construction and Easements. Before a Townhouse is completed and occupied, hard surfaced, durable walking surfaces running from each door of the Townhouse to either the pedestrian path in the Common Open Areas, the garage driveway, or to a public or private street shall be constructed.

Section 7. Audio, Video, and Security Systems. In the event that audio, video or security communication services are made available to any Lot by means of an underground coaxial cable system, the company furnishing such services and facilities shall have a two (2) foot wide easement along and centered on the underground wire or cable when and as installed by said company from the utility easement nearest to the point of connection on the structure and in a direct line from said nearest utility easement to said point of connection.

Section 8. Curb Line Easement. The Property shall be subject to an easement for encroachment by the curb line of driveways situated in the Common Open Areas, as hereinafter set forth. Said easement shall be one (1) foot in width and shall run along and parallel to the outside boundaries of driveways where such boundaries are common with boundary lines of Lots and/or Common Open Areas; provided, however, that such easement shall not include that part of a Lot on which a Townhouse is situated.

ARTICLE XII

UTILITY BILLS, TAXES AND INSURANCE

Section 1. Obligation of Owners.

- (a) Each Owner shall have separate electric, gas and water

meters and shall directly pay for all electricity, gas, water, sanitary sewer service, telephone service, security system, cable television and other utilities used or consumed by Owner.

(b) Each Owner shall directly render for taxation Owner's Lot and improvements thereon, and shall at Owner's own cost and expense directly pay all taxes levied or assessed against or upon Owner's Lot.

Section 2. Obligation of the Association

(a) The Association shall pay as a common expense of all Owners, for all water, gas, electricity and other utilities used in connection with the enjoyment and operation of the Common Open Areas or any part thereof.

(b) The Association shall render for taxation and, as part of the common expenses of all Owners, shall pay all taxes levied or assessed against or upon the Common Open Areas and the improvements and the property appertaining thereto.

(c) The Association shall have authority to obtain and continue in effect as a common expense of all Owners, a blanket property insurance policy or policies to insure the structures and facilities in the Common Open Areas and the contents thereof and the Association against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, in such amounts as the Association deems proper, and said insurance may include coverage against vandalism and such other coverage as the Association may deem desirable. The Association shall also have the authority to obtain comprehensive public liability insurance in such amounts as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees and each Owner (if coverage for Owners is available) from and against liability in connection with the Common Open Areas.

(d) All costs, charges and premiums for all utility bills, taxes and any insurance to be paid by the Association as hereinabove

provided shall be paid as a common expense of all Owners and shall be a part of the assessment.

ARTICLE XIII

RESTRICTIONS OF USE

Section 1. Townhouse Construction. No building shall be erected, altered or permitted to remain on any Lot other than one (1) attached individual Townhouse, joined together by a common exterior roof and foundation, not to exceed two (2) stories in height, and a private garage for not more than two (2) cars, which structure shall not exceed the main dwelling in height nor exceed one (1) floor level. The total number of Townhouses to be constructed within the Property shall not exceed the number of Units designated in the plat of University Green, Section Six.

Section 2. Prohibition of Offensive or Commercial Use. No activity which may become an annoyance or nuisance to the neighborhood or which shall in any way interfere with the quiet enjoyment by each Owner of such Owner's Townhouse or which shall degrade property values or distract from the aesthetic beauty of the Property, shall be conducted thereon. No repair work, dismantling, or assembling of boats, motor vehicles or other machinery shall be done in any driveway or adjoining street. No part of the Property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such nonresidential purposes. Notwithstanding the above, Declarant, its successors or assigns, may use the Property for model homes display and sales offices during the construction and sales period.

Section 3. Minimum Square Footage. The living area of each individual residential structure shall not be less than 850 square feet for a one-story Townhouse nor less than 1,100 square feet for a two-story Townhouse. Two-story Townhouses shall contain a minimum of 560 square feet on the ground floor.

The Architectural Control Committee as described herein, or its assignee, at its sole discretion, is hereby permitted to approve deviations in the building area and location in instances where, in its judgment, such deviation will result in a beneficial use which is not adverse to the Subdivision as a whole.

Section 4. Building Setback. No building shall be located on the Property closer than the minimum building setback line as shown on the recorded plat of the land on which the Property is located. In any event, no building shall be located on any Lot nearer than twenty (20) feet from any public street, fifteen (15) feet on all Lots fronting on any other street, and ten (10) feet on all Lots that side on any other street or upon a boundary of the plat. Garages, carports or other parking structures shall be twenty (20) feet from any public street and ten (10) feet from any boundary of the plat.

Section 5. Signs, Advertisements, Billboards. No sign, advertisement, billboard or advertising structure of any kind shall be displayed to the public view on any portion of the Property except one sign for each Lot, of not more than twenty-four (24) inches by thirty-four (34) inches for the purpose of advertising the Townhouse located thereon for sale or rent; provided, however, that Declarant, its agents and assigns, may erect and maintain such signs and other advertising devices or structures as it may deem necessary or proper in connection with the conduct of its operations for the development, improvement, subdivision, and sale of the Property. Declarant shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Lot in violation of this Section and in so doing shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal.

Section 6. Temporary Structures and Out Buildings. No structure of a temporary character, trailer, tent, shack, detached garage, barn, or other outbuilding shall be constructed, erected, altered, placed or permitted to remain on any Lot at any time, either temporarily or permanently, except that temporary structures

located within the building lines may be used as building offices, sales offices, and for other related purposes during the construction and sales period. Outbuildings or structures whether temporary or permanent, used for accessory storage or other purposes must be approved with Article VII of these covenants.

Section 7. Animal Husbandry. Dogs, cats, and other usual and ordinary household pets may be kept in any Townhouse, not to exceed a total of two (2) pets, and provided they are not kept, bred, or maintained for any commercial purpose. Notwithstanding the foregoing, no animals or fowl may be kept on a lot which results in an annoyance or are obnoxious to residents of the Property.

Section 8. Storage of Automobiles, Boats, Trailers, Other Vehicles and Equipment. No automobiles, boats, trailers, campers, recreational vehicles, motorcycles, buses, inoperative vehicles of any kind, camp rigs off truck, or boat rigging shall be parked or stored permanently or semi-permanently on any driveway, guest parking space, or Common Open Areas within the Property. For the purposes of these restrictions, the words "semi-permanent" shall be defined as remaining in the same location without movement for forty-eight (48) or more consecutive hours.

Section 9. Walls, Fences and Hedges. No wall, fence, planter or hedge in excess of three (3) feet high shall be erected or maintained nearer to the front lot line than the building setback. No rear fence, wall, or hedge and no side fence, wall, or hedge shall be more than eight (8) feet high, and each must be approved by the Architectural Control Committee prior to construction. All rear Lot fences shall be placed within twelve (12) inches of the rear property line. All party fences are for the common and beneficial use of all adjacent Owners, each of whom must share in the cost of reasonable repair and maintenance of party fences in equal proportions to their use. The Architectural Control

Committee, or its assignee, at its sole discretion is hereby permitted to grant deviations in height, location and construction materials related to fences and walls which in its judgment will result in their more beneficial use. Any wall, fence or hedge erected as protective screening on a Lot by Declarant shall pass ownership with title to such Lot and it shall be the Owner's responsibility to thereafter maintain said protective screening.

Section 10. Visual Screening. All clotheslines, equipment, garbage cans, service yards, woodpiles, or storage piles shall be kept concealed from view of streets, adjoining Townhouses, and Common Open Areas. All rubbish, trash, or garbage shall be kept in sanitary refuse containers with tightly fitting lids and shall be regularly removed from the Lots and not allowed to accumulate thereon.

Section 11. Property Maintenance. Maintenance, upkeep, and any repairs of any patios, patio covers, screens, window screens, screen doors, exterior doors, window fixtures, and other hardware shall be the sole responsibility of the individual Owner and the Lot appurtenant thereto and not in any manner a responsibility of the Association. In the event of default on the part of the Owner or occupant of any Lot in observing any or all of the above requirements, such default having continued ten (10) days after written notice thereof has been mailed, Declarant or its assignee may, without liability to the Owner or occupant in trespass or otherwise, enter upon such Lot and correct said default or defaults or do any other thing necessary to secure compliance with these restrictions so as to place said Lot in a neat, attractive, healthful, and sanitary condition and may charge the Owner or occupant of such Lot for the cost of such work. The amount of such charge shall be and constitute a lien upon the Lot enforceable as any other mortgage lien, which shall be subject and subordinate to any lien or mortgage now and hereafter existing on the Lot to the

extent of any such charges accrued and unpaid prior to foreclosure of any such lien or mortgage. The Owner shall be deemed to have agreed by the purchase of the Lot to pay such statement immediately upon receipt thereof.

Section 12. Antennae. No electronic antenna or device of any type other than an antenna for receiving normal television signals shall be erected, constructed, placed, or permitted to remain on any Lots or buildings constructed in this subdivision. Television antennae may be attached to a structure so long as it is hidden from sight when viewed from the fronting street or Common Open Areas. No antennae shall be erected as free-standing structures. Declarant or its assign shall have the right to erect radio antennae and equipment on the Property for use in the sales program.

Section 13. Removal of Dirt and Trees. The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as necessary to the landscaping of or construction on such Lot. No trees shall be cut except to provide room for construction of improvements or to remove dead or unsightly trees and shall be done only after obtaining the written approval of the Architectural Control Committee, such approval to be given in the sole discretion of said Committee or its assignee.

Section 14. Roofing Material. The roof of any building shall be constructed or covered with asphalt or composition type shingles having a minimum weight classification of 340 lbs. per square comparable in color and texture to weathered wood shingles, the decision regarding such comparability resting with the Architectural Control Committee, or crush marble or slab set in a built-up type roof on roof surfaces not visible from the fronting street. Any other color or type of roofing materials shall be permitted only after written request for and upon approval by the Architectural Control Committee or its assignee.

Section 15. Drainage. All drainage of water from any

Lot and the improvements thereon shall drain or flow as set forth below:

(a) Any such water may drain or flow into adjacent streets and shall not be allowed to drain or flow upon adjoining Lots or Common Open Areas unless an easement for such purpose is granted.

(b) All slopes or terraces on any Lot shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property.

(c) No structure, planting, or other material shall be placed or permitted to remain or other activities undertaken within the Property, or any portion thereof, by any Owner which might damage or interfere with established slope ratios or interfere with established drainage functions or facilities.

Section 16. Roof Projections. No projections of any type shall be placed or permitted to remain above the roof of any Townhouse with the exception of one or more chimneys and one or more vent stacks and television antennae as hereinabove described. Other projections, such as solar collector panels may be installed if approved in writing by the Architectural Control Committee or its assignee.

Section 17. Window Coolers. No window or wall type air conditioners or water coolers shall be permitted to be used, erected, placed or maintained on or in any Townhouse.

Section 18. Landscape Maintenance. Except in the individual patio areas appurtenant to a Townhouse, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon a Lot except such as are installed in accordance with the initial construction of the Townhouses located thereon or as approved by the Architectural Control Committee or its assignee.

Section 19. Right of Inspection. During reasonable hours and after reasonable notice, the Association shall have the right to

enter upon and inspect a Lot or any portion thereof and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with and shall not be deemed guilty of trespass by reason thereof.

Section 20. Common Open Areas. The Common Open Areas shall be used for park, recreational, social, and other purposes directly related to the uses authorized under this Declaration and such Supplementary Declarations as may be filed and shall be restricted to pedestrian and nonmotorized vehicle use and shall be open for the use of all Members and their guests during reasonable hours, as established by the Board of Directors.

Section 21. Underground Electrical Service. An underground electric distribution system will be installed within the Property, which underground service area embraces all of the Lots. Declarant shall, at its own cost, furnish and install, and the Association shall 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 at each individual Townhouse 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 Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the Association title to the area occupied by and centered on the service wires of the various Townhouse Owners to permit installation, repair and maintenance of each Townhouse Owner's owned, and installed service wires. In addition, the Declarant shall, at its own cost, furnish

and install, and the Association shall 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 each Townhouse involved. For so long as underground service is maintained within the Property, the electric service to each Townhouse therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system within the Property at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided) upon Declarant's representation that the Property is being developed for residential Townhouses, all of which are designed to be permanently located where originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each Townhouse.

The provisions of the two preceding paragraphs also apply to any future residential development subject to this Declaration.

ARTICLE XIV

MORTGAGEE PROTECTION

Section 1. Alienation of Common Open Areas. Except as to the Association's right to grant easements for utilities and similar or related purposes, the Common Open Areas may not be abandoned, partitioned, subdivided, sold, alienated, released, transferred, hypothecated, or otherwise encumbered without the approval of all holders of first mortgage liens on Lots.

Section 2. Mortgagee-Required Approval. Unless all of the First Mortgagees have given their prior written approval, the Association shall not be entitled to:

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

(b) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of Townhouses, the exterior maintenance of the common property party walls or common fences and driveways, or the upkeep of lawns and plantings or otherwise abandon the status of the Property;

(c) fail to maintain fire and extended coverage on insurable improvements in Common Open Areas, if any, 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); and

(d) use hazard insurance proceeds for losses to any improvements in Common Open Areas, if any, for other than the repair, replacement or reconstruction of such improvements.

Section 3. Notice to First Mortgagees. Holders of first mortgage liens shall be entitled to:

(a) inspect the books and records of the Association during normal business hours;

(b) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year;

(c) receive written notice of all meetings of the Association and designate a representative to attend all such meetings;

(d) upon request, receive notice of any default in the performance by the individual Owner of any obligation under this Declaration, the By-Laws or Articles of Incorporation of the Association which is not cured within sixty (60) days;

(e) receive notice of any abandonment or termination of the development;

(f) receive notice of any material amendment to the Declaration, By-Laws or Articles of Incorporation; and

(g) receive notice of any decision to terminate professional management and assume self-management.

Section 4. Reimbursement to Mortgagees for Payment of Taxes or Insurance Premiums. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Open Areas and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for improvements in the Common Open Areas, if any, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 5. Insurance on Condemnation Proceeds: Notice. No provision of this Declaration, the By-Laws or Articles of Incorporation of the Association shall be construed as giving an Owner or other party priority over any rights of a First Mortgagee pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Open Areas or Lots. An institutional holder of a first mortgage shall be entitled to receive timely written notice of substantial damage to or a taking of the Lot on which it holds a mortgage, or to the Common Open Areas.

Section 6. Management Agreements. Any management agreement will be terminable by the Association without payment of a termination fee with cause upon thirty (30) day's written notice, or without cause by either party on ninety (90) days written notice. The term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1)-year periods.

Section 7. Reserve Fund. Association dues shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of the Common Open Areas that must be replaced on a periodic basis and will be payable in regular installments as part of the common assessment.

Section 8. Leases. Any lease agreement between an Owner and a lessee shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the By-Laws and Articles of Incorporation and that failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

Section 9. Encroachments. In the event any portion of any Townhouse built on a Lot encroaches upon the Common Open Areas, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the development, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

ARTICLE XV.

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants, conditions or restrictions shall not affect any other provision, which shall remain in full force and effect.

Section 3. Amendment. These covenants, conditions and restrictions shall run with the land, and shall be binding upon Declarant and its successors and assigns and all persons claiming under them and all Owners of the Lots, for a period extending until December 31, 2013, at which time they shall be extended automatically for successive periods of ten (10) years each, unless an instrument signed by a majority of the then Owners of the Lots has been recorded, agreeing to change said covenants in whole or in

part, or to revoke them; provided, that no person or corporation shall be liable for breach of these covenants, conditions and restrictions except in respect to breaches occurring or committed during its, his or their ownership of the Lot involved in such breach. Deeds of conveyance of said Lots or any part thereof, may contain the above restrictive covenants by reference to this document, but whether or not such reference is made, each and all of such restrictive covenants shall be valid and binding upon the respective grantees. However, notwithstanding the above, any amendment hereto or to the By-Laws or to the Articles of Incorporation of the Association (i) to change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner, or (ii) to change, waive, or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior maintenance of the Lots, the maintenance of Common Open Areas or the upkeep of lawns and plantings, or (iii) to use hazard insurance proceeds for losses to the improvements in Common Open Areas, if any, for other than the replacement of such improvements shall require the additional approval of sixty-seven percent (67%) of the First Mortgagees (based upon one vote for each mortgage owned).

(a) Any amendment affecting any of the following shall require the additional approval of fifty-one percent (51%) of the First Mortgagees (based upon one vote for each mortgage owned):

- (1) voting;
- (2) reserves for maintenance of the Property;
- (3) insurance or fidelity bonds;
- (4) rights to use of the Common Open Areas;
- (5) responsibility for maintenance of the Property;
- (6) addition to or withdrawal of a portion of Property;
- (7) boundaries of any Lot;
- (8) the interests in the Common Open Areas;

(9) convertibility of Lots into Common Open Areas or of Common Open Areas into Lots;

(10) leasing of Townhouses;

(11) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey a Lot; and

(12) any provisions which are for the express benefit of mortgage holders, or eligible insurers or guarantors of first mortgages on Lots.

(b) The Declarant reserves the right during the Construction and Sale Period, without joinder or consent of any Owner or Mortgagee, to amend this Declaration or the By-Laws by an instrument in writing duly signed, acknowledged and filed for record, for the purpose of resolving or clarifying any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors or omissions herein, or to comply with the requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veteran's Administration, or Federal Housing Administration, provided that no such amendment shall change the vested property rights of any Owner, except as otherwise provided herein.

Section 4. Books and Records. The books and records of the Association shall, during reasonable business hours, be subject to reasonable inspection by any member. The Board of Directors may, by resolution, establish rules and regulations governing the frequency of inspection and other matters to the end that inspection of the books and records by any member or members will not become burdensome to nor constitute harassment of the Association. The Declaration, the Articles of Incorporation and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 5. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to

have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

Section 6. Good Faith Lender's Clause. Any violation of these covenants, conditions or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot, which liens may be enforced in due course, subject to the terms of this Declaration.

Section 7. Mergers. Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, assets, rights and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights and obligations of another association may be transferred to the Association as a surviving corporation. The surviving or consolidated association shall administer the covenants, conditions and restrictions contained in this Declaration, under one administration. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 8. Conflict With Deeds of Conveyance. If any part of this Declaration shall be in conflict with any covenant, condition or restriction within a previously recorded deed of conveyance to any portion of the Property, the covenants, conditions or restrictions within the prior deed of conveyance shall govern but only to the extent of such conflict.

Section 9. Annexation.

(a) Additional land or lands may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members;

(b) Notwithstanding anything contained in Subparagraph "a" above, or any other provision herein, Declarant shall have the right, without the consent of any other Owners or any Mortgagee, to bring within the scheme of the Declaration, in one (1) or more

future stages or additions, those additional lands described as University Green, Section Six, a subdivision in Harris County, Texas, as more particularly described in the plat hereinabove referred to, within five (5) years of the date of recording of this instrument. Further, any land within the Property or lands annexed to the Property and subject to this Declaration may be acquired (by gift, purchase, or otherwise) and/or designated as Common Open Areas by the Association without the consent of any Owners or any Mortgagee. Nothing in this Declaration shall be construed to represent that Declarant, its successors or assigns, are under any obligation to add or annex additional lands to those subject to this Declaration.

(c) Any such additions shall be developed in a manner similar to the development of the Property in accordance with a general plan of development under which the architectural standards prevailing within the Property will be continued in such annexed lands, the dwellings to be constructed on Lots within such annexed lands will be Townhouses and will be similar to the Townhouses constructed on the Property, and the Lots within the annexed lands will become subject to assessment in the same manner as then prevailing for the Property. All the provisions of this Declaration shall apply to the lands being annexed with the same force and effect as if said lands were originally included in the Property subject to this Declaration.

(d) The additions authorized under this Section shall be made by filing of record: (a) Supplementary Declaration(s) of Covenants, Conditions and Restrictions with respect to the additional lands which shall (i) extend the scheme of the covenants and restrictions of this Declaration to such lands and (ii) provide that the proportionate ownership interests in the Common Open Areas of the Owners by virtue of Association membership immediately prior to the filing of such Supplementary Declaration shall be equal

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to the number of Lots owned by such Owner divided by the total number of Lots within the lands then subject to this Declaration after such annexation; and (b) a deed from Declarant to the Association which shall convey to the Association all of the area within such additions (except for the Lots therein) as Common Open Areas for the benefit and use of the Owners, with reservation of Declarant's rights set forth herein.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 23rd day of August, A.D. 1983.

FRIENDSWOOD DEVELOPMENT COMPANY

ATTEST:

M. D. Price
Assistant Secretary

By L. J. Pezoldt
L. J. Pezoldt
Vice President

STATE OF TEXAS
COUNTY OF HARRIS

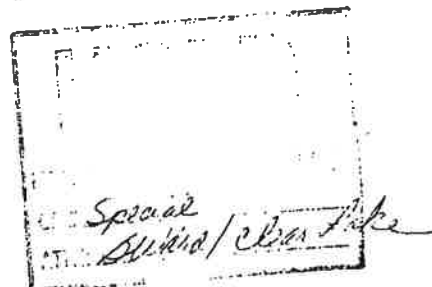
BEFORE ME, the undersigned authority, on this day personally appeared L. J. PEZOLDT, Vice President of FRIENDSWOOD DEVELOPMENT COMPANY, a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23rd day of August, 1983.

Linda G. Patten
Notary Public in and for
Harris County, Texas

LINDA G. PATTEN
NOTARY PUBLIC IN AND FOR HARRIS COUNTY, TEXAS
MY COMMISSION EXPIRES FEBRUARY 1, 1985

FILED
AUG 29 10 45 AM 1983
COUNTY CLERK
HARRIS COUNTY, TEXAS



057 81-0990

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 specified
hereon by me; and was duly RECORDED in the Official
Public Records of Real Property of Harris County, Texas on

AUG 20 1963



John L. Anderson

COUNTY CLERK,
HARRIS COUNTY, TEXAS