DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WALKER ESTATES

This instrument creates and states in its entirety the Declaration of Covenants, Conditions and Restrictions of WALKER ESTATES by Walker Run, LLC., as of the 23rd day of July, 2002.

WITNESSETH:

Walker Run, LLC., ("Developer") is a Limited Liability Company. Developer is the owner of the tract or parcel of land consisting of approximately 11.039 acres of land situated in Brazoria County, Texas that are more particularly described in Exhibit "A" attached hereto and incorporated by reference herein as the ("Land").

Developer, for the purpose of adopting an overall plan for the orderly development of the Land into a residential subdivision to be known as "WALKER ESTATES", hereby imposes upon the Land the covenants, conditions and restrictions herein set forth (hereinafter such covenants, conditions and restrictions are collectively called the "Declaration") which shall constitute covenants running with the land as to the Land and shall inure to the benefit of, and be binding upon, (1) any purchaser, grantee, owner, mortgagee, or holder of any other interest in or to any tract parcel of land located within the Land, (II) any grantee, owner, mortgagee, lessee or holder of any other interest in and to any improvements located on the Land, and (III) the respective heirs, executors, administrators, devisees, successors and/or assigns of any party described in clauses (I) and (II).

ARTICLE 1- DEFINITIONS

Section 1.01 The following words and terms, when used in the Declaration or any supplemental or amendatory declaration (unless the context shall prohibit or clearly indicate otherwise), shall have the following meanings:

(a) "Articles of Incorporation" shall mean and refer to the articles of incorporation of Association, as same may be amended from time to time.

(b) "Association" shall mean and refer to the WALKER ESTATES Homeowners Association, Inc., a Texas non-profit corporation, together with its successors, legal representatives and assigns.

(c) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

(d) "Bylaws" shall mean and refer to the Bylaws of the Association, as same may be amended from time to time.

(e) "Certificate of Incorporation" shall mean and refer to the Certificate of Incorporation of the Association, as same may be amended from time to time.

(f) "Committee" and "Architectural Control Committee" shall mean and refer to the Architectural Control Committee described in Article VI herein.

(g) "Common Areas" shall mean and refer to all of that property owned or to be owned by the Association for the common use and enjoyment of members of the Association.

(h) "Covenants" shall mean and refer to the covenants and restrictions, easements, affirmative obligations, charges and liens created and imposed by this Declaration.

(i) "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for WALKER ESTATES Subdivision together with any supplements or amendments hereto.

(J) "Developer" shall mean and refer to Walker Run , LLC., with its successors, legal representatives, grantees and assigns as described in an instrument executed by Developer and duly recorded in the Official Public Records of Real Property of Brazoria County, Texas. In the event of the foreclosure of any of the liens described in instruments executed by Developer and granting a lien on all of the Land, or any renewal, extension or modification of any such liens, or in the event of the execution and delivery of a deed in lieu of foreclosure of such liens, the purchaser at the foreclosure shall have the right to designate the person or entity to serve as the "Developer" hereunder, and the persons or entity so selected shall be deemed for all purposes hereof to the successor "Developer" pursuant to the Section 1.01.

(k) "Development" shall mean WALKER ESTATES Subdivision located in Brazoria County, City of Pearland, State of Texas.

(I) "Dwelling" shall mean and refer to a single family residence (including garage) located on a Lot.

(m) "Home Builder" shall mean a home building contractor authorized to build a home on a Lot.

(n) "Land" shall mean and refer to all of the land described in Exhibit "A" and any additions or amendments thereto and all improvements located thereon.

(o) "Lot" shall mean and refer to any area of real property, which is included in Exhibit "A", and is designated as a lot on a recorded plat of Land or conveyed by the Developer to an Owner, whether or not said lot is improved with a Dwelling. The word "Lot" may, when the context so requires, be used interchangeably herein with the word "Unit".

(p) "Maintenance Charge" shall mean and refer to the maintenance charges described in Article VIII herein.

(q) "Member" shall mean and refer to those Owners entitled to membership as set forth in Article VII.

(r) "Owner" shall mean and refer to the record owner whether one or more persons or entities, of fee simple title to any Lot or Unit which is part of the "Land".

(s) "Plat" shall mean and refer to any recorded or unrecorded subdivision map or maps of all or a portion of the "Land".

(t) "Regulations" shall mean and refer to any rules or regulations respecting the use of the land that have been adopted by the Association from time to time in accordance with its Articles of Incorporation and Bylaws.

(u) "Resident" shall mean an individual that resides on a Lot or in a Unit.

(v) "Tract" shall have the same meaning as "Land" as defined under paragraph (n) of this section.

(w) "Unit" shall mean and refer to a single family residence living unit being situated upon the land.

ARTICLE II- RESTRICTIONS

The following restrictions set forth in the Article II shall apply to the Units.

Section 2.01 — Single Family Residential Purposes. The Lots and Units shall be used for single family residential purposes only. No structure shall be erected or permitted to remain on any Lot on the Land other than the Unit. No building or other improvements at any time situated on any Lot shall be used for any business, commercial, amusement, hospital, sanitarium, school, clubhouse, religious, charitable, philanthropic or manufacturing purposes, or as a professional office, and no billboards or advertising signs of any kind shall be erected or displayed thereon, except such signs as are permitted elsewhere in the Covenants. No building or other improvements situated on any Lot shall be rented or leased separately from the rental or lease of the entire Lot and no part of any such building shall be used for the purpose of renting rooms therein or as a boarding house, hotel, motel, tourist or motor court or any other type of transient accommodation.

Section 2.02 — Vehicular Parking and Access. No vehicle shall be parked on any part of the Land, except on paved streets and paved driveways. No vehicles may park on paved streets overnight. No commercial vehicles, except those present on business to serve a Unit may be in the Development. No motorcycles, bicycles or tricycles may be parked in the Development unless parked inside garages and concealed from public view. Motorized recreational vehicles, boats, trailers, camping trailers shall not be parked in the development for more than five *(5)* days unless screened from public view.

Section 2.03 — Unit Plates and Mailboxes. An address plate approved by the Developer at the Home Builder's expense shall be installed on the front elevation of each home showing the

address of the residence. A mailbox approved by the Developer shall be installed at the Home Builder's expense at the front of each lot behind the curb conforming to the standard requirements of the United States Postal Service. Masonry and/or brick mailbox enclosures are not permitted.

Section 2.04— Signs. (a) Except as otherwise permitted herein, no signs of any character shall be displayed or placed upon a Lot. The Developer, Home Builders and Real Estate Brokers may install signs not to exceed six (6) square feet advertising the Lot and/or Unit for sale. (b) Nothing contained in these Covenants shall prevent the Developer, or any person designated by the Developer, from erecting or maintaining such commercial and display signs and such temporary dwellings, model home units, and other structures as the Developer may deem advisable for development purposes, including construction of any improvements or structures thereon, provided such are in compliance with the appropriate governmental requirements or regulations applicable thereto.

Section 2.05— Aerials. No external radio or television mast, tower, pole, wire, aerial, satellite receiving station or dish, antenna, or appurtenances thereto shall be maintained on the exterior of any Dwelling or on any other portion of any Lot, except that one small satellite dish, not to exceed twenty-four inches (24") is diameter may be permitted provided that the location, mounting height and equipment details are approved by the Architectural Control Committee.

Section 2.06 — Electrical Interference. No electrical machinery, devices or apparatus of any sort shall be used or maintained in any Unit which causes interference with the normal "air" or "cable" television or radio reception of any other Units.

Section 2.07 — Animals. All animals permitted by this Section shall be kept on a leash within the Development when not within an enclosed area of a Lot. No horses, mules, donkeys, burros, cattle, sheep, goats, swine, rodents, reptiles, pigeons, pheasants, game birds, game fowl, poultry or guineas or any other animals shall be kept, permitted, raised or maintained on any Lot, except as permitted in this Section. Domestic breeds of birds, dogs, cats and fish, unless otherwise excluded herein, may be kept on a single Lot for pleasure and use of the occupants, but not for any commercial or breeding use or purpose, except that if any such permitted animals shall, in the sole and exclusive opinion of the Developer and/or the Association, become dangerous or an annoyance or nuisance to the Development, neighborhood, other Units or nearby property or destructive to wildlife, they may not thereafter be kept in or on the Lot or Unit.

Section 2.08 — Nuisances. No illegal, noxious or offensive activity shall be carried on or permitted on any part of the Land or Development, nor shall anything be permitted or done thereon which is or may become a nuisance or a source of embarrassment, discomfort or annoyance to the neighborhood or Development. No motorcycles, minibikes, all terrain vehicles, motor scooters or similar motorized vehicles may be operated on the streets of the Development except for ingress and egress. No trash, garbage, rubbish, debris, waste material, or other refuse shall be deposited or allowed to accumulate or remain on any part of the Land, Lots or Reserve areas described on the Subdivision Plat. No fires for the burning of trash, leaves, clippings or other debris or refuse shall be permitted on any part of the Land, except by the Developer. No Owner shall permit any use of his Unit or make any use of the Common or Reserve Areas that

will increase the cost of insurance upon the Land above that required when the Unit is used for the approved purposes, or that will cause any such insurance to be canceled or threatened to be canceled, except with the prior written consent of the Association. No bicycles, cars, trucks, vehicles, tricycles, scooters, wagons, carriages, shopping carts, chairs, benches, tables, toys, or other such items shall be parked or permitted to stand for any period of time on the Common or Reserve Areas, except in accordance with the Regulations. No radio, stereo, broadcast or loudspeaker units of any kind shall be placed or operated upon or outside, or be directed to the outside of any building without the prior written approval of the Association.

Section 2.09 — Re-subdividing. Neither the Lots nor the Land shall be subdivided, replatted or divided without the prior written consent of the Developer.

Section 2.10— Clothes Drying. The drying of clothes in public view is prohibited. There shall be no permanent clotheslines. Portable clotheslines shall not be in visible from the street or exceed seven (7) feet in height and shall be stored indoors when not in use. No clothing, bedding, rugs, carpets or other similar items shall be hung over or on any fence for any reason.

Section 2.11 — Fences, Walls, Hedges and Trees. There shall be no fences permitted on a Lot within the Development unless they comply with the requirements below and are approved by the Architectural Control Committee. The provisions contained herein apply solely to brick, wrought iron, steel, vinyl and wooden fences. Chain link fences are not permitted. Approval of the Architectural Control Committee is not required for any fences or walls constructed by the Developer. No fence, wall, tree, hedge, shrub or structure may be placed, maintained or permitted to remain in such a manner as to obstruct necessary sight lines for vehicular traffic to safely negotiate intersections.

(a) Privacy — Privacy fences of brick, cedar, cypress, treated pine or other suitable durable wood may be erected to a minimum height of six feet six inches (6 ft-6 inches) and maximum height of seven feet (7 ft.) and must be approved by the Architectural Control Committee.

(b) Special provisions — Notwithstanding anything to the contrary, the Developer and the Association, as successor to the Developer, shall have the right to install and maintain fences and/or walls in the “Reserve Areas” as shown on the Subdivision Plat.

Section 2.12 — Lot Maintenance. The owner of each Lot shall, at his or her own expense, keep such Lot free of tall grass, undergrowth, dead trees, dangerous and/or dead tree limbs, weeds, trash and rubbish, and shall keep such Lot at all times in a neat and attractive condition. No tree, shrub or plant of any kind shall be allowed to encroach upon any sidewalk or other pedestrian way from ground level to a height of seven feet (7 ft.). In the event the Owner fails to comply with the preceding requirement, the Association and/or the Developer, shall have the right, but not the obligation, to cut and/or remove tall grass, undergrowth, weeds, rubbish, garbage or any other material or object deemed by the Association and/or the Developer in their judgment to detract from or diminish the neat, clean and orderly appearance of the Lot. Expenses paid by the Association and/or Developer due to the failure of any Lot Owner as described above are to be

paid by the Lot Owner upon demand by the Association and/or Developer.

Section 2,13 — Regulations. Reasonable rules and regulations concerning the appearance and use of the Land may be made and amended from time to time by the Developer or the Association as successor to the Developer in the manner provided by the Articles of Incorporation and Bylaws. Copies of the Regulations and amendments thereto shall be furnished by the Association to all Owners and Residents of the Land upon request.

Section 2.14 — Mining. No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon any Lot and no derrick or other structure designed for use in drilling of oil or natural gas shall be erected, maintained or permitted on any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted on any Lot.

Section 2.15 — Casualties. In the event a Unit or any part thereof if damaged or destroyed by fire, casualty or otherwise, or any improvements upon the Common or Reserve Areas are damaged or destroyed by fire, casualty, or otherwise, the Owner thereof or the Association as the case may be, shall promptly clear all debris resulting there from and commence either to rebuild or repair the damaged improvements in accordance with the terms and provisions of the Declaration, or in the case of the Common or Reserve Areas, to grass over and landscape the Land previously underlying the improvements in a manner consistent with the surrounding areas.

Section 2.16 — Reconstruction. Any repair, rebuilding or reconstruction on account of casualty or other damage to any Unit or Common or Reserve Areas, or any part or pans thereof, shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or with new plans and specifications approved by the Association. Reconstruction must be completed within six (6) months from the occurrence of the damage unless such period is extended by written consent of the Association.

Section 2.17 — Lighting. All streetlights in the public right of way shall be in accordance with an outside lighting plan as established by the Developer in conjunction with the City of Pearland and Houston Lighting & Power Company. The Association shall be liable to pay any required maintenance or electric service charge for streetlights.

Section 2.18— Fire Protection. The majority of the land is located in the City of Pearland and fire protection is provided by a city wide volunteer fire department. Fire protection is funded by the City operating budget which is paid for from advalorem real property taxes.

Section 2.19 — Setback Lines. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one (I) single family detached dwelling. All single family dwellings shall be located at the front building line as drawn on the Subdivision Plat. No dwellings or structures are permitted in the space between the front property line and the building set back line as shown on the Subdivision Plat. Approval of the Developer is required for locating the front of a single family dwelling further away from the front property line than the front building line as shown on the Subdivision Plat. No single family dwelling may be erected nearer than ten feet (10 ft.) from a Side Lot Line, except where Side Lot Line is adjacent to a public street right-of-way in which case no structure shall be erected nearer than twenty feet

(20 ft.) from the Side Lot Line adjacent to the public street right-of-way. Outbuildings and/or detached garages may be located five feet (10 ft.) from a Side Lot Line if approved by the Developer and/or Architectural Control Committee and the City of Pearland. A "detached garage" may have a porte-cochere covered area incorporated into its design and a "breezeway" connection to the main dwelling.

Section 2.20 — Dwellings and Garages. The minimum square foot living area of each dwelling on Lots 1-6, Block 1 and Lots 10-13, Block 1 is Two Thousand Eight Hundred square feet (2800 sq. *ft.);* Lots 7-9, Block 1 is Three Thousand One Hundred square feet (3100 sq. ft.) excluding screened areas, open porches, terraces, patios and garages whether attached or detached. Two story and 1-1/2 story dwellings shall have a minimum of Nineteen hundred square feet (2000 sq. ft.) living area on the first floor. The maximum portion of a Lot covered by dwellings placed on Lots shall comply with the applicable provisions of the City of Pearland zoning and building codes. All dwellings must have a private garage with architectural design and materials comparable to the main dwelling including minimum roof pitch of 6/12 and minimum three (3) and maximum four (4) car capacity. Garages oriented toward the street frontage shall be designed in accordance with the criteria established by the Architectural Control Committee which shall approve all designs and styles. No garage or accessory building shall exceed in height the Dwelling to which it is appurtenant without the written approval of the Architectural Control Committee. Each garage and permitted accessory building (except a greenhouse) shall correspond in style and architecture with the Dwelling to which it is appurtenant. Greenhouses require the written approval of the Architectural Control Committee. Roofs may be designed as gables or hip with minimum pitch of 6/12 unless an exception is given by the Committee. Roofing materials may be standing seam (copper or 24 gauge painted steel or galvalume); aluminum, slate, clay tile, concrete or fiberglass reinforced Class "A" high definition composition shingles with closed valleys and minimum 25 yr. Manufacturer rating. The Committee must approve the color of all roofing materials. The eaves of all roofs must overhang the finished exterior of the dwelling a minimum of one foot (1 ft**.).** Unless otherwise approved by the Committee, at least eighty five percent (85 %) of the exterior wall area of all residence dwellings, excluding gables, door and window openings shall be constructed of the following materials or combinations thereof: face brick (no larger than "king size"), cement/sand stucco over expanded metal reinforcing, natural stone, manufactured stone veneer. Fireplace chimney enclosures shall be brick, stucco, stone or fiber reinforced cement board and in all cases the terminations shall he decorative galvanized sheet metal and approved by the architectural control committee. Yellow, pink or orange brick is prohibited. Stucco colors and stone selections must be approved by the Committee. All fascia and frieze boards, siding and other architectural elements must be prime painted soon after initial installation and repainted with minimum of one finish coat prior to completion of dwelling. All dwellings shall have reinforced concrete driveways with minimum width of twelve feet (12 ft.). Curved drives and walks are encouraged. Directional changes in drives and walks should be with curved rather than straight segments. Colored concrete drives and walks must be approved by the Committee. Each lot owner shall, in connection with the construction of any dwelling also construct a four foot (4-ft.) concrete public walk across the entire lot frontage beginning approximately two feet (2 ft.) inside the right-of-way from the front property line. Each dwelling shall have a solid sod St. Augustine grass front yard installed within thirty (30) days of substantial completion of the dwelling. Side and rear yards may be spot sodded. Each dwelling shall be landscaped with a minimum of twenty (20)

five *(5)* gallon shrubs planted in beds of top soil and mulch extending a minimum of three (3) feet from the front foundation line. No lot shall be graded so that water sheds onto an adjacent lot. Basketball backboards, if desired, should be placed at the rear of any Dwelling Unit. The location of solar collectors shall be approved by the Committee and shall not be located on the front elevation of any Dwelling Unit. Plumbing, heating, dryer vents and other roof penetrations shall not occur on the front elevation of any Dwelling Unit as determined by the Committee.

Section 2.21 — Maximum Construction Period**.** The construction, reconstruction or modification of a Dwelling, structure, wall or fence shall not continue for more than one year (1 yr.) from the date the work is commenced. No Dwelling shall be occupied until issuance of a Certificate of Occupancy from the City of Pearland.

Section 2.22— Use of Accessory Structures. No tent, shack, garage, barn or other out building shall at any time be erected or used, temporarily or permanently, as a residence or for any other residential purpose, nor shall any trailer be parked permanently or temporarily as a residence or for any other purpose on any of the Lots in this subdivision; provided, however, temporary buildings or field construction offices may be used by the home builders, in connection with construction work if approved by the Developer or Association, and provided further that said temporary buildings or field construction offices shall be promptly removed upon the completion of such construction work.

Section 2.23 — Windows, Doors and Screens. All windows, with the exception of the upper panels of a palladium window, shall be covered on the interior of said Unit by blinds, shades, drapes, or other appropriate window coverings and shall not be covered with sheets, bedspreads, newspaper or foil. All garage doors of Units shall be closed except when opened temporarily for ingress and egress.

Section 2.24 — Window Air Conditioners or heaters. Window or wall type air conditioners and heaters are not permitted unless approved for type, style and location by the Committee.

Section 2.25 — Ancillary Equipment. All tanks, bottles, pumps, condensers, woodpiles, or other ancillary equipment shall be suitably screened from public and private view.

Section 2.26 — Utilities Installations. All service lateral utility installations shall be underground including electricity, natural gas, telephone, cable television, water and sewer.

Section 2.27— Swimming Pools. Subject to the further limitations imposed in Section 2.19 herein, swimming pools shall meet the City of Pearland Swimming Pool Ordinance and must be situated entirely within the rear yard area of a Lot unless a different location is authorized in writing by the Architectural Control Committee and must comply with all lawful requirements and not encroach on any easement. The walls, cap and deck of any pool shall not extend more than one foot (I-ft.) above the finish surface grade of the Lot, unless otherwise submitted and approved by the Committee.

Section 2.28— Irrigation systems. Irrigation or sprinkler systems are not required.

Section 2.29— Amendments and Modifications by Developer. Not withstanding any provisions of this Declaration to the contrary, Developer, its successors and designated assigns, reserves the right and authority for a period of five years (5 yrs.) from the date of recording of the original Declaration to amend, modify or grant exceptions or variances from any of the Restrictions set forth in the Article II without notice or approval by other Lot Owners of the Development or Association.

Section 2.30 — Refuse Collection. All trash containers, trash, garbage or other refuse shall be maintained in a location not visible from the street(s), and shall not be placed for pickup until the morning of pickup and any and all containers for such trash, garbage or other refuse shall be returned to their proper location on the evening of their pickup.

Section 2.31 — Ordinances. Every Owner, their licensees, guests, invitees and tenants shall at all times abide by all county, city or other governmental ordinances, including but not limited to ordinances regulating zoning, flood control, subdivision, pets, parking and personal conduct.

Section 2.32 — Pumping and Irrigation. The Owners of any Lot which includes or is adjacent to a pond, creek, detention pond, ditch or other body of water shall not draw down said body of water by pumping or draining there from. The drilling and installation of water wells must be approved by the Architectural Control Committee and the City of Pearland. Irrigation systems may be installed in any Reserve Area.

Section 2.33 — Drainage. All lots are burdened with reciprocal, mutual easements for drainage of surface waters, including those set forth in the Development Plat, and no Owner may excavate, fill or otherwise alter such Owner's Lot in any manner that alters the drainage patterns established as part of the Development. Without limitation, no Owner shall cause or permit the obstruction. alteration or modification of the original drainage pattern of any Lot as established as part of the Development, including any alteration or modification to drainage swales, curbs, gutters, culverts, trenches, devices or facilities that have been constructed or installed on any Lot for storm drainage purposes, whether through the erection of fences, planting of frees or shrubs, landscaping, laying of sod, removal of soil, placing of fill, alteration of surface elevation, re-grading of surfaces, filling of culverts, channeling, placing holes or ditches, or any other act.

Section 2.34— Lot Alterations. No owner shall cause or permit any earth or other material to be excavated or removed from any Lot for sale or for other commercial purposes, and no change in the elevation or the surface of any Lot shall be permitted without the prior written approval of the Architectural Control Committee.

Section 2.35 — Proviso. Provided, however, that until the Developer and Home Builders have completed all of the contemplated improvements in the Development and closed the sales of all of the Lots, neither the Owners nor the Association nor the use of the Land shall interfere with the completion of the contemplated improvements and the sale of the Lots. The Developer may make such use of the unsold Lots and Common and Reserve Areas without charge as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, including the showing of the Land and the display of signs.

ARTICLE III UTILITIES AND EASEMENTS

Section 3.01 — Easements. Perpetual easements (herein called "Easements") for the installation or maintenance of utilities including storm sewer, sanitary sewer, gas, electricity, water, telephone, cable television and other utilities (herein generally referred to as "Utilities") and drainage areas are hereby reserved to the Developer, City of Pearland, the Pearland Drainage District and Brazoria County in and to all utility easements and drainage easement areas (herein called "Easement Areas") shown on the Plat, which easements shall include, without limitation, the right of reasonable access over Lots to and from the Easement Areas; and the Developer, the City of Pearland, the Pearland Drainage District and Brazoria County shall each have the right to convey such Easements on an exclusive or nonexclusive basis to any person, corporation or governmental entity (herein called "Utility Providers") who shall furnish utilities or services to the Development. Neither the Easement rights reserved pursuant to this paragraph or as shown on the Plat, however, shall impose any obligation on the Developer to maintain such Easement Areas or to install or maintain the utilities or any retention or Detention Areas (herein defined), nor any pipes, lines, culverts, channels or other facilities or improvements that may be located on, in or under such Easements, or which may be served by them within Easement Areas. No structure, soil, irrigation system, planting or other material shall be placed or permitted to remain which may damage or interfere with access to, or the installation and maintenance of any utilities or drainage facilities within the Easement Areas or which may change the direction of flow or obstruct or retard the flow of water through drainage channels in any Easement Area, or which may reduce the size of any ponds, lakes or other water retention areas (herein referred to as "Retention or Detention Areas") which are or may be shown on the Plat or are on or in the Development or which may be constructed in such Easement Areas.

Section 3.02 — Landscaping and Signage. The Developer reserves to itself and the Association easement over, along, across and under the property described in various exhibits for and as areas for Common Area landscaping, signs, walls, fences and including the right of installation and maintenance and the right of reasonable access over Lots. Neither the easement rights reserved pursuant to this paragraph, not as shown on the Plat, however, shall impose any obligation on the Developer to maintain such Easement Areas or to install or maintain any landscape area, signs, walls, fences or other facilities or improvements that may be located on, in or under such Easements, or which may be served by them within the Easement Areas. No structure, including, but not limited to, fences, walls, soil, irrigation systems, plantings or other materials shall be placed or permitted to remain which may damage or interfere with access to such Easements or facilities therein.

Section 3.03 — Maintenance of Easements. The Owners of the Lot or Lots subject to the privileges, rights and Easements referred to in this Article shall acquire no right, title or interest in or to any poles, wires, cables, signs, plantings, shrubs, improvements, conduits, pipes, mains, valves, lines or other equipment or facilities placed one, in, over or under the property which is subject to said privileges, rights and Easements. Easement Areas of each Lot, whether as reserved hereunder or as shown on the Plat, or as may have been installed by the Developer, and all facilities and improvements in such Easement Areas shall be maintained continuously by the Owner of the Lot, for those improvements which the utility provider is responsible and those areas maintained by the Association. With regard to specific Easements for drainage as shown on

the Plat, the Developer shall have the right, but without obligation imposed thereby to alter or maintain drainage facilities in such Easement Areas, including slope control areas.

ARTICLE IV PROPERTY RIGHTS

Section 4.01 — Owner's Easements of Enjoyment. Every owner or any part of the Land shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the rights of the Developer reserved herein and subject to the following provisions:

(a) The right of the Association to levy annual and special Maintenance Charges and to Charge reasonable admission and other fees for the use and any recreational facility, if any situated upon the Common Areas.

(b) The right of the Association to suspend the voting rights and right to use the recreational facilities by a Member for any period during which any Maintenance Charge against his Lot or Unit remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. Not withstanding anything contained herein to the contrary, Maintenance Charges shall continue during any suspension period.

(c) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public authority, agency or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument which is signed by two-thirds (2/3) of the Members agreeing to such dedication or transfer has been recorded.

(d) The right of the Association, in accordance with its Articles of Incorporation and its Bylaws, to borrow money for the purpose of improving or increasing the Common Areas and, in aid thereof, with the assent of two-thirds (2/3) of the Members, to mortgage said Common Areas. Said mortgage shall be subordinate to the Members' rights as provided hereinafter. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right, after taking possession of such area, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such area to a wider public until the mortgage debt is satisfied, whereupon the possession of such area shall be returned to the Association and all rights of the Members hereunder shall be fully restored; provided that under no circumstances shall the rights of Members of ingress, egress or parking be affected.

(e) The right of the Association to take such steps that are reasonable necessary to protect the Common Areas against an attempted foreclosure.

Section 4.02 — Delegation of Use. Any Member may delegate his right of enjoyment to the Common Areas and facilities to the members of his family, to his guests and to his tenants,

subject to such rules and regulations as the Board of Directors may from time to time adopts; provided, however, that there shall be no abrogation of the duty of any Member to pay assessments as provided in Article VIII.

ARTICLE V RESERVE AREA

Section 5.01 — Development. The development may contain a reserve area and may be improved in general accordance with various Exhibits attached. Exact location and dimension of the reserve area may vary from that depicted in various Exhibits and is subject to as-built conditions. For the purposes of this paragraph, "as-built condition" means the final form and location of the reserve area as necessitated by environmental and economic conditions and the location of nearby improvements.

ARTICLE VI- ARCHITECTURAL CONTROL

Section 6.01 — Architectural Control Committee. The initial members of the Architectural Control Committee shall be John D. Gartrell and Lacey B. Gartrell. The committee shall have the authority granted in these restrictions. The initial Committee shall serve until such time as there shall be built a single family dwelling on each lot in the Subdivision or they appoint at least two (2) but no more than (3) members who are Lot Owners to function as the Architectural Control Committee. The aforementioned appointment by John D. Gartrell and Lacey B. Gartrell shall remain in effect for two years unless such appointment is changed by a majority of the lot owners in the Association before the expiration of two years from date of appointment. The membership of the Architectural Control Committee shall be automatically renewed for two-year periods unless changed by Board of Directors of the Homeowners Association.

Section 6.02 — Committee Authority. No exterior changes, additions or alterations, including exterior coloring, to any Dwelling or other structure in the Development, additional fences or changes in existing fences, hedges, walls, walkways and other structures shall be commenced or erected, except such as are installed, improved or made by the Developer in connection with the initial construction of the buildings and improvements within the Development, until the same is approved by the Committee. The Committee shall have full authority to regulate, in accordance with the terms and provisions of the Declaration, the use and appearance of the exterior of the Units to assure harmony of external design and location in relation to surrounding buildings and topography and to protect and conserve the value and desirability of the Development as a residential community. The power to regulate shall include the power to prohibit those exterior uses or activities deemed inconsistent with the provisions of the Declaration, or contrary to the best interests of the Association in maintaining the value and desirability of the Development as a residential community or both. The Committee shall have authority to adopt, promulgate, rescind, amend and revise rules and regulations in connection with the foregoing; provided, however, such rules and regulations shall be consistent with the provisions of the Declaration; and, if the Board has not constituted itself as the Committee, such rules and regulations shall be approved by the Board prior to the same taking effect. Violations of the Committee's rules and

regulations shall be enforced by the Board, unless such enforcement authority is delegated to the Committee by resolution of the Board.

Section 6.03 — Committee Approval. Without limitation of the foregoing, no changes, alterations, additions, reconstruction or attachments of any nature whatsoever shall be made to any Lot (except as to the interior of a Unit), including that portion of any Lot not actually occupied by the Unit, except such as are installed, improved or made by the Developer, until the plans and specifications showing the nature, kind, shape, height and materials are submitted to and approved by the Committee in writing. Submittal must include exterior finish color samples and material samples (brick/wood, etc.). All applications to the Committee for approval of any of the foregoing shall be accompanied by the plans and specifications or such other drawings or documentation as the Committee may require. In the event the Committee fails to approve or disapprove an application writing thirty (30) days after the same has been submitted to it, the Committee's approval shall be deemed to have been given. In all other events, the Committee's approval shall be in writing. If no application has been made to the Committee, a lawsuit to enjoin or remove any structure, activity, use, change, alteration or addition in violation of the prohibitions contained in this Section may be instituted at any time, and the Association or any Owner may resort immediately to any other lawful remedy for such violation.

Section 6.04 — Procedure. As set forth in Section 6.02, the Committee may, from time to time, adopt, promulgate, rescind, amend and revise its rules and regulations governing procedure in all matters within its jurisdiction. In the event the Board does not constitute itself the Committee, the Board, in its discretion, may provide, by resolution, for appeal of decisions of the Committee to the Board, subject to such limitations and procedures as the Board deems advisable. The Board of the Committee may appoint one or more persons to make preliminary review of all applications to the Committee and report such applications to the Committee with such person's recommendations for Committee action thereon. Such preliminary review shall be subject to such regulations and limitations as the Board or the Committee deems advisable.

Section 6.05 — Standards. No approval shall be given by the Board or Committee pursuant to the provisions of the Article, unless the Board or Committee, as the case may be, determines that such approval shall: (a) assure harmony of external design, materials and locations in relation to surrounding buildings and topography within the Development, and, (b) shall protect and conserve the value and desirability of the Development as a residential community, and, (c) shall be consistent with the provisions of the Declaration, and, (d) shall be in the best interests of the Associations in maintaining the value and desirability of the Development as a residential community.

Section 6.06— Developer Consent. Any and all actions of the Committee as to Lots owned by the Developer, must have the written approval of the Developer, unless such approval is waived in writing by the Developer.

Section 6.07 — Exculpation of Developer and Committee. Developer and Committee cannot and shall not be held responsible for any loss or damages to any person arising out of the approval or disapproval of plans, designs or construction errors. Nor shall Developer or Committee be held responsible for loss or damage to any person arising out of non-compliance with any zoning law,

ordinance or land use or building regulation or any provision of this Declaration.

ARTICLE VII- ADMINISTRATION

Section 7.01 — Association. The Developer shall be responsible for the organization of the Association. The Association shall have the rights, powers and duties of the Association as provided herein. The Association shall be governed by its Articles of Incorporation and Bylaws. Such rights and powers, subject to the approval thereof by any agencies or institutions deemed necessary by the Developer may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles of Incorporation and Bylaws are not inconsistent with the provisions of the Declaration and are necessary, desirable, or convenient for effectuating the purposes set forth in the Declaration. After incorporation of the Association, a copy of the Articles of Incorporation and Bylaws of the Association shall be available for inspection at the office of the Association during reasonable business hours. Copies of said Articles of Incorporation and Bylaws may be purchased for such reasonable fees as may be prescribed by the Association and otherwise provided as set forth in Section 2.13 herein. Until such time as the Association is organized, the Developer shall have the rights, powers and duties of the Association provided for herein.

Section 7.02 — Members. Every Owner of a Lot or Unit shall be a Member of the Association as designated in Section 7.03 of the Article. Membership shall be appurtenant to and may not be separated from ownership of a Lot or Unit which is subject to Maintenance Charge or from occupancy of a Unit.

Section 7.03— Membership Classes and Voting Rights. The Association shall have the following two (2) classes of voting membership:

(a) Class A. Class A Members shall be Owners of Lots in the Development, except for the Developer so long as the Developer retains Class B voting rights as defined herein, and shall be entitled to one (I) vote for each Lot so owned.

(b) Class B. The Class B Member shall be the Developer and shall be entitled to twelve (12) votes for each Lot or Unit owned in the Development. The Class B membership shall cease to exist and be converted to Class A membership when the first of one of the following events occurs:

(I) When the total votes outstanding in Class A membership exceed the total votes outstanding in Class B membership, or,
(2) Five *(5)* years following conveyance of the first Lot or Unit from the Developer to an Owner, or,
(3) On January 01,2007

Section 7.04 —Joint Owners. When more than one person holds an interest in any Lot or Unit, all such persons shall be Members of the Association, provided, however, that the Owner's vote shall be exercised as provided above or as all persons among themselves determine, but in no

event shall more than one (I) vote be case with respect to any Lot or Unit not owned by the Developer.

ARTICLE VIII- MAINTENANCE CHARGES

Section 8.01 — Purpose of Maintenance Charges. The Association shall have the authority to levy assessments, herein called "Maintenance Charges", against each Lot or Unit to be used exclusively to promote the recreation, health, safety and welfare of the residents in the Development and for the improvement and maintenance of the Common and Reserve Areas, including, but not limited to, cost of repairs, replacement and additions thereto; cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common or Reserve Areas; the procurement and maintaining of insurance; the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful; the employment of security personnel to provide services which are not readily available from a governmental authority; and such other needs as may arise.

Section 8.02 — Creation of a Lien. In order to carry out the purposes and obligations hereinafter stated, the Association, by action of its Board of Directors, and without approval of the Members, except to the extent specifically provided herein, shall have the power to levy and collect Maintenance Charges in accordance with the Declaration against each Lot or Unit. The Developer, for each Lot or Unit owned within the Development, hereby covenants, and each Owner of any Lot or Unit by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association: (1) Annual Maintenance Charges, (2) Special Maintenance Charges for capital improvements, (3) Special Maintenance Charges for emergencies as needed for purposes other than as a capital improvement, and (4) Specific Maintenance Charges against any particular Lot or Unit which were established pursuant to the terms of the Declaration. All such Maintenance Charges, together with interest, costs and reasonable attorney's fees, shall constitute a lien upon the Unit against which each such Maintenance Charge is levied and shall run with the Unit, and shall take priority from the date the notice of lien for delinquent Maintenance Charge is filed in the Public Records of Brazoria County, which notice shall state the description or the Lot or Unit, the Owner's name, the amount due and the date due. The lien shall be prior to and superior in dignity to the creation of any homestead status but subordinate to any first mortgage as hereinafter set forth. The lien shall be subordinate to liens for ad valorem taxes or other public charges, which by applicable law are expressly made superior. Every Owner of a Lot or Unit hereby consents to the imposition of such lien prior to any homestead status until paid in full.

Section 8.03 — Special Maintenance Charges. In addition to the Annual Maintenance Charge, the Association, through its Board of Directors, may levy in any calendar year a special charge, herein referred to as "Special Maintenance Charge" for capital improvements or emergency purposes, and any such charge shall be approved by no less than two-thirds (2/3) of each class of Members. Notwithstanding the foregoing, a Special Maintenance Charge authorized under Section 9.01(b), Article IX, and Section 2.12, Article II hereof, need be approved only by the Board of Directors and not the two-thirds (2/3) vote of the membership. Written notice of any meeting called for the purpose of making the levy of a Special Maintenance Charge requiring

approval of the membership shall be sent to all Members not less than ten (10) days no more than thirty (30) days in advance of the meeting.

Section 8.04 — Annual Maintenance Charge. Annual Maintenance Charges shall be determined for each Lot or Unit by the Board of Directors of the Association prior to January 1st of each year for all Lots subject to Maintenance Charges pursuant to Section 8.07 herein by determining the sum necessary to fulfill the obligations and purpose of said Maintenance Charges for each year commencing January 1,2003. Such charges are referred to herein as the "Annual Maintenance Charge". Written notice of the Annual Maintenance Charge shall then be sent to every Owner subject thereto and the due date shall be established by the Board of Directors, which may be monthly, quarterly or on an annual basis. The Association shall, upon request and for a reasonable charge, furnish a certificate signed by an office of the Association setting forth whether the Maintenance Charges on a specified Lot or Unit have been paid. The Annual Maintenance Charge provided for herein shall commence at the time of closing of the purchase of each Lot or Unit from the Developer with respect to said Lot or Unit, and the first Annual Maintenance Charge shall be adjusted according to the number of days then remaining in that calendar year and may be required to be paid in advance at closing. Notwithstanding anything contained herein to the contrary, the Developer, as a Class B Member, shall not be obligated to pay Annual Maintenance Charges for the period of time that the Developer pays any amount of common expenses incurred and not charged by the Special and Annual Maintenance Charges collectible from class A Members.

Section 8.05 — Reserves for Replacement. The Association shall establish and maintain an adequate reserve for the periodic maintenance, repair and replacement of improvements to the Common Areas. The fund is to be maintained out of Annual Maintenance Charges.

Section 8.06 — Uniform Rate of Maintenance Charges. Except as provided herein in Section 8.02, both Annual and Special Maintenance Charges shall be fixed at the same amount for each Lot or Unit and may be collected on a monthly quarterly or annual basis.

Section 8.07 — Commencement of Annual Maintenance Charges. The Maintenance Charges provided for herein shall commence as to each Lot or Unit at the time of the closing of the sale of each Lot or Unit by the Developer, and the first Annual Maintenance Charges shall be adjusted according to the number of days remaining in the calendar year of such closing. The due dates for Maintenance Charges shall be established by the Board of Directors of the Association.

Section 8.08 — Remedies of the Association for Nonpayment of Maintenance Charges**.** Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate. The Association may bring an action at law against the Owner personally obligated to pay the same, or file a lien and foreclose the lien securing payment of such Maintenance Charge as provided herein in the same manner in which mortgages on real property may be foreclosed in Texas. In any such foreclosure, the Owner shall be required to pay all costs and expenses of filing the notice of lien and all reasonable attorney fees, which costs, expenses and attorney's fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay the Association and Maintenance Charges against the Lot or Unit, which become due during the period of foreclosure. The Association shall have the right

and power to bid at foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the Lot or Unit as Owner thereof. No Owner may waive or otherwise escape liability for the Maintenance Charges provided herein by non-use of the Common Areas. Any suit to recover money judgment for unpaid expenses and assessment hereunder shall not be deemed to be a waiver of the lien securing same. Upon payment of all sums secured by the lien, which has been made the subject of a recorded notice of lien, a release of notice of lien shall be executed by the Association or its representative and recorded in the Public Records of Brazoria County, Texas.

Section 8.09 — Subordination of the Lien to Mortgages. The lien of the Maintenance Charges provided for herein shall be subordinate to the lien of any first mortgage recorded prior to the time of recording a notice of lien. The sale or transfer of any Lot or Unit shall not affect the lien. Any mortgagee who obtains title to a Lot or Unit as a result of foreclosure of a first mortgage thereon or by voluntary conveyance in lieu of such foreclosure, shall not be liable for the Maintenance Charge pertaining to such Lot or Unit or chargeable to the former Owner thereof which became due prior to the acquisition of title by said mortgagee. Such unpaid Maintenance Charges shall be deemed a common expense of the Association and collectible from all Owners, including the acquiring mortgagee, its successor or assigns. Any such transfer to or by a mortgagee shall not relieve the transferee of responsibility nor the Lot or Unit from the lien for Maintenance Charges made thereafter. No sale or transfer shall release such Lot or Unit from liability for the Maintenance Charge thereafter becoming due.

Section 8.10— Exempt property. All properties dedicated to and accepted by a public authority and all properties owned by the Association shall be exempt from Maintenance Charges created herein.

Section 8.11 — Rights of Governmental Authorities. In the event any municipality or other governmental authority performs the obligations of the Association for the maintenance of any facilities or Land within the Development, then said municipality or governmental authority shall have legally enforceable liens against all Land, Lots or Units in the Development and the same enforcement rights afforded the Association.

ARTICLE IX MAINTENANCE OF COMMON AREAS AND LOTS

Section 9.01 — Maintenance Responsibility. The responsibility for the maintenance of the Common Areas and Lots within the Development shall be as follows:

(a) Common Areas. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management, control and maintenance of the Common Areas as defined herein and all improvements thereon, and shall keep the same in good, clean, attractive and sanitary condition, order and repair.
(b) Lots. Each Lot Owner shall be responsible for the maintenance of his Lot or Unit, including, but not limited to, the responsibility to replace and care for trees, shrubs, grass, walks and other exterior improvements located within the Lot. In the even an

Owner fails to maintain the exterior of his Lot or Unit in a good, clean, attractive and sanitary condition, or in the event the Board of Directors of the Association deems it in the best interest of the Development, then the Association may provide said maintenance after delivery of thirty (30) days written notice to the Lot or Unit Owner and the cost of said maintenance shall be assessed by the Association to the Owner of said Lot or Unit. The Association shall have reasonable right of access and entry upon any Lot to do work reasonable necessary for the proper operation and maintenance of the Development.

ARTICLE X .SPECIAL PROVISIONS TO SATISFY REQUIREMENTS OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

Section 10.01 — Inspection of records. The Association shall allow all Lot and Unit Owners, their lenders, insurers and guarantors of first mortgages to inspect, during normal business hours, all of the records of the Association.

Section 10.02 — Furnish Annual Statement. Upon written request, the Association shall furnish its most recent annual statement to any holder of a first mortgage of a Lot or Unit in the Development.

Section 10.03 — Cancellation of Contracts. The Association may cancel, without penalty or cause, any contract or lease made by it before Owners, other than the Developer, assume control of the Association upon ninety (90) days written notice to the other party.

Section 10.04— Notices. Upon written request, the Association shall furnish the following notices to the holder, insurer or guarantor of any first mortgage on any Lot or Unit in the Development.

(a) Notice of any condemnation or casualty loss that affects a material portion of the Development or the applicable Lots or Unit.

(b) Notice of any delinquency in the payment of assessments more than sixty (60) days past due as to any applicable Lot or Unit within the Development.

(c) Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Notice of any proposed action, which would require the consent of a percentage of mortgage holders.

ARTICLE XI- REMEDIES

Section 11.01 — Violations. Whenever there shall have been built, or there shall exist on any Lot

or Unit, any structure, building, thing or condition which is in violation of the Covenants, Developer shall have the right, but not the obligation, to enter upon the property where such violation exists and summarily to abate and remove the same, all at the expense of the Owner of such Lot or Unit, which expense shall be payable by such Owner to Developer on demand, and such entry and abatement or removal shall not be deemed a trespass or make Developer liable in any way to any person, firm, corporation or other entity for any damages on account thereof.

ARTICLE XII MISCELLANEOUS

Section 12.01 — Approvals. Wherever in the Covenants the consent or approval of the Developer is required to be obtained, no action requiring such consent or approval shall be commenced or undertaken until and after a request in writing seeking the same has been submitted to and approved in writing by the Developer. In the even the Developer fails to act on any such written request within thirty (30) days after the same has been submitted to the Developer as required above, the consent or approval of the Developer to the particular action sought in such written request shall be conclusively and irrefutably presumed. However, no action shall be taken by or on behalf of the person or persons submitting such written request, which violates any of the Covenants herein contained.

Section 12.02 — Assignments. The Developer shall have the sole and exclusive right at any time and from time to time to transfer and assign to any person, firm or corporation, including, but not limited to, the Association, any or all rights, privileges, powers, easements, authorities and reservations given to or reserved by the Developer by any part or paragraph of the Covenants or under the provisions of the Plat. If at any time hereafter there shall be no person, firm or corporation entitled to exercise the rights, powers, easements, privileges, authorities and reservations given to or reserved by the Developer under the provisions hereof, the same shall be vested in and be exercised by a committee to be elected or appointed by the Owners of a majority of the Lots or Units. Nothing herein contained, however, shall be construed as conferring any rights, powers, easements, privileges, authorities or reservations in said committee, except in the even aforesaid. None of the provisions of this Section 12.02 shall apply to or affect the provisions of Article VII.

Section 12.03 — Developers Rights. The Developer reserves and shall have the sole and exclusive right:

(a) To amend these Covenants as may be required by the Federal National Mortgage Association, or other insurer of first mortgages upon the Lots and Units without acquiring the approval or joinder of any other Owner or mortgagee.
(b) To amend, modify or grant exceptions or variances from any of the use restrictions set forth in Article II of this Declaration without notice to or approval by the Board or other Owners or mortgagees. All amendments, modifications, exceptions or variances increasing or reducing the minimum square footage of Dwellings, pertaining to fence size, location or composition or pertaining to the location of structures of a Lot shall be conclusively deemed to be within the authority and right of the Developer under this subsection.

(c) To amend these Covenants for the purpose of curing any error or ambiguity in any inconsistency between the provisions contained herein without requiring the approval or joinder of any Lot or Unit Owner or mortgagee.
(d) To include in any contract, deed, sublease agreement or other instrument hereafter made any additional covenants and restrictions applicable to the Land which do not lower the standards of these Covenants.
(e) Notwithstanding anything contained herein to the contrary in the Declaration, the Developer reserves unto itself the exclusive right to approve or disapprove of the initial construction of all Dwellings, structures, buildings and improvements (herein referred to as the "Initial Improvements") to the Land and all other rights granted to the Architectural Control Committee with respect to the Initial Improvements. Initial Improvements shall not be made by any Owner or Home Builder until approval in writing of the plans and specifications is obtained from the Developer for such Initial Improvements. The Developer shall only grant such approval in writing upon a determination by the Developer that the Initial Improvements comply with this Declaration and are consistent with the Developer's overall plan and design of the Development.
(f) Notwithstanding anything contained herein the contrary, in this Declaration, the Article of Incorporation or Bylaws, the Developer shall be entitled to use any unsold Lots or Units as an aide in selling Lots or Units or as a sales office, and further be allowed to place on the Development signs advertising the sale of Lots or Units, temporary construction office and/or sales office buildings and/or trailers. The Developer shall further have the right to complete construction of all improvements to the Common Areas contemplated by its development plan and to transact, on the Development. Any business to consummate the sale of Lots or Units, and all sales office and model furniture shall not be considered Association property and shall remain the property of the Developer.

Section 12.04 — Additional Covenants. No Owner, without the prior written approval of the Developer may impose any additional covenants or restrictions on any part of the Land shown on the Plat.

Section 12.05 — Termination. These Covenants, as described in the Declaration and as amended and added to from time to time, and as provided for herein, shall, subject to the provisions hereof and unless released as herein provided, be deemed to be covenants running with the title to the Land and shall remain in full force and effect for a period of thirty (30) years from the date of recording the original Declarations, and thereafter these Covenants shall be automatically extended for successive periods often (10) years each, unless within six (6) months prior to the commencement of any ten (10) year period, an instrument in writing, executed by the Owners representing seventy-five (75) percent of the votes of Members has been recorded in the Public Records of Brazoria County. Texas in which written agreement any of the covenants provided for herein may be changed, modified, waived or extinguished, in whole or in part, as to all or any part of the Land then subject thereto, in the manner and to the extent provided in such written agreement.

Section 12.06— Amendments. Subject to the provisions of Section 12.03(b) hereof, the

Covenants of this Declaration may be amended by an instrument executed by the then Owners who represent seventy-five percent (75%) of the votes of Members and shall be placed of record in the Official Public Records of Real Property of Brazoria County, Texas. Notwithstanding anything contained herein to the contrary, no amendment of the Declaration which in any way alters, changes, limits, diminishes or otherwise affects any institutional mortgagee's position, right or equity as mortgagee of a Lot or Unit shall be effective without the joinder of the institutional mortgagee. For purposes of this statement, an institutional mortgagee shall be defined as a bank, mutual savings bank, life insurance company, savings and loan association, real estate trust, pension fund, trust, governmental agency, mortgage company, Federal National Mortgage Association or other lender active in a geographic area within twenty (20) miles of the Development including the successors and assigns of any such lender.

Section 12.07 — Indemnification. The Association shall indemnify every officer and director against any and all expenses, including reasonable attorney fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which he may be made a party by reason of being or having been an officer or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligence, or otherwise taken on behalf of the Association, except for their own individual willful conduct or non-feasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent of any obligations as members of the Association) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights as to which any officer or director, or former officer or director, may be entitled. The Association may, at a common expense, maintain adequate general liability and officer's and director's liability insurance to fund this obligation.

Section 12.08 — Insurance. The Association shall obtain such insurance coverage it reasonably and in good faith deems necessary, including, but not limited to, the following policies of insurance: (a) fire, flood and extended coverage insurance on all improvements upon the Common Areas in the amount of 100% of the full insurance replacement cost value of the improvements; (b) Workmen's Compensation insurance to meet the requirements of law; (c) general comprehensive public liability insurance in such amounts and in such form as shall be required by the Association against liability to and claims of the public, a Member of the Association, and any other person with respect to liability occurring upon the Common Areas based upon or arising out of the Association's ownership or use of the Common Areas. The liability insurance shall name as separately protected insured's the Association, the Architectural Control Committee, other standing or special committees, the Board of Directors, and their respective members, employees, officers, agents and representatives.

Section 12.09 — Negligence. Any Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect, carelessness or by that of any member of his family, or by his or her guests, licensees, employees, or tenants, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such

liability shall include any increase in fire insurance rates occasioned by use, misuse or occupancy or abandonment of a Lot or Unit or its appurtenances.

Section 12.10 — Enforcement. In addition to other remedies permitted herein, if any person, firm or corporation of other entity shall violate or attempt to violate any of the Covenants, it shall be lawful for the Developer or the Association or any person or persons owning a Lot or Unit:

(a) To institute and maintain civil proceeding for the recovery of damages against those so violating or attempting to violate any such Covenants or restrictions, or;
(b) To institute and maintain a civil proceeding in any court of competent jurisdiction against those so violating or attempting to violate any of the Covenants for the purpose of preventing or enjoining all or any such violations or attempted violations. The remedies contained in Section 11.01 shall be construed as cumulative of all other remedies now or thereafter provided by law. The failure of the Developer, his grantees, successors or assigns, to enforce any Covenant or any other obligation, right, power, privilege, authority or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation thereof occurring prior to or subsequent thereto.

(c) In any proceeding arising because of alleged failure of an Owner to comply with the terms of this Declaration, its Exhibits or Regulations adopted pursuant thereto, as said documents and Regulations may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

Section 12.11— Severability. The invalidation of any provision or provisions of the Covenants set forth herein by judgment or court order shall not affect or modify any of the other provisions of the Covenants which shall remain in full force and effect.

Section 12.12 — Successors and Assigns of the Developer. Any reference in this Declaration to the Developer shall include any successors or assigns of the Developer's rights and powers hereunder.

Section 12.13 — Rules Against Perpetuities. If any interest purported to be created by this Declaration is challenged under the Rule against Perpetuities or any related rule, the interest shall be constructed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be (a) those which would be used in determining the validity of the challenged interest, plus (b) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

Section 12.14— Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate, or modify any of the provisions of this Declaration.

Section 12.15 — Notices. Any notice required or permitted to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, delivery shall be deemed to have been made twenty-four (24) hours after a copy of the notice has been deposited in the United States mail, postage prepaid, registered or certified mail, addressed to each such person at the address given in writing by such person to the party sending the notice or to the address of the Unit of such person if no address has been given. Such address may be changed from time to time by notice in writing.

Section 12.16 — Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

Section 12.17 — Paragraph Headings. The paragraph headings contained in this Declaration are for reference only and shall not in any way affect the meaning, content or interpretation hereof.

Section 12.18 — Conflicts. In the case of any conflict between the Declaration, the Articles of Incorporation of the Association or the Bylaws of the Association shall control.

END

IN WITNESS WHEREOF, WALKER RUN, LLC, a Texas Limited Liability Company, the Developer, and owner of the Land have caused this instrument to be executed this ___day of _____2002.

WALKER RUN, LLC.
A Texas Limited Liability Company

By:
John D. Gartrell, Member

By:
Lacey B. Gartrell, Member

STATE OF TEXAS

COUNTY OF BRAZORIA

I HEREBY CERTIFY, that on this date, before me, personally appeared John D. Gartrell and Lacey B. Gartrell, Members of Walker Run, a Texas Limited Liability Company, known to be the individuals described herein who executed the foregoing Declaration of Covenants, Conditions and Restrictions and who acknowledged before me that they executed the same for the purposes therein expressed for and in behalf of WALKER RUN, LLC.

WITNESS my hand and official seal this __day of _____2002.

Notary Public in and for the State of Texas

My commission expires: