

CC&R'S SECTION 17

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
MEMORIAL PARKWAY COMMUNITY ASSOCIATION

THE STATE OF TEXAS §
COUNTY OF HARRIS §

12/17/91 00:45:41 N453622 * 51.00

THIS DECLARATION, made on the date hereinafter set forth by CINCO/MEMORIAL PARKWAY JOINT VENTURE, a Texas General Partnership, consisting of Ayrshire Corporation, a Texas corporation, and MP Development Company, a Texas corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property situated in Harris County, Texas, which is more particularly described as:

Lots 1 through 58, both inclusive in Block 1
Lots 1 through 24, both inclusive in Block 2

All of said lots being in Memorial Parkway, Section Seventeen, according to map or plat thereof recorded on Film Code No. 349140 of the Map Records of Harris County, Texas.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof and the Memorial Parkway Community Association.

ARTICLE I

DEFINITIONS

Section 1.1 "Association" shall mean and refer to Highland Knolls Community Association, a Texas non-profit corporation, its successors and assigns.

Section 1.2 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is a part of the properties, including

contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.3 "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 1.4 "Common Area" shall mean all real property and improvements thereon owned by the Association for the common use and enjoyment of the owners. The common area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All of Reserve "A" and Reserve "B" Memorial Parkway, Section Seventeen, according to map or plat thereof recorded on Film Code No. 349140 of the Map Records of Harris County, Texas.

Section 1.5 "Lot" shall mean and refer to any numbered lot or plot of land shown in any recorded subdivision map or plat of the properties with the exception of the common area and commercial reserves.

Section 1.6 "Declarant" shall mean and refer to Cinco/Memorial Parkway Joint Venture, a Texas General Partnership, consisting of Ayrshire Corporation, a Texas corporation, and MP Development Company, a Texas corporation, its successors and assigns if such successors and assigns should require more than one undeveloped lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 2.1 Owner's Easements of Enjoyment: Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

a) the right of the Association to charge reasonable admission and other fees for the use of any residential facility situated upon the common area;

b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

c) the right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of each class of members agreeing to such dedication or transfer has been recorded;

d) the right of the Association to limit the number of guests of owners;

e) the right of the Association, in accordance with its Articles of Incorporation or By-Laws, to borrow money for the purpose of improving the common area and in aid thereof to mortgage said property. The rights of any such mortgagee in said properties shall be superior as to the rights of the owners hereunder at the mortgagee's election.

Section 2.2 Delegation of Use: Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the common area to the members of his family, his tenants or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 3.2 The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

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

- a) when the total votes outstanding in Class A membership equals the total vote outstanding in Class B membership including duly annexed areas, or
- b) on January 1, 1996.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each lot within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- a) annual assessments or charges which shall be payable as hereinafter set forth, and b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interests, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 4.2 Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the properties, including, but not limited to, improvement and maintenance of the common area, lighting, improving and maintaining the streets and roads, collecting and disposing of garbage and refuse, employing policemen and/or watchmen, caring for vacant lots, esplanades, entrance ways and similar facilities serving the properties, and in doing any other things necessary or desirable which the Board of Directors of the Association may deem appropriate to keep the properties neat and presentable.

Section 4.3 Maximum Annual Assessment: Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be Two Hundred Ten and No/100 Dollars (\$210.00) per lot. From and after the first day of January of the year immediately following the date of commencement of the first annual assessment, the maximum annual assessment may be increased by the Board of Directors of the Association, effective the first day of January of each year, in conformance with the rise, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Department of Labor, Washington, D. C., or any successor publication, for the preceding month of July or alternatively, by an amount equal to a five percent (5%) increase over the prior years annual assessment, whichever is greater, without a vote of the Members of the Association. The maximum annual assessment may be increased above that established by the Consumer Price Index formula or the above-mentioned percentage only by approval of two-thirds (2/3rds) of each class of Members in the Association present and voting at a meeting duly called for this purpose. In lieu of notice and a meeting of Members as provided in the By-Laws of the Association, a door to door canvass may be used to secure the written approval of two-thirds (2/3rds) of each class of Members for such increase in the annual assessment or in the special assessment for capital improvements as provided below. This increase shall become

effective on the date specified in the document evidencing such approval only after such document has been filed for record in the Office of the County Clerk of Harris County, Texas. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum amount approved by the Members.

Section 4.4 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, re-construction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of two-thirds (2/3rds) of each class of members.

Section 4.5 Notice and Quorum for any Action Authorized Under Section 4.3 and 4.4: Written notice of any meeting called for the purpose of taking any action authorized under Section 4.3 or 4.4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the members or of proxies entitled to cast sixty percent (60%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.6 Rate of Assessment: All lots in Memorial Parkway, Section Seventeen shall commence to bear their applicable maintenance fund assessment simultaneously and lots owned by Declarant are not exempt from assessment. Lots shall be divided into two classes; Class A lots and Class B lots. Class A lots shall be those lots on which a permanent home has been constructed

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and title to such lot has been conveyed to the resident purchaser thereof. Class B lots shall be all other lots which are owned by Declarant, a builder, or building company and shall be assessed at the rate of one-half (1/2) of the annual assessment above and shall begin to accrue on the happening of either of the following events whichever occurs later:

- a) when any lot has been improved with paved streets, sewer and other utilities, or
- b) on the 1st day of January, 1992.

Section 4.7 Date of Commencement of Annual Assessments: The entire accrued charge on each Class B lot (determined in accordance with Section 4.6 above) shall become due and payable on the date such lot converts from a Class B lot to a Class A lot by reason of the conveyance of title of such lot to a resident purchaser thereof. The annual assessment charge on Class A lots shall be as hereinbefore provided (according to Section 4.3 and 4.4). The initial charge shall accrue and become due and payable to each such lot on the day such lot converts from a Class B lot to a Class A lot by reason of the conveyance of title of such lot to a resident purchaser thereof. The determination of the amount of such initial charge shall be adjusted according to the number of months remaining in the calendar year. The annual assessment on each Class A lot and thereafter shall accrue and become due and payable on the first day of January of each succeeding year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 4.8 Effect on Non-payment of Assessments - Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may

bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. Each such owner, by his acceptance of a deed to a lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including judicial foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property, and such owner hereby expressly grants to the Association a power of sale in connection with the said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other lot owners. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

Section 4.9 Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any 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 become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 4.10 Exempt Property: All properties dedicated to, and accepted by, a local public authority and all properties 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 4.11 Insurance:

a) The Board of Directors of the Association shall obtain and continue in effect blanket property insurance to insure the

buildings and structures in the common area and the Association against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, and said insurance may include coverage against vandalism.

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

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

ARTICLE V

ARCHITECTURAL CONTROL

Section 5.1 No building shall be erected, placed or altered on any lots until the building plans and specifications and a plot plan showing the locations of such building has been approved in writing as to conformity and harmony of external design with existing structures in the subdivision, and as to location with respect to topography and finished grade elevation, by an Architectural Control Committee composed of Arthur Coburn, III, Kenneth J. Coquyt, and Stephen M. Pierce, or a representative designated by a majority of the members of said committee. In the event of death or resignation of any member of said committee, the remaining member, or members, shall have full authority to appoint a successor member or members who shall thereupon succeed to the powers and authorities of the member so replaced. In the event said committee or its designated representative, fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it, such approval will not be required and this covenant will be deemed to have been fully complied with. All decisions of such committee shall be final and binding and there shall be no

revision of any action of such committee except by procedure for injunctive relief when such action is patently arbitrary and capricious. Members of said committee shall not be liable to any persons subject to or possessing or claiming the benefits of these restrictive covenants for any damage or injury to property or for any other loss arising out of their acts hereunder; it being understood an aggrieved party's remedies shall be restricted to injunctive relief and no other. Neither the members of such committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. Powers and duties of the named committee and any designated representative or successor member shall, on January 1, 2001, pass to a committee of three owners of lots in all sections or units of the subdivision then existing, provided, however, that until such selection is made by said majority of lot owners, the persons constituting said committee on said date shall continue to exercise such powers and duties until such time as their successors are elected.

ARTICLE VI

USE RESTRICTIONS

The lots shall be occupied and used as follows:

Section 6.1 Residential Construction and Use: No platted lot shall be used except for residential purposes and no building shall be erected, altered, placed, or permitted to remain on any lot other than one detached single-family dwelling of one, one and one-half and two stories in height and a private garage for not less than two cars nor more than three cars.

Section 6.2 Architectural Control: No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and material, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevations.

Section 6.3 Size: The area of any single-family dwelling,

exclusive of open porches and garages, shall contain no less than 1,400 square feet. For purposes of computing the square feet requirements contained herein, all measurements shall be made from the outside of the exterior walls of the dwelling.

Section 6.4 Placement: No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building set-back lines shown on the recorded plat, and also no building (except a garage or permitted accessory building located 50 feet or more from the front lot line) shall be placed on any lot so as to be located:

a) nearer than 5 feet to either of the side, or interior, lines of such lot, or

b) so that the aggregate width of the side yards at the front building set-back line is less than 15% of the width of the lot at the front building set-back line, with the further provision that neither of such side yards shall have a width of less than 5 feet.

c) no single family residence shall be located on any interior lot nearer than fifteen (15) feet to the rear lot line, except where a garage is attached to the main structure of the residence in which case the rear wall of the living area shall not be nearer than fifteen (15) feet to the rear lot line, and the rear wall of the garage shall not encroach upon any easement. No outbuildings on any residential lot shall exceed in height the dwelling to which they are appurtenant. Every such outbuilding shall correspond to the style and architecture to the dwelling to which it is appurtenant.

A three (3) foot side yard shall be permissible for a garaged or other permitted accessory building located fifty (50) feet or more from the front property line. If two or more lots, or fractions thereof, are consolidated into one building site in conformity with the provisions of Section 6.5 below, these building set-back provisions shall be applied to such resultant building site as if it were one original platted lot.

Section 6.5 Consolidated Building Site: None of said lots shall be re-subdivided in any fashion except as follows: Any persons owning two or more adjoining lots may subdivide or consolidate such lots into building sites, with the privilege of placing or constructing improvements, as permitted in paragraph numbered 6.3 and 6.4 above, on each such resulting building site, provided that such subdivision or consolidation does not result in more building sites than the number of platted lots involved in such subdivision or consolidation.

Section 6.6 Minimum Lot Requirement: No lot shall be resubdivided into nor shall any dwelling be erected or placed on any lot, or building site, having an area of less than 6,000 square feet.

Section 6.7 Utility Easements: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Neither Declarant nor any utility company using the easements herein referred to shall be liable for any damage done by them or their assigns, their agents, employees or servants, to shrubbery, trees or flowers or other property of the owners situated on the land covered by said easements.

Section 6.8 Nuisances: No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No repair work, dismantling or assembling of motor vehicles, boats, trailers or any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street.

Section 6.9 Use of Temporary Structures: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently. Temporary structures used as building offices and for other related purposes during the construction period must be inconspicuous and sightly, and there is hereby served unto the Architectural Control Committee the sole power to determine what is inconspicuous and

sightly in connection with temporary structures. Builders in the subdivision may use garages as sales offices for the time during which such builders are marketing houses within the subdivision. At the time of the sale of a residence by a builder any garage appurtenant to such residence used for sales or other purposes must have been reconverted to a garage.

Section 6.10 Domestic Quarters: No garage apartment for rental purposes shall be permitted on any residential lot. Living quarters on property other than in main building on any residential lot may be used for bona fide servants only.

Section 6.11 Underground Electrical Service: An underground electric distribution system will be installed in that part of Memorial Parkway, Section Seventeen designated herein as Underground Residential Subdivision, which underground service area embraces all of the lots which are platted in Memorial Parkway, Section Seventeen, at the execution of this agreement between Company and Developer or thereafter. In the event that there are constructed within the Underground Residential Subdivision structures containing multiple dwelling units such as townhouses, duplexes or apartments, then the underground service area embraces all of the dwelling units involved. The owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure, the Owner/Developer, shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Developer has either by designation on the plat of the subdivision or by separate instrument 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 various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure the Owner/Developer, shall at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each dwelling unit therein shall be underground, uniform in character and exclusively of the type known as single phase, 240/120 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Developer (except for certain conduits, where applicable, and except as hereinafter provided) upon Developer's representation that the Underground Residential Subdivision is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such subdivision, townhouses, duplexes and apartment structures, 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 or rent and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the developer or the lot owners in the Underground Residential Subdivision be changed so as to permit the erection therein of one or more mobile homes, Company shall not be obligated to provide electric service to any such mobile home unless (a) Developer has

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paid to the Company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision, or (b) the Owner of each affected lot, or the applicant for service to any mobile home, shall pay to the Company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such lot or dwelling unit over the cost of equivalent overhead facilities to serve such lot or dwelling unit, plus (2) the cost of rearranging, and adding any electric facilities serving such lot, which arrangement and/or addition is determined by Company to be necessary.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s), if any, shown on the plat of Memorial Parkway, Section Seventeen, as such plat exists at the execution of the agreement for underground electric service between the electric company and Developer or thereafter. Specifically, but not by way of limitation, if a lot owner in a former Reserve undertakes some action which would have invoked the above per front lot foot payment if such action has been undertaken in the Underground Residential Subdivision, such owner or applicant for service shall pay the electric company \$1.75 per front lot foot, unless Developer has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future non-residential development in such Reserve(s).

Section 6.12 Signs: No sign of any kind shall be displayed to the public view on any lot except one sign of not more than five (5) feet advertising the property for sale or rent. During the initial construction and sales period the builder may use other signs and displays to advertise the merits of the property for sale or rent. Declarant or its assignee shall have the right to remove any such sign in contravention hereof and in so doing shall not be subject to any liability of trespass or other sort in

connection therewith or arising with such removal.

Section 6.13 Height of Antennae: No radio or television aerial wires or antennae or satellite reception dish shall be maintained on any portion of any residential lot. And no radio or television aerial wires or antennae shall be placed or maintained on any building or any residential lot to extend more than ten (10) feet above the roof of the main residence on said lot.

Section 6.14 Storage of Automobiles, Boats, Trailers and Other Vehicles: No trucks, vans, trailers, boats, or any vehicles other than passenger cars, or passenger pick up trucks, or passenger vans will be permitted to park on streets or on driveways longer than a twelve (12) hour period. Permanent and semi-permanent storage of such items and vehicles must be screened from public view, either within the garage or behind the fence which encloses the rear of the lot.

Section 6.15 Sidewalks: Before the dwelling unit is completed, the lot owner shall construct a sidewalk four (4) feet in width parallel to the street curb, and shall extend to the projection of the lot boundary line(s) into the street right-of-way and/or street curbs at corner lots. Owners of corner lots shall install such a sidewalk parallel to the front lot line and the side street lines.

Section 6.16 Mineral Operations: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts, be permitted upon or in any lot. No derricks or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

Section 6.17 Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 6.18 Livestock and Poultry: No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except a reasonable number of dogs, cats or other household pets may be kept provided that (a) they are not kept, bred or maintained for commercial purposes, (b) they do not make objectionable noises, create any odor, or otherwise constitute a nuisance to other Owners, (c) they are kept within an enclosed yard on the lot occupied by the Owner of such pets or on a leash being held by a person capable of controlling the animal, and (d) they are not in violation of any other provision of this Declaration or such limitations as may be set forth in the Rules and Regulations. A "reasonable number" as used in this Section 6.18 shall ordinarily mean no more than two (2) pets per lot; provided, however, that the Board of Directors (or the Architectural Control Committee or such other person as the Board may from time to time designate) may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Association, acting through the Board, shall have the right to prohibit the keeping of any animal which, in the sole opinion of the Board, is not being maintained in accordance with the foregoing restrictions or any applicable Rules and Regulations. Each Owner and/or related user maintaining any animal shall be liable in accordance with the laws of the State of Texas to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of any lot or any common areas.

Section 6.19 Obstruction of Sight Lines: No fence, wall hedge or shrub planting which obstructs sight lines at elevations between 1 and 6 feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the

street property lines extended. The same sight line limitations shall apply on any lot within 10 feet from the intersection of a street property line with the edge of a driveway. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstructions of such sight lines.

Section 6.20 Fences: No fence, wall or hedge in excess of three (3) feet in height shall be placed or permitted to remain on any of said lots in the area between any street adjoining same and the front building line. Further, no side or rear fence, wall or hedge shall be constructed that exceeds six (6) feet in height, unless prior approval is obtained from the Architectural Control Committee. Chain link fences are not allowed without the written consent of the Architectural Control Committee.

Section 6.21 Roofing Materials: The roof of any building shall be constructed or covered with (1) wood shingles or (2) asphalt or composition shingles comparable in quality, weight, and color to wood shingles, the decision on such comparison to rest exclusively with the Architectural Control Committee. Any other type roofing material shall be permitted only at the sole discretion of the Architectural Control Committee.

Section 6.22 Infringement: An owner shall do no act nor any work that will impair the structural soundness or integrity of another lot or improvements thereon, or impair any easement or hereditament nor do any act nor allow any condition to exist which will adversely effect other lots, improvements thereon, or their owners.

Section 6.23 Hanging Articles: No clothing or household fabrics or other articles shall be hung, dried or aired on any lot in such a way as to be visible from other lots or from any common area.

Section 6.24 Landscaping: Within sixty (60) days after recordation of a deed of a lot to an Owner, such Owner shall install and shall thereafter maintain the landscaping on his lot in a neat and attractive condition, including all necessary

landscaping and gardening to properly maintain and periodically replace when necessary any trees, plants, grass and other vegetation which may be originally placed on such lot by Declarant or required by the Architectural Committee or the Rules and Regulations. The Board may adopt rules and regulations proposed by the Architectural Committee to regulate landscaping permitted and required on lots. In the event that any Owner shall fail to install and maintain landscaping in conformance with such rules and regulations, or shall allow his landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board, upon thirty (30) days prior written notice to such Owner, shall have the rights as hereinafter described. Provided, however, in the event that any Owner shall fail to mow and keep trimmed and neat the lawn and grass areas on his lot or otherwise permit any of said lawn and grass area to deteriorate to an unsightly or unattractive condition, the Board upon ten (10) days prior written notice to such Owner, shall have the rights as hereinafter described. The Board shall have the right, upon the appropriate above-described written notice to an Owner, either (a) to seek any remedies at law or in equity which it may have to correct such conditions, or (b) after Notice and Hearing, to enter upon such Owner's lot for the purpose of correcting such condition, and such Owner shall promptly reimburse the Association for the costs thereof, or (c) both of the foregoing, or (d) impose such fines and penalties as exist under this Declaration, the Bylaws, or the Rules and Regulations of the Association.

Section 6.25 Restriction on Exterior Lighting: Except as may be approved in advance in writing by the Architectural Committee, no exterior lighting shall be permitted anywhere within the Properties, including lighting to accent landscaping features, lights at entrance doors to structures, lights at entrance to any lot, lights along paths or driveways and lights to illuminate permitted signs. Approval shall be given only if such lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or

approved in writing by the Architectural Committee, and shall not allow light reflection or glare to be discernible from any place off the lot where such lighting exists.

Section 6.26 Casualty Insurance for Improvements: Each Owner of a lot shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable improvements on the lot for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if reasonably available and if deemed appropriate by the Association as evidenced by resolution of the Board of Directors, flood, earthquake or war risk coverage. In the event of damage or destruction to any insured improvements, the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damaged or destroyed improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Committee or the Owner shall promptly cause the damaged or destroyed improvement to be demolished and the lot to be suitably landscaped, as approved by the Architectural Committee, so as to present a pleasing and attractive appearance, and to be well maintained, mowed, and edged to conform to occupied lots in the immediate vicinity.

Section 6.27 Solar Energy Installations: The Architectural Committee may approve the plans and specifications for the installation of residential solar systems, provided that the Architectural Committee determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the properties. Any such Architectural Committee approval shall have no effect upon the enforceability of any other use restriction in this Declaration. The Architectural Committee shall have the right to promulgate reasonable standards and guidelines against which to examine any such plans and specifications.

Section 6.28 Gas Service: Entex, Inc. has agreed to provide natural gas service to all lots, provided certain minimum usage is made of such service. Pursuant to the contract providing such service, all lots shall have a minimum of gas water heating and gas central comfort heating, or pay a non-utilization fee. If, however, any lot does not utilize both gas water heating and gas central comfort heating appliances, then the Owner of such lot at the time of constructing improvements on such lot shall pay to Entex, Inc. the non-utilization of gas facilities charge set by Entex, Inc. for such lot. This non-utilization charge shall be due thirty (30) days from completion of such improvements. In the event this non-utilizing charge is not timely paid by the Owner of the non-utilizing lot, after demand is made for such payment, the Declarant or the Association may, at its option, pay such charge, and the payment so made, if any, shall subject such lot to an assessment to reimburse for such payment.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Enforcement: The Association, or any owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and 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 7.2 Severability: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 7.3 Amendment: The covenants and restrictions of this declaration shall run with and bind the land, for a term of twenty (20) years from the date this declaration is recorded, after which time they shall automatically be extended for successive periods of ten years. This declaration may be amended during the first twenty (20) year period by an instrument signed

by not less than ninety percent (90%) of the lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot owners. Any amendment must be recorded in the Deed Records of Harris County, Texas.

Section 7.4 Annexation:

a) Upon the request of Declarant, the Board of Directors of the Association may, from time to time, by majority vote and without the consent of members, annex such additional residential property and common area as Declarant may designate, provided that the FHA and VA determine that annexation of such properties is in accord with the general plan of development heretofore approved by them.

b) Additional residential property and common area, not designated by Declarant as provided above, may be annexed to the properties with the consent of two-thirds (2/3rds) of each class of members.

ARTICLE VIII

FHA/VA APPROVAL

Section 8.1 As long as there is a Class B membership, the following actions will require the prior approval of the Veterans Administration or Federal Housing Administration; annexation of additional properties, dedication of common area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal this the 22ND day of OCTOBER, 1991. (2)

CINCO/MEMORIAL PARKWAY JOINT VENTURE 106

MP DEVELOPMENT COMPANY

By: [Signature]
Vice President

ATTEST:

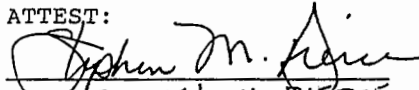
[Signature]
SECRETARY

AYRSHIRE CORPORATION 106

By: [Signature]
Charles E. Burge
President

Page 23

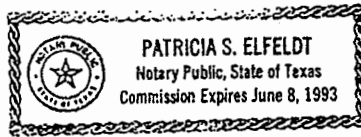
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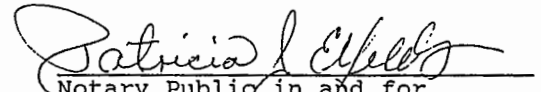

 STEPHEN M. PIERCE
 ASST. SEC.

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared WALTER M. MISCHER, JR., VICE President of MP Development Company, a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation and in the capacity therein stated.

GIVEN under my hand and seal of office this the 28th day of October, 1991.




 Notary Public in and for
 the State of Texas

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared CHARLES E. BURGE, President of Ayrshire Corporation, a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation and in the capacity therein stated.

GIVEN under my hand and seal of office this the 22nd day of October, 1991.




 Notary Public in and for
 the State of Texas

CONSENT AND SUBORDINATION

Wells Fargo Real Estate Group, with their business domiciled in Dallas County, Texas, the owner and holder of a lien or liens covering the lots has executed this Declaration to evidence its (i) consent to the Declarant's execution of this Declaration, (ii) agreement to subordinate its lien or liens to the provisions of this Declaration with the same effect as if this Declaration had been executed, delivered and recorded prior to the execution and recording of the agreement(s) creating the lien or liens, and (iii) agreement that notwithstanding any foreclosure pursuant to the terms of any agreement(s) creating the lien or liens, this Declaration shall continue unabated and in full force and effect.

IN WITNESS WHEREOF, this Declaration is executed this 5th day
of December, 1991. Wells Fargo Realty Advisors Funding,

Wells Fargo Realty Advisors Funding,
Incorporated, a Colorado corporation

By: Wells Fargo Real Estate Group, as

Agent

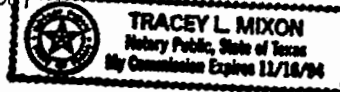
By: Harry L. Livonshteyn
Name: Harry L. Livonshteyn
Title: Regional Vice President

By: Anita S. Kendrick
Name: Anita S. Kendrick
Title: Assistant Secretary

THE STATE OF TEXAS \$
COUNTY OF ~~HARRIS~~ ^{DALLAS} \$

BEFORE ME, the undersigned authority, on this day personally appeared Larry L. Linenschmidt, Regional Vice President Wells Fargo Real Estate Group, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation and in the capacity therein stated.

GIVEN under my hand and seal of office this the 6th day of ~~November~~, 1991.
December

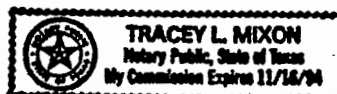


Notary Public in and for the
State of Texas

THE STATE OF TEXAS §
 DALLAS §
COUNTY OF ~~HARRIS~~ §

BEFORE ME, the undersigned authority, on this day personally appeared Anita S. Kendrick, Assistant Secretary of Wells Fargo Real Estate Group, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation and in the capacity therein stated.

GIVEN under my hand and seal of office this the 10th day of December, 1991.



Notary Public in and for the
State of Texas

CC&R'S SECTION 18

N808549

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
HIGHLAND KNOLLS COMMUNITY ASSOCIATION

107-43-2353

THE STATE OF TEXAS §
COUNTY OF HARRIS §

08/11/92 00801609 N808549 \$ 49.00

THIS DECLARATION, made on the date hereinafter set forth by CINCO/MEMORIAL PARKWAY JOINT VENTURE, a Texas General Partnership, consisting of Ayrshire Corporation, a Texas corporation, and MP Development Company, a Texas corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property situated in Harris County, Texas, which is more particularly described as:

Lots 25 through 82, both inclusive in Block 2

All of said lots being in Memorial Parkway, Section Eighteen, according to map or plat thereof recorded on Film Code No. 352029 of the Map Records of Harris County, Texas.

49
4
NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof and the Highland Knolls Community Association.

ARTICLE I

DEFINITIONS

Section 1.1 "Association" shall mean and refer to Highland Knolls Community Association, a Texas non-profit corporation, its successors and assigns.

Section 1.2 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

please return to:
Highland Knolls Community Association
1228 F. H. A. Road
Houston, Texas 77019

Section 1.3 "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 1.4 "Common Area" shall mean all real property and improvements thereon owned by the Association for the common use and enjoyment of the owners. The common area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All of Reserve "A" and Reserve "B" Memorial Parkway, Section Seventeen, according to map or plat thereof recorded on Film Code No. 349140 of the Map Records of Harris County, Texas.

Section 1.5 "Lot" shall mean and refer to any numbered lot or plot of land shown in any recorded subdivision map or plat of the properties with the exception of the common area and commercial reserves.

Section 1.6 "Declarant" shall mean and refer to Cinco/Memorial Parkway Joint Venture, a Texas General Partnership, consisting of Ayrshire Corporation, a Texas corporation, and MP Development Company, a Texas corporation, its successors and assigns if such successors and assigns should require more than one undeveloped lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 2.1 Owner's Easements of Enjoyment: Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

a) the right of the Association to charge reasonable admission and other fees for the use of any residential facility situated upon the common area;

b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

c) the right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of each class of members agreeing to such dedication or transfer has been recorded;

d) the right of the Association to limit the number of guests of owners;

e) the right of the Association, in accordance with its Articles of Incorporation or By-Laws, to borrow money for the purpose of improving the common area and in aid thereof to mortgage said property. The rights of any such mortgagee in said properties shall be superior as to the rights of the owners here-under at the mortgagee's election.

Section 2.2 Delegation of Use: Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the common area to the members of his family, his tenants or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 3.2 The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B members shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B

membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- a) when the total votes outstanding in Class A membership equals the total vote outstanding in Class B membership including duly annexed areas, or
- b) on January 1, 1999.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each lot within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: a) annual assessments or charges which shall be payable as hereinafter set forth, and b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interests, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 4.2 Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the properties, including, but not limited to, improvement and maintenance of the common area, lighting, improving and maintaining the streets and roads, collecting and disposing of garbage and refuse, employing policemen and/or watchmen, caring for vacant lots, esplanades, entrance ways and similar facilities serving the properties, and in doing any other things necessary or desirable

which the Board of Directors of the Association may deem appropriate to keep the properties neat and presentable.

Section 4.3 Maximum Annual Assessment: Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be Two Hundred Ten and No/100 Dollars (\$210.00) per lot. From and after the first day of January of the year immediately following the date of commencement of the first annual assessment, the maximum annual assessment may be increased by the Board of Directors of the Association, effective the first day of January of each year, in conformance with the rise, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Department of Labor, Washington, D. C., or any successor publication, for the preceding month of July or alternatively, by an amount equal to a five percent (5%) increase over the prior years annual assessment, whichever is greater, without a vote of the Members of the Association. The maximum annual assessment may be increased above that established by the Consumer Price Index formula or the above-mentioned percentage only by approval of two-thirds (2/3rds) of each class of Members in the Association present and voting at a meeting duly called for this purpose. In lieu of notice and a meeting of Members as provided in the By-Laws of the Association, a door to door canvass may be used to secure the written approval of two-thirds (2/3rds) of each class of Members for such increase in the annual assessment or in the special assessment for capital improvements as provided below. This increase shall become effective on the date specified in the document evidencing such approval only after such document has been filed for record in the Office of the County Clerk of Harris County, Texas. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum amount approved by the Members.

Section 4.4 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 upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of two-thirds (2/3rds) of each class of members.

Section 4.5 Notice and Quorum for any Action Authorized Under Section 4.3 and 4.4: Written notice of any meeting called for the purpose of taking any action authorized under Section 4.3 or 4.4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the members or of proxies entitled to cast sixty percent (60%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.6 Rate of Assessment: All lots in Memorial Parkway, Section Eighteen shall commence to bear their applicable maintenance fund assessment simultaneously and lots owned by Declarant are not exempt from assessment. Lots shall be divided into two classes; Class A lots and Class B lots. Class A lots shall be those lots on which a permanent home has been constructed and title to such lot has been conveyed to the resident purchaser thereof. Class B lots shall be all other lots which are owned by Declarant, a builder, or building company and shall be assessed at the rate of one-half (1/2) of the annual assessment above and shall begin to accrue on the happening of either of the following events whichever occurs later:

a) when any lot has been improved with paved streets, sewer and other utilities, or

b) on the 1st day of January, 1992.

Section 4.7 Date of Commencement of Annual Assessments: The entire accrued charge on each Class B lot (determined in accordance with Section 4.6 above) shall become due and payable on the date such lot converts from a Class B lot to a Class A lot by reason of the conveyance of title of such lot to a resident purchaser thereof. The annual assessment charge on Class A lots shall be as hereinbefore provided (according to Section 4.3 and 4.4). The initial charge shall accrue and become due and payable to each such lot on the day such lot converts from a Class B lot to a Class A lot by reason of the conveyance of title of such lot to a resident purchaser thereof. The determination of the amount of such initial charge shall be adjusted according to the number of months remaining in the calendar year. The annual assessment on each Class A lot and thereafter shall accrue and become due and payable on the first day of January of each succeeding year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 4.8 Effect on Non-payment of Assessments - Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. Each such owner, by his acceptance of a deed to a lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including judicial foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on

real property, and such owner hereby expressly grants to the Association a power of sale in connection with the said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other lot owners. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

Section 4.9 Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any 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 become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 4.10 Exempt Property: All properties dedicated to, and accepted by, a local public authority and all properties 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 4.11 Insurance:

a) The Board of Directors of the Association shall obtain and continue in effect blanket property insurance to insure the buildings and structures in the common area and the Association against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, and said insurance may include coverage against vandalism.

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

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

ARTICLE V

ARCHITECTURAL CONTROL

Section 5.1 No building shall be erected, placed or altered on any lots until the building plans and specifications and a plot plan showing the locations of such building has been approved in writing as to conformity and harmony of external design with existing structures in the subdivision, and as to location with respect to topography and finished grade elevation, by an Architectural Control Committee composed of Arthur Coburn, III, Kenneth J. Coquyt, and Stephen M. Pierce, or a representative designated by a majority of the members of said committee. In the event of death or resignation of any member of said committee, the remaining member, or members, shall have full authority to appoint a successor member or members who shall thereupon succeed to the powers and authorities of the member so replaced. In the event said committee or its designated representative, fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it, such approval will not be required and this covenant will be deemed to have been fully complied with. All decisions of such committee shall be final and binding and there shall be no revision of any action of such committee except by procedure for injunctive relief when such action is patently arbitrary and capricious. Members of said committee shall not be liable to any persons subject to or possessing or claiming the benefits of these restrictive covenants for any damage or injury to property or for any other loss arising out of their acts hereunder; it being understood an aggrieved party's remedies shall be restricted to injunctive relief and no other. Neither the members of such committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. Powers and duties of the

named committee and any designated representative or successor member shall, on January 1, 2001, pass to a committee of three owners of lots in all sections or units of the subdivision then existing, provided, however, that until such selection is made by said majority of lot owners, the persons constituting said committee on said date shall continue to exercise such powers and duties until such time as their successors are elected.

ARTICLE VI

USE RESTRICTIONS

The lots shall be occupied and used as follows:

Section 6.1 Residential Construction and Use: No platted lot shall be used except for residential purposes and no building shall be erected, altered, placed, or permitted to remain on any lot other than one detached single-family dwelling of one, one and one-half and two stories in height and a private garage for not less than two cars nor more than three cars.

Section 6.2 Architectural Control: No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and material, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevations.

Section 6.3 Size: The area of any single-family dwelling, exclusive of open porches and garages, shall contain no less than 1,400 square feet. For purposes of computing the square feet requirements contained herein, all measurements shall be made from the outside of the exterior walls of the dwelling.

Section 6.4 Placement: No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building set-back lines shown on the recorded plat, and also no building (except a garage or permitted accessory building located 50 feet or more from the front lot line) shall be placed on any lot so as to be located:

a) nearer than 5 feet to either of the side, or interior, lines of such lot, or

b) so that the aggregate width of the side yards at the front building set-back line is less than 15% of the width of the lot at the front building set-back line, with the further provision that neither of such side yards shall have a width of less than 5 feet.

c) no single family residence shall be located on any interior lot nearer than fifteen (15) feet to the rear lot line, except where a garage is attached to the main structure of the residence in which case the rear wall of the living area shall not be nearer than fifteen (15) feet to the rear lot line, and the rear wall of the garage shall not encroach upon any easement. No outbuildings on any residential lot shall exceed in height the dwelling to which they are appurtenant. Every such outbuilding shall correspond to the style and architecture to the dwelling to which it is appurtenant.

A three (3) foot side yard shall be permissible for a garaged or other permitted accessory building located fifty (50) feet or more from the front property line. If two or more lots, or fractions thereof, are consolidated into one building site in conformity with the provisions of Section 6.5 below, these building set-back provisions shall be applied to such resultant building site as if it were one original platted lot.

Section 6.5 Consolidated Building Site: None of said lots shall be re-subdivided in any fashion except as follows: Any persons owning two or more adjoining lots may subdivide or consolidate such lots into building sites, with the privilege of placing or constructing improvements, as permitted in paragraph numbered 6.3 and 6.4 above, on each such resulting building site, provided that such subdivision or consolidation does not result in more building sites than the number of platted lots involved in such subdivision or consolidation.

Section 6.6 Minimum Lot Requirement: No lot shall be resubdivided into nor shall any dwelling be erected or placed on

any lot, or building site, having an area of less than 6,000 square feet.

Section 6.7 Utility Easements: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Neither Declarant nor any utility company using the easements herein referred to shall be liable for any damage done by them or their assigns, their agents, employees or servants, to shrubbery, trees or flowers or other property of the owners situated on the land covered by said easements.

Section 6.8 Nuisances: No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No repair work, dismantling or assembling of motor vehicles, boats, trailers or any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street.

Section 6.9 Use of Temporary Structures: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently. Temporary structures used as building offices and for other related purposes during the construction period must be inconspicuous and sightly, and there is hereby served unto the Architectural Control Committee the sole power to determine what is inconspicuous and sightly in connection with temporary structures. Builders in the subdivision may use garages as sales offices for the time during which such builders are marketing houses within the subdivision. At the time of the sale of a residence by a builder any garage appurtenant to such residence used for sales or other purposes must have been reconverted to a garage.

Section 6.10 Domestic Quarters: No garage apartment for rental purposes shall be permitted on any residential lot. Living quarters on property other than in main building on any residential lot may be used for bona fide servants only.

Section 6.11 Underground Electrical Service: An underground electric distribution system will be installed in that part of Memorial Parkway, Section Eighteen designated herein as Underground Residential Subdivision, which underground service area embraces all of the lots which are platted in Memorial Parkway, Section Eighteen, at the execution of this agreement between Company and Developer or thereafter. In the event that there are constructed within the Underground Residential Subdivision structures containing multiple dwelling units such as townhouses, duplexes or apartments, then the underground service area embraces all of the dwelling units involved. The owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure, the Owner/Developer, shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Developer has either by designation on the plat of the subdivision or by separate instrument 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 various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure the Owner/Developer, shall at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current

Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each dwelling unit therein shall be underground, uniform in character and exclusively of the type known as single phase, 240/120 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Developer (except for certain conduits, where applicable, and except as hereinafter provided) upon Developer's representation that the Underground Residential Subdivision is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such subdivision, townhouses, duplexes and apartment structures, 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 or rent and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the developer or the lot owners in the Underground Residential Subdivision be changed so as to permit the erection therein of one or more mobile homes, Company shall not be obligated to provide electric service to any such mobile home unless (a) Developer has paid to the Company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision, or (b) the Owner of each affected lot, or the applicant for service to any mobile home, shall pay to the Company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such lot or dwelling unit over the cost of equivalent overhead facilities to serve such lot or dwelling unit, plus (2) the cost of rearranging, and adding

any electric facilities serving such lot, which arrangement and/or addition is determined by Company to be necessary.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s), if any, shown on the plat of Memorial Parkway, Section Seventeen, as such plat exists at the execution of the agreement for underground electric service between the electric company and Developer or thereafter. Specifically, but not by way of limitation, if a lot owner in a former Reserve undertakes some action which would have invoked the above per front lot foot payment if such action has been undertaken in the Underground Residential Subdivision, such owner or applicant for service shall pay the electric company \$1.75 per front lot foot, unless Developer has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future non-residential development in such Reserve(s).

Section 6.12 Signs: No sign of any kind shall be displayed to the public view on any lot except one sign of not more than five (5) feet advertising the property for sale or rent. During the initial construction and sales period the builder may use other signs and displays to advertise the merits of the property for sale or rent. Declarant or its assignee shall have the right to remove any such sign in contravention hereof and in so doing shall not be subject to any liability of trespass or other sort in connection therewith or arising with such removal.

Section 6.13 Height of Antennae: No radio or television aerial wires or antennae or satellite reception dish shall be maintained on any portion of any residential lot. And no radio or television aerial wires or antennae shall be placed or maintained on any building or any residential lot to extend more than ten (10) feet above the roof of the main residence on said lot.

Section 6.14 Storage of Automobiles, Boats, Trailers and Other Vehicles: No trucks, vans, trailers, boats, or any vehicles other than passenger cars, or passenger pick up trucks, or passenger vans will be permitted to park on streets or on driveways longer than a twelve (12) hour period. Permanent and semi-

permanent storage of such items and vehicles must be screened from public view, either within the garage or behind the fence which encloses the rear of the lot.

Section 6.15 Sidewalks: Before the dwelling unit is completed, the lot owner shall construct a sidewalk four (4) feet in width parallel to the street curb, and shall extend to the projection of the lot boundary line(s) into the street right-of-way and/or street curbs at corner lots. Owners of corner lots shall install such a sidewalk parallel to the front lot line and the side street lines.

Section 6.16 Mineral Operations: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts, be permitted upon or in any lot. No derricks or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

Section 6.17 Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 6.18 Livestock and Poultry: No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except a reasonable number of dogs, cats or other household pets may be kept provided that (a) they are not kept, bred or maintained for commercial purposes, (b) they do not make objectionable noises, create any odor, or otherwise constitute a nuisance to other Owners, (c) they are kept within an enclosed yard on the lot occupied by the Owner of such pets or on a leash being held by a person capable of controlling the animal, and (d) they are not in violation of any other provision of this Declaration or such limitations as may be set forth in the Rules and Regulations. A "reasonable number" as used in this Section 6.18 shall ordinarily mean no more than two (2) pets per lot; provided, however, that the

Board of Directors (or the Architectural Control Committee or such other person as the Board may from time to time designate) may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Association, acting through the Board, shall have the right to prohibit the keeping of any animal which, in the sole opinion of the Board, is not being maintained in accordance with the foregoing restrictions or any applicable Rules and Regulations. Each Owner and/or related user maintaining any animal shall be liable in accordance with the laws of the State of Texas to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of any lot or any common areas.

Section 6.19 Obstruction of Sight Lines: No fence, wall hedge or shrub planting which obstructs sight lines at elevations between 1 and 6 feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within 10 feet from the intersection of a street property line with the edge of a driveway. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstructions of such sight lines.

Section 6.20 Fences: No fence, wall or hedge in excess of three (3) feet in height shall be placed or permitted to remain on any of said lots in the area between any street adjoining same and the front building line. Further, no side or rear fence, wall or hedge shall be constructed that exceeds six (6) feet in height, unless prior approval is obtained from the Architectural Control

Committee. Chain link fences are not allowed without the written consent of the Architectural Control Committee.

Section 6.21 Roofing Materials: The roof of any building shall be constructed or covered with (1) wood shingles or (2) asphalt or composition shingles comparable in quality, weight, and color to wood shingles, the decision on such comparison to rest exclusively with the Architectural Control Committee. Any other type roofing material shall be permitted only at the sole discretion of the Architectural Control Committee.

Section 6.22 Infringement: An owner shall do no act nor any work that will impair the structural soundness or integrity of another lot or improvements thereon, or impair any easement or hereditament nor do any act nor allow any condition to exist which will adversely effect other lots, improvements thereon, or their owners.

Section 6.23 Hanging Articles: No clothing or household fabrics or other articles shall be hung, dried or aired on any lot in such a way as to be visible from other lots or from any common area.

Section 6.24 Landscaping: Within sixty (60) days after recordation of a deed of a lot to an Owner, such Owner shall install and shall thereafter maintain the landscaping on his lot in a neat and attractive condition, including all necessary landscaping and gardening to properly maintain and periodically replace when necessary any trees, plants, grass and other vegetation which may be originally placed on such lot by Declarant or required by the Architectural Committee or the Rules and Regulations. The Board may adopt rules and regulations proposed by the Architectural Committee to regulate landscaping permitted and required on lots. In the event that any Owner shall fail to install and maintain landscaping in conformance with such rules and regulations, or shall allow his landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board, upon thirty (30) days prior written notice to such Owner, shall have the rights as hereinafter described. Provided, however, in

the event that any Owner shall fail to mow and keep trimmed and neat the lawn and grass areas on his lot or otherwise permit any of said lawn and grass area to deteriorate to an unsightly or unattractive condition, the Board upon ten (10) days prior written notice to such Owner, shall have the rights as hereinafter described. The Board shall have the right, upon the appropriate above-described written notice to an Owner, either (a) to seek any remedies at law or in equity which it may have to correct such conditions, or (b) after Notice and Hearing, to enter upon such Owner's lot for the purpose of correcting such condition, and such Owner shall promptly reimburse the Association for the costs thereof, or (c) both of the foregoing, or (d) impose such fines and penalties as exist under this Declaration, the Bylaws, or the Rules and Regulations of the Association.

Section 6.25 Restriction on Exterior Lighting: Except as may be approved in advance in writing by the Architectural Committee, no exterior lighting shall be permitted anywhere within the Properties, including lighting to accent landscaping features, lights at entrance doors to structures, lights at entrance to any lot, lights along paths or driveways and lights to illuminate permitted signs. Approval shall be given only if such lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Architectural Committee, and shall not allow light reflection or glare to be discernible from any place off the lot where such lighting exists.

Section 6.26 Casualty Insurance for Improvements: Each Owner of a lot shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable improvements on the lot for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if reasonably available and if deemed appropriate by the Association as evidenced by resolution of the Board of Directors, flood, earthquake or war risk coverage. In the event of damage or destruction to any insured improvements,

the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damaged or destroyed improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Committee or the Owner shall promptly cause the damaged or destroyed improvement to be demolished and the lot to be suitably landscaped, as approved by the Architectural Committee, so as to present a pleasing and attractive appearance, and to be well maintained, mowed, and edged to conform to occupied lots in the immediate vicinity.

Section 6.27 Solar Energy Installations: The Architectural Committee may approve the plans and specifications for the installation of residential solar systems, provided that the Architectural Committee determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the properties. Any such Architectural Committee approval shall have no effect upon the enforceability of any other use restriction in this Declaration. The Architectural Committee shall have the right to promulgate reasonable standards and guidelines against which to examine any such plans and specifications.

Section 6.28 Gas Service: Entex, Inc. has agreed to provide natural gas service to all lots, provided certain minimum usage is made of such service. Pursuant to the contract providing such service, all lots shall have a minimum of gas water heating and gas central comfort heating, or pay a non-utilization fee. If, however, any lot does not utilize both gas water heating and gas central comfort heating appliances, then the Owner of such lot at the time of constructing improvements on such lot shall pay to Entex, Inc. the non-utilization of gas facilities charge set by Entex, Inc. for such lot. This non-utilization charge shall be due thirty (30) days from completion of such improvements. In the event this non-utilizing charge is not timely paid by the Owner of the non-utilizing lot, after demand is made for such payment, the

Declarant or the Association may, at its option, pay such charge, and the payment so made, if any, shall subject such lot to an assessment to reimburse for such payment.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Enforcement: The Association, or any owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and 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 7.2 Severability: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 7.3 Amendment: The covenants and restrictions of this declaration shall run with and bind the land, for a term of twenty (20) years from the date this declaration is recorded, after which time they shall automatically be extended for successive periods of ten years. This declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot owners. Any amendment must be recorded in the Deed Records of Harris County, Texas.

Section 7.4 Annexation:

a) Upon the request of Declarant, the Board of Directors of the Association may, from time to time, by majority vote and without the consent of members, annex such additional residential property and common area as Declarant may designate, provided that the FHA and VA determine that annexation of such properties is in accord with the general plan of development heretofore approved by them.

b) Additional residential property and common area, not designated by Declarant as provided above, may be annexed to the properties with the consent of two-thirds (2/3rds) of each class of members.

ARTICLE VIII

FHA/VA APPROVAL

Section 8.1 As long as there is a Class B membership, the following actions will require the prior approval of the Veterans Administration or Federal Housing Administration; annexation of additional properties, dedication of common area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal this 10th day of AUGUST, 1992.

CINCO/MEMORIAL PARKWAY JOINT VENTURE

MP DEVELOPMENT COMPANY

By: Mark A. KilkennyVice President

Mark A. Kilkenny

302

ATTEST:

Cherry York
Secretary
Cherry York

AYRSHIRE CORPORATION

By: Kenneth J. Coquyt
Vice President

ATTEST:

Stephen M. Pierce
A - SECRETARY Stephen M. Pierce

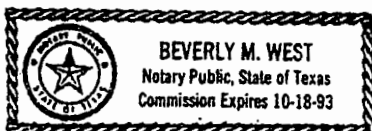
THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Mark A. Kilkenny, Vice President of MP Development Company, a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation and in the capacity therein stated.

GIVEN under my hand and seal of office this the 11th day of August, 1992.



Beverly M. West
Notary Public in and for
the State of Texas

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

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

GIVEN under my hand and seal of office this the 10th day of August, 1992.

Janet S. Bruner
 Notary Public in and for
 the State of Texas



FILED
 92 AUG 11 PM 3:15
Quinta Rodenhauer
 COUNTY CLERK
 HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
 THE STATE OF TEXAS }
 COUNTY OF HARRIS }

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

AUG 11 1992



Quinta Rodenhauer
 COUNTY CLERK,
 HARRIS COUNTY, TEXAS