

DECLARATION OF COVENANTS AND RESTRICTIONS

Quail Forest, Section Two

THE STATE OF TEXAS

COUNTY OF HARRIS

THIS DECLARATION is made on the date hereinafter set forth by FIRST CITY NATIONAL BANK OF HOUSTON, a National Banking Corporation, hereinafter called "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property known as QUAIL FOREST, SECTION TWO, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 311, Page 14, of the Map Records of Harris County, Texas; and,

WHEREAS, it is the intent of Declarant to establish a uniform plan for the development, improvement and sale of the property. To insure the preservation of the uniform plan for the benefit of both present and future owners of the properties, and, to this end, to have the property annexed into the homeowner's association and delegate thereto the powers to administer and enforce the covenants, restrictions, easements, charges and liens set forth herein.

NOW, THEREFORE, Declarant hereby declares that the Lots described below are held, and shall hereafter be conveyed subject to the covenants, restrictions, easements, charges and liens (sometimes referred to herein collectively as "covenants and restrictions") as hereinafter set forth. These covenants and restrictions shall run with said property and shall be binding upon all parties having or acquiring any right, title or interest in said property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. The real property which is, and shall be, held, transferred, sold and conveyed and occupied subject to this declaration consists of the following:

All of QUAIL FOREST, SECTION TWO, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 311, Page 14 of the Map Records of Harris County, Texas, LESS AND EXCEPT Unrestricted Reserve A thereof;

Article I **Definitions**

The following words, when used in this Declaration, shall have the following meanings:

SECTION 1. "Association" shall refer to the Quail Forest Homeowners Association, Inc., a Texas non-profit corporation, in good standing, its permitted Successors and assigns.

SECTION 2. "Builder" shall refer to any person or entity undertaking the construction of a residence on a Lot.

SECTION 3. "Community Properties" shall refer to any properties, real or personal, hereafter conveyed to or otherwise acquired by the Association for the common use and enjoyment of the Members of the Association. (There are no existing Community Properties as of the execution and recording of this instrument and the inclusion of provisions herein concerning "Community Properties" shall not be interpreted to obligate Declarant to provide same in the future).

SECTION 4. "Corner Lot" shall refer to a Lot which abuts on more than one Street.

SECTION 5. "Declarant" shall refer to First City National Bank of Houston, its successors and assigns.

SECTION 6. "Declaration" shall refer to this Declaration of Covenants and Restrictions.

SECTION 7. "FHA " shall refer to the Department of Housing and Urban Development - Federal Housing Administration Division. "VA" shall refer to the Veterans Administration.

SECTION 8. "Lot" shall refer to any of the numbered lots shown on the Subdivision Plat.

SECTION 9. "Member" shall refer to every person or entity which holds a membership in the Association.

SECTION 10. "Owner" shall refer to the owner, whether one or more persons or entities, of the fee simple title to any Lot, but shall not refer to any person or entity holding a lien, easement, mineral interest or royalty interest burdening the title thereto.

SECTION 11. "Street" shall refer to any street, drive, boulevard, road, alley, lane, avenue or any thoroughfare as shown on the Subdivision Plat.

SECTION 12. "Subdivision" shall refer to Quail Forest, Section Two, as set forth in the map or plat thereof recorded in Volume 311, Page 14, of the Map Records of Harris County, Texas.

SECTION 13. "Subdivision Plat" shall refer to the recorded map or plat of the Subdivision.

Article II **Architectural Control Committee**

SECTION 1. CREATION, PURPOSE AND DUTIES. There is hereby created an Architectural Control Committee (herein referred to as the "Committee") comprised of TOM OWEN, MARK KILKENNY, and ROY BEHRENS, all of Harris County, Texas, each of whom shall serve until his successor is appointed. The powers of the Committee, its successors and the designated representatives as provided for hereinbelow shall cease on the earlier of ten (10) years from the date of this instrument, or the date upon which all Lots subject to the jurisdiction of the Association have houses thereon occupied as residences, at which time the Committee shall resign and thereafter its duties shall be fulfilled and its powers exercised by the Board of Directors of the Association. A majority of the Committee may designate one member to act for it. In the event of the death or resignation of any person serving on the Architectural Control Committee, the remaining person(s) serving on the Committee shall designate a successor, or successors, who shall have all of the authority - and power of his or their predecessor(s) provided, however, this provision shall not apply to a successor Committee appointed by the Association. Until such 'Successor member or members shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans submitted or to designate a representative with like authority.

No person serving on the Committee shall be entitled to compensation for services performed, however, the Committee may employ one or more architects, engineers, attorneys or other consultants to assist the Committee in carrying out its duties hereunder, and the Association shall pay such consultants for services rendered to the Committee. Except as to liability by reason of gross negligence or intentional acts, no member of the Committee shall be personally liable for any actions committed in the scope of services performed as a member of the Committee.

SECTION 2. POWERS OF THE COMMITTEE. No building or other improvements shall be constructed or reconstructed in the Subdivision, and no exterior alteration therein shall be made until the plans showing the exterior elevations have been submitted to and approved in writing by the Committee as to conformity and harmony of external design and location in relation to surrounding structures and topography. In the event the Committee fails to approve or disapprove such plans within thirty (30) days after submission to the Committee, approval thereof shall be deemed to have been given, however such approval shall not operate to waive any other covenants and restrictions set forth herein.

No construction of a building, structure, fence, wall or other improvements shall be commenced until the contractor designated to perform such construction has been approved in writing by the Committee. In the event the Committee fails to specifically approve or disapprove a contractor within thirty (30) days after his name is submitted to it, approval thereof shall be deemed to have been given.

The Committee shall have the right to specify architectural and aesthetic requirements for building sites, minimum setback lines, the location, height and extent of fences, walls or other screening devices, the orientation of structures with respect to streets, walks, paths and structures on adjacent property and a limited number of acceptable exterior materials and finishes that may be utilized in construction or repair of improvements. The Committee shall have full power and authority to reject any plans and specifications that do not comply with the restrictions herein imposed or that do not meet its minimum construction or architectural design requirements or that might not be compatible with the overall character and aesthetics of the Subdivision. The Committee shall have the right, exercisable at its discretion, to grant variances to the architectural restrictions in specific instances where the Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Subdivision or the common scheme of development. All variance grants shall be in writing, addressed to the Owner requesting the variance, describing the applicable restrictions to which the variance is granted, listing conditions imposed on the granted variance and listing specific reasons for granting of the variance. Failure by the Committee to respond within thirty (30) days to a request for a variance shall operate as a denial of the variance.

Article III **Quail Forest Homeowners Association, Inc.**

SECTION 1. ORGANIZATION. Quail Forest Homeowners Association, Inc., was heretofore organized and formed as a non-profit corporation under the laws of the State of Texas. The Association currently has jurisdiction over Section One of Quail Forest. The principal purposes of the Association are the collection, expenditure and management of the maintenance charge funds, enforcement of the Declaration, providing for the maintenance, preservation and architectural control (when the powers of the Committee terminate and the Committee's powers vest in the Association) within the Subdivision, the general overall supervision of all of the affairs and wellbeing of the Subdivision and the promotion of the health, safety and welfare of the residents within the Subdivision. The Lots are being annexed into the Association as hereinafter provided.

SECTION 2. BOARD OF DIRECTORS. The Association is acting through a Board of Directors, which manages the affairs of the Association as specified in the By-Laws of the Association.

SECTION 3. MEMBERSHIP. Every Owner of a Lot shall be a member of the Association. Lot ownership is the sole requirement for membership and no Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association and shall automatically pass with the title to the Lot.

SECTION 4. VOTING. The Association shall have two classes of voting membership with respect to the Subdivision covered by this Declaration:

- (a) CLASS A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one individual or entity holds an ownership interest in a Lot, all such persons shall be members, but in no event shall they be entitled to more than one vote with respect to that particular Lot.
- (b) CLASS B. Class B members shall be the Declarant. Class B members 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: (i) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, or (ii) on January 1, 1988. However, if Class B membership in an earlier section has automatically converted to one vote per Lot owned, same shall automatically revert to three votes per Lot owned in the event additional Lots are subjected to the jurisdiction of the Association such that the Declarant owns more than twenty-five percent (25%) of all Lots. Such reinstated Class B membership shall terminate under the terms above.

Article IV **Covenant For Maintenance Assessments**

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. The Declarant, for each Lot within the Subdivision which shall be or thereafter become subject to the assessments hereinafter provided for, hereby covenants, and each Owner of any Lot which shall be or thereafter become assessable, by acceptance of a Deed therefor, whether or not it shall be express in the Deed or other evidence of the conveyance, is deemed to covenant and agree to pay to the Association the following:

- (a) Annual assessments of charges; and
- (b) Special assessments for capital improvements.

Such assessments or charges are to be fixed, established and collected as hereinafter provided. These charges and assessments, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a charge on the land and shall be secured by a continuing Vendor's Lien upon the Lot against which such assessments or charges are made. Each such assessment or charge, together with such interest, costs and reasonable attorney's fees shall also be and remain the personal obligation of the individual or individuals who owned the particular Lot at the time the assessment or charge fell due notwithstanding any subsequent transfer of title to such Lot. The personal obligation for delinquent assessments and charges shall not pass to successors in title unless expressly assumed by them.

SECTION 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Subdivision. Without limiting the foregoing, the total assessments accumulated by the Association, insofar as the same may be sufficient, shall be applied toward the payment of all taxes, insurance premiums and repair, maintenance and acquisition expenses incurred by the Association and, at the option of the Board of Directors of the Association, for any and all of the following purposes: lighting, improving and maintaining streets, alleyways, sidewalks, paths, parks, parkways and esplanades in the Subdivision; collecting and disposing of garbage, ashes, rubbish and materials of a similar nature; payment of legal and all other expense incurred in connection with the collection, enforcement and administration of all assessments and charges and in connection with the enforcement of this Declaration; employing policemen or watchmen and/or a security service; fogging and furnishing other general insecticide services; providing for the planting and upkeep of trees, grass and shrubbery on esplanades and easements and in the Community Properties; acquiring and maintaining any amenities or recreational facilities that are or will be operated in whole or in part for the benefit of the Owners; and doing any other thing necessary or desirable in the opinion of the Board of Directors of the Association to keep and maintain the property in the Subdivision in neat and good order, or which they consider of general benefit to the Owners or occupants of the Subdivision, including the establishment and maintenance of a reserve for repair, maintenance, taxes, insurance and other charges as specified herein. The judgment of the Board of Directors of the Association in establishing annual assessments, special assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

SECTION 3. BASIS AND MAXIMUM LEVEL OF ANNUAL ASSESSMENTS. The first assessment to be set by the Board of Directors shall be at the same rate as prescribed for the lots in Quail Forest, Section One. The maximum annual assessment shall be \$144.00 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 preceeding month of July or alternatively, by an amount equal to a ten percent (10%) 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 increase 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. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessment 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 or unexpected repair or replacement of a particular capital improvement located upon the Community Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the approval of the Members as set forth in Section 3 above.

SECTION 5. QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 OR 4 HEREIN. The quorum for any action authorized by Sections 3 or 4 herein shall be as follows:

At the first meeting called, as provided in Section 3, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of all of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called and the required quorum at any subsequent meeting shall be one half (*1/2*) the required quorum at the preceding meeting, provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

SECTION 6. RA TES OF ASSESSMENT. Both annual and special assessments on all Lots, whether or not owned by the Declarant, shall be fixed at uniform rates provided, however, the rate applicable to Lots that are owned by Declarant or a Builder and are not occupied as residences shall be equal to one-half (*1/2*) of the full assessment as set by the Board of Directors of the Association. The rate of assessment for each Lot shall change as the character of ownership and the status of occupancy changes.

SECTION 7. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENT. The annual assessment provided for herein shall commence as to all Lots on a date fixed by the Board of Directors of the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. On or before the 30th day or November in each year, the Board of Directors of the Association shall fix the amount of the annual assessment to be levied against each Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the annual assessment shall be sent to every Owner whose Lot is subject to the payment thereof. Each annual assessment shall be due and payable in advance on the first day of January of each calendar year. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a particular Lot is binding upon the Association as of the date of its issuance.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any assessments or charges which are not paid when due shall be delinquent. If an assessment or charge is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same, or to foreclose the Vendor's Lien herein retained against the Lot. Interest accruing on past due assessments at the maximum rate permitted by law, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. 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 assessments and charges as a debt and to enforce the Vendor's Lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale, and such Owner expressly grants to the Association a power of sale in connection with the non-judicial foreclosure of the Vendor's Lien. Non-judicial foreclosure shall be conducted by notice and posting of sale in accordance with the then applicable laws of the State of Texas. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Community Properties or abandonment of his Lot.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. As hereinabove provided, the title to each Lot shall be subject to the Vendor's Lien securing the payment of all assessments and charges due the Association, but the Vendor's Lien shall be subordinate to any valid purchase money lien or valid lien securing the cost of construction of home improvements. Sale or transfer of any Lot shall not affect the Vendor's Lien provided, however, the sale or transfer of any Lot pursuant to a judicial. or non-judicial foreclosure under the aforesaid superior liens shall extinguish the Vendor's Lien securing such assessment or charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided for hereinabove, the Association, in the discretion of its Board of Directors, may subordinate the Vendor's Lien herein retained to any other mortgage, lien or encumbrance, subject to such limitations, if any, as the Board of Directors may determine.

SECTION 10. EXEMPT PROPERTY. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State or Texas shall be exempt from the assessments and charges created herein. Notwithstanding the foregoing, no Lot which is used as a residence shall be exempt from said assessments and charges.

Article V

Property Rights In the Community Properties

SECTION 1. OWNER'S EASEMENT FOR ACCESS AND ENJOYMENT. Subject to the provisions herein stated, every Member shall have an easement of access and a right and easement or enjoyment in the Community Properties, and such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights or the Association:

- (a) The Association shall have the right to borrow money and in aid thereof to mortgage the Community Properties upon approval by two-thirds (2/3rds) of the votes cast by each class of Members at a Meeting of Members. In the event of a default under or foreclosure of any such mortgage, the rights of the lender or foreclosure sale purchaser shall be subject to the easement of enjoyment of the Members, except that the lender or foreclosure sale purchaser shall have the right, after taking possession of such Community Properties, to charge admission and other fees as a condition to continued enjoyment by the Members of any recreational facilities and to open the enjoyment of such recreational facilities to a reasonably wider public until the mortgage debt owed to such lender, or the purchase price paid by the foreclosure purchaser, interest thereon at the rate or ten percent (10%) per annum, and other reasonable expenses incident to maintenance of such Community Properties incurred by the lender or foreclosure sale purchaser shall be satisfied or recovered, whereupon the possession of such Properties shall be returned to the Association and all rights hereunder of the Members shall be fully restored.
- (b) The Association shall have the right to take such steps as are reasonably necessary to protect the Community Properties against foreclosure of any such mortgage.
- (c) Association shall have the right to suspend the voting rights and enjoyment rights of any Member for any period during which any assessment or other amount owed by such Member to the Association remains unpaid in excess of thirty (30) day!.. In the event any assessments have been or are being expended to provide services for the Members (for example, garbage collection services) the Association shall have the right to terminate or cause to be terminated such services for any member during the period said Member is in default in excess of thirty (30) days in the payment or any assessment against said Member's Lot.
- (d) Association shall have the right to establish reasonable rules and regulations governing the members use and enjoyment of the Community Properties and to suspend the enjoyment rights and the voting rights of any member for any period not to exceed sixty (60) days for any infraction of such rules and regulations. The Association shall have the right to delegate such rules and regulations. The Association shall have the right to delegate management of the Community Properties.
- (e) Upon approval by two-thirds (2/3rds) of each class of Members, the Association shall have the right to transfer or convey all or any part of the Community Properties, or interests therein, to any public authority for such purposes and subject to such conditions as may be approved by said two-thirds (2/3rds) of each class of Members provided, however, this provision shall not be construed to limit the right of the Association to grant or dedicate public or private utility easements in portions of the Community Properties.
- (f) The Association shall have the right, but not the obligation, to contract, on behalf of all Lots, for garbage and rubbish pickup and to charge the Owner of each Lot for his pro rata share to be determined by dividing the number of Lots being served into the total cost of providing garbage and rubbish pickup and such cost to be in addition to, should the Association so elect, the assessments described herein.

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend his rights and easements of enjoyment to the Community Properties to the members of his family, to his tenants who reside in the Subdivision and to such other persons as may be permitted by the Association.

Article VI

Use Restrictions

SECTION 1. RESIDENTIAL USE. Each and every Lot is hereby restricted to residential dwellings for single family residential use only. No business, professional, commercial or manufacturing use shall be made of any of said Lots, even though such business, professional, commercial or manufacturing use be subordinate or incident to use of the premises as a residence. No structure other

than one single family residence and its outbuildings shall be constructed, placed on or permitted to remain on any Lot in the Subdivision. As used herein, the term "residential use" shall be construed to prohibit the use of any Lot for duplex houses, garage apartments for rental purposes or apartment houses.

SECTION 2. ANIMALS AND LIVESTOCK. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot. Consistent with its use as a residence, dogs, cats or other household pets may be kept on a Lot, provided that they are not kept, bred or maintained for any business purposes and further provided that no more than three (3) such pets shall be kept on a Lot.

SECTION 3. 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 become an annoyance to residents of the Subdivision.

SECTION 4. STORAGE AND REPAIR OF VEHICLES. No boat, mobile home, trailer, boat rigging, truck larger than a three-quarter (3/4) ton pickup, bus or unused or inoperable automobiles shall be parked or kept in the Street in front of, or side of any Lot or on any Lot, unless such vehicle is stored within a garage. No Owner of any Lot in the Subdivision or any visitor or guest of any Owner shall be permitted to perform work on automobiles or other vehicles in driveways or Streets other than work of a temporary nature. For the purposes of the foregoing term, "temporary" shall mean that the vehicle shall not remain in driveways or Streets in excess of forty-eight (48) hours.

SECTION 5. PERMITTED HOURS FOR CONSTRUCTION ACTIVITY. Except in an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the Association, outside construction work or noisy interior construction work shall be permitted only between the hours of 7:00 A.M. and 10:00 P.M.

SECTION 6. DISPOSAL OF TRASH. No trash, rubbish, garbage, manure, debris or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot be used or maintained as a dumping ground for such materials. All such matter shall be placed in sanitary containers constructed of metal, plastic or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened by planting or fencing. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense.

SECTION 7. BUILDING MATERIALS. No Lot shall be used for the storage of any materials whatsoever, except that material used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced. During initial construction or remodeling of the residences by Builders in the Subdivision, building materials may be placed or stored outside the property lines. Building materials may remain on Lots for a reasonable time, so long as the construction progresses without undue delay, after which time these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. Under no circumstances shall building materials be placed or stored on the street paving.

SECTION 8. MINERAL PRODUCTION. No drilling, developing operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot. Declarant waives its right to use the surface of any Lot for the exploration, development or production of oil, gas or other minerals from the mineral estate, if any, owned and retained by the Declarant.

Article VII

Architectural Restrictions

SECTION 1. TYPE OF RESIDENCE. Only one detached single family residence not more than two stories shall be built or permitted on each Lot. All residences shall have an attached or detached enclosed garage with minimum interior floor space necessary to accommodate two full sized automobiles. Carports on Lots are prohibited. All structures shall be of new construction and no structure shall be moved from another location onto any Lot. All residences must be kept in good repair and must be painted when necessary to preserve their attractiveness.

SECTION 2. LIVING AREA REQUIREMENTS. The ground floor area of any one story single family dwelling, exclusive of open porches and garages, shall contain no less than 1650 square feet. The ground floor area of anyone and one-half story or two story single family dwelling, exclusive of open porches and garages, shall contain not less than 900 square feet, and the total living area of anyone and one-half or two story single family dwelling, exclusive of porches and garages, shall contain not less than 1650 square feet. Any residence containing a loft shall be considered a one and one-half story dwelling for the purposes hereof.

SECTION 3. LOCATION OF RESIDENCE ON LOT. Unless otherwise approved by the Committee, all residences on each Lot shall face the Lot line having the shortest dimension abutting a Street (front lot line). Residences on Corner Lots shall have a presentable frontage on each Street on which they face. Each attached or detached garage shall, unless otherwise directed or permitted by the Committee, face either upon the front lot line or upon a line drawn perpendicular to the front lot line. Driveway access will be provided from the front lot line only, except for Corner Lots which may have driveway access from a side Street.

No residence shall be located on any Lot nearer to the front lot line or nearer to the side street line than the minimum setback lines shown on the Subdivision Plat. No residence shall be located on any utility easement. A residence may be located not less than three (3) feet from an interior lot line provided that the construction of a residence on the adjacent lot is complete and such residence shall be no closer than seven (7) feet to the same interior lot line. Otherwise, no residence shall be located nearer than five (5) feet to an interior lot line. It is the intent of this provision to maintain at least a ten (10) foot separation between residences on contiguous Lots, while also allowing residences to be built as close as three (3) feet to an exterior lot line.

SECTION 4. TYPE OF CONSTRUCTION. Unless otherwise approved by the Committee, at least fifty-one percent (51 %) of the exterior wall area of all residences (excluding detached garages), excluding gables, windows and door openings, must be of masonry or brick veneer. No garage or accessory building shall exceed in height the dwelling to which it is appurtenant without the written consent of the Committee. Every garage and permitted accessory building (except a greenhouse) shall correspond in style and architecture with the dwelling to which it is appurtenant. No structure of any kind or character which incorporates frame construction on the exterior shall be erected on any Lot unless such structure receives at least two coats of paint at the time of construction or the exterior is of redwood or cedar material.

SECTION 5. TEMPORARY BUILDINGS. Temporary buildings or structures shall not be permitted on any Lot. Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used in connection with the construction and sale of residences. Builders in the Subdivision may use garages as sales offices for the time during which such Builders are marketing homes within the Subdivision. At the time of the sale of a residence by a Builder any garage appurtenant to such residence used for sales purposes must have been reconverted to a garage.

SECTION 6. DRIVEWAYS. On each Lot the Builder shall construct and the Owner shall maintain at his expense the driveway from the garage to the abutting Street, including the portion of the driveway in the street easement, and the Builder shall repair at his expense any damage to the Street occasioned by connecting the driveway thereto. Such driveways shall be constructed in accordance with the Harris County, Texas specifications for driveways.

SECTION 7. ROOF MATERIAL. Roofs of all residences shall be constructed so that the exposed material is either (a) wood shingles having a grade of No.2 or greater or (b) 235# minimum composition shingles of a wood tone color acceptable to the Committee, or such other suitable roofing material approved by the Committee, however, all roofing material must comply with the minimum requirements of FHA and V A at the time the dwelling is constructed.

SECTION 8. FENCES. No fence or wall shall be erected on any Lot nearer to the Street than the building setback lines as shown on the Subdivision Plat. The erection of chain link fences facing upon a Street is prohibited.

SECTION 9. GRASS, SHRUBBERY AND FENCING. The Owner of each Lot used as a residence shall spot sod or sprig with grass the area between the front of his residence and the curb line of the abutting Street. The grass shall be of a type and within standards prescribed by the Committee. Grass and weeds shall be kept mowed to prevent unsightly appearance. Dead or damaged trees, which might create a hazard to property or persons within the Subdivision shall be promptly removed or repaired and if not removed by Owner upon request, then the Declarant or Association may remove or cause to be removed such trees at the Owner's expense and shall not be liable for damage caused by such removal. Vacant Lots shall be mowed and maintained in appearance by the Owner and shall not be used as dumping grounds for rubbish, trash, rubble or soil, except that Declarant may designate fill areas into which materials specified by Declarant may be placed. The Association may plant, install and maintain shrubbery and other screening devices around boxes, transformers and other above-ground utility equipment. The Association shall have the right to enter upon the Lots to plant, install, maintain and replace such shrubbery or other screening devices. Owners of residences shall construct and maintain a fence or other suitable enclosure to screen from public view the drying of clothes, yard equipment and wood piles or storage piles.

SECTION 10. SIGNS. No signs, billboards, posters or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Committee other than (a) one sign of not more than six (6) square feet advertising the particular Lot on which the sign is situated for sale or rent, and (b) one sign of not more than six (6) square feet to identify the particular Lot as may be required by FHA or VA during the period of actual construction of a single family residential structure thereon. The right is reserved by Declarant to construct and maintain, or to allow Builders within the Subdivision to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed residential dwellings. The Declarant and the Association shall have the right to erect identifying signs at each entrance to the Subdivision.

SECTION 11. TRAFFIC SIGHT AREAS. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the Street shall be permitted to remain on any Corner Lot within the triangular area formed by the two (2) lot lines abutting the Street and a line connecting them at points twenty- five (2.5) feet from their intersection or within the triangular area formed by the lot line abutting a Street, the edge line of any driveway or alley pavement and a line connecting them at points ten (10) feet from their intersection.

SECTION 12. EXTERIOR ANTENNAE. No radio or television wires or antennae shall be placed on any Lot between the residence and an adjoining Street. Nor shall antennae, including free-standing antennae, extend more than fifteen (15) feet above the roof of a residence, or be located on any lot or house so as to be visible by any person from any street within the subdivision.

SECTION 13. CURB RAMPS. If required by applicable federal, state or local law, curbs with accompanying sidewalks shall have curb ramps (depressions in the sidewalk and curb) at all crosswalks to provide safe and convenient movement of physically

handicapped persons confined to wheelchairs. Such curb ramps will be provided at the time of construction of any sidewalks and shall be constructed in accordance with specifications provided by the applicable governmental authority.

SECTION 14. FHA SCREENING FENCES. Except as otherwise provided herein, plants, fences or walls utilized in protective screening areas as shown on the Subdivision Plat, as required pursuant to this instrument, or as required by FHA or VA shall be maintained to form an effective screen for the protection of the Subdivision throughout the entire length of such areas by the Owners of the Lots adjacent thereto at their own expense. If the FHA or the VA shall require said protective screening areas, then, whether or not the residence on any Lot affected by the screening requirements is built according to FHA or VA specifications, all screening devices shall be constructed according to FHA or VA requirements.

SECTION 15. SIDEWALKS. Before the construction of any residence is complete, but only if required by the Committee at the time of plan approval, the Builder shall construct in all adjacent street rights-of-way a concrete sidewalk four (4) feet in width, approximately parallel to the street curb and two to five (2 to 5) feet from the lot line. The sidewalk shall extend the full width of the Lot. On Corner Lots the sidewalk shall extend the full width and depth of the Lot and up to the street curb at the corner.

SECTION 16. MINIMUM LOT SIZE IN RELATION TO RESIDENCE. No residence shall be erected on any Lot or combination of Lots having a lot width at the front of the Lot less than the shortest lot width at the front of any Lot as shown on the Subdivision Plat; and no residence shall be erected on any Lot or combination of Lots having a lot area less than 5,000 square feet.

SECTION 17. MAILBOXES. Mailboxes, house numbers and similar matter used in the Subdivision must be harmonious with the overall character and aesthetics of the community.

SECTION 18. DISPOSAL UNITS. Each kitchen in each residence shall be equipped with a garbage disposal unit in a serviceable condition.

SECTION 19. AIR CONDITIONERS. No window or wall type air conditioners visible from any Street shall be permitted.

SECTION 20. PRIVATE UTILITY LINES. All electrical, telephone and other utility lines and facilities which are located on a Lot, and are not owned by a governmental entity or a public utility company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the Committee.

SECTION 21. ENFORCEMENT OF EXTERIOR MAINTENANCE. In the event of violation of any covenant or restriction herein by any Owner or occupant of any Lot and the continuance of such violation after ten (10) days written notice thereof, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate repairs and maintenance after such notice, the Association shall have the right (but not the obligation), through its agents or employees, to repair, maintain and restore the Lot and the exterior of the residence and any other improvement located thereon. To the extent necessary to prevent rat infestation, diminish fire hazards and accomplish any of the above needed repair, maintenance and restoration, the Association shall have the right, through its agents and employees, to enter any residence or improvements located upon such Lot. The Association may render a statement of charge to the Owner or occupant of such Lot for the cost of such work. The Owner and occupant agree by the purchase and occupation of the Lot to pay such statement immediately upon receipt. The cost of such work, plus interest thereon at the maximum rate permitted under the laws of the State of Texas, shall become a part of the assessment payable by said Owners and payment thereof shall be secured by the lien herein retained. The Association, its agents and employees shall not be liable, and are hereby expressly relieved from any liability, for trespass or other tort in connection with the performance of the exterior maintenance and other work authorized herein.

Article VIII

Easements

SECTION 1. EXISTING EASEMENTS. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, certain streets and easements shown thereon, and the Subdivision Plat further establishes dedications, limitations, reservations and restrictions applicable to the Lots. Further, Declarant and Declarant's predecessors in title have heretofore granted, created and dedicated by several recorded instruments, certain other easements and related rights affecting the Lots. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat and all grants and dedications of easements and related rights heretofore made by Declarant and Declarant's predecessors in title affecting the Lots are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Lots.

SECTION 2. CHANGES AND ADDITIONS. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility purposes, (including, without limitation, gas, electricity, telephone and drainage) in favor of any person or entity furnishing or to furnish utility services to the Properties, along and on either or both sides of any side lot line, which such easements shall have a maximum width of five (5) feet on each side of such side lot line.

SECTION 3. CABLE TV. Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more Cable Television Companies and Declarant shall have the right and power in such agreement or agreements to grant to such Cable Television Company or Companies the uninterrupted right to install and maintain communications cable and related ancillary equipment and appurtenances within the utility easements or right-of-way reserved and dedicated herein and in the plat referenced above. During the existence of Class B membership, Declarant does hereby reserve unto itself, its successors and assigns the right to obtain and retain all income, revenue and other things of value paid or to be paid by such Cable Television Companies to Declarant pursuant to any such agreements between Declarant and such Cable Television Companies. From and after such time as, pursuant to Article III, Section 4 hereinabove, the Class B membership ceases, the right of all revenue, income and other things of value paid by such Cable Television Companies shall automatically become the property of the Association and Declarant shall execute whatever assignments are necessary to Secure such rights to the Association.

SECTION 4. TITLE TO EASEMENTS AND APPURTENANCES NOT CONVEYED. Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Lots, and the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

SECTION 5. INSTALLATION AND MAINTENANCE. There is hereby created an easement upon, across, over and under all of the Lots for ingress and egress in connection with installing, replacing, repairing and maintaining all utilities including, but not limited to water, sewer, telephones, electricity, gas and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install "and maintain pipes, wires, conduits, services lines or other utility facilities or appurtenances thereto, on, above, across and under the Lots within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this paragraph, no sewer, electrical lines water lines or other utilities or appurtenances thereto may be installed or relocated on the Lots until approved by Declarant or the Association's Board of Directors. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Subdivision Plat, and to trim overhanging trees and shrubs located on portions of the Lots abutting such easements.

SECTION 6. EMERGENCY AND SERVICE VEHICLES. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles and other service vehicles to enter upon the Lots in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees and management personnel to enter the Lots to render any service.

SECTION 7. UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEM. Declarant shall have the option to contract for the installation of an underground electric distribution system within the Subdivision. If such system is installed, the Owner of each Lot in the Subdivision shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Lot therein shall be underground, uniform in character and exclusively of -the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

If the Declarant so elects, the electric company will install the underground electric distribution system in the Subdivision at no cost to Declarant (except for certain conduits, where applicable) upon Declarant's representation that the Subdivision is being developed for residential dwelling units 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. In the event the Declarant changes such plans for development of the Subdivision and this Declaration be amended so as to permit the erection therein of one or more mobile homes, the company shall not be obligated to provide electric service to any such mobile home unless (a) Declarant has paid to the company an amount representing the excess in cost for the entire Subdivision of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision, or (b) the Owner of such 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 over the cost of equivalent overhead facilities to serve such Lot, plus (2) the cost of rearranging and adding any electric facilities serving such lot, which rearrangement and/or addition is determined by the company to be necessary, provided that in no instance shall Declarant be obligated to pay the electric company such amount representing the excess in cost should the Lot Owners amend the Declaration to allow dwellings of a different type.

The provisions of the two preceding paragraphs shall also apply to any future residential development in reserve(s), if any, shown on the Subdivision Plat, 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 an 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 Subdivision, such Owner shall pay the electric company \$1.75 per front lot foot unless the Developer has paid the electric company as above-

described. The provisions of this section and the two preceding paragraphs do not apply to any future nonresidential development in such reserve(s).

Easements for the underground service may be crossed by driveways and walkways provided that the Builder or Owner makes prior arrangements with the utility company furnishing electric service and provides and installs the necessary electric conduit of approved type and size under such driveways or walkways prior to construction thereof. Such easement for the underground service shall be kept clear of all other improvements, including buildings, patios or other pavings, and neither Builder nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants, to shrubbery, trees or improvements (other than crossing driveways or walkways provided the conduit has been installed as outlined above) of the Owner and located on the land covered by said easements. The Declarant reserves the right to provide for overhead electrical facilities for use in the Subdivision and nothing in this Article VII, Section 7 shall bind Declarant to provide underground electrical services.

Article IX

Enforcement

The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, the covenants and restrictions contained herein. Failure of the Association or any Owner to enforce any of the provisions herein contained shall in no event be deemed as waiver of the right to do so thereafter.

Article X

General Provisions

SECTION 1. TERM. These covenants and restrictions shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the Owners of a majority of the Lots has been recorded agreeing to terminate the covenants and restrictions herein.

SECTION 2. SEVERABILITY. Invalidation of anyone of these covenants and restrictions by judgment or other court order shall in no wise affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

SECTION 3. GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall 'in all cases be assumed as though in each case fully expressed.

SECTION 4. TITLES. The titles of this Declaration contained herein are for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

SECTION 5. INTERPRETATION. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

SECTION 6. OMISSIONS. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other word, clause, sentence or provision appearing in this Declaration shall be omitted here from, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

SECTION 7. NOTICES. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

SECTION 8. REPLATTING. Declarant shall have the right, but shall never be obligated, to resubdivide into Lots, by recorded plat or in any other lawful manner all or any part of the property contained within the outer boundaries of the Subdivision Plat and such Lots as replatted shall be subject to these restrictions as if such Lots were originally included herein.

SECTION 9. AMENDMENT. This Declaration may be amended during the initial forty (40) year term by an instrument executed by the Owners of seventy-five percent (7.5%) of the Lots and thereafter by the Owners of sixty percent. (60%) of the Lots.

The Developer shall have and reserve the right at any time and from time to time, without the joinder or consent of any other party to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by the Declaration and any Supplemental Declarations taken collectively, and shall not impair or affect the vested property rights of any Owner or his mortgagee.

Article XI

Annexation of the Property

Declarant, as successor to the rights of the Declarant under the "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR QUAIL FOREST , SECTION ONE", such Declaration having been filed for record with the County Clerk of Harris County, Texas on November 3, 1980 under Clerk's Document No. F837.588, does hereby verify that a general plan for the development of the Quail Forest Development, which plan encompassed 192.6 acres more or less has been approved by the FHA and VA and the property comprising the said Section Two of Quail Forest is a part of the 192.6 acres, and the Declarant does hereby annex the property covered hereby into the jurisdiction of the Association. The Association has joined in the execution of this instrument to evidence its consent to the annexation of the Lots into the Association by Declarant. Further, the Association acknowledges that so long as there is a Class "B" membership, the annexation of additional properties, the dedication of Community Properties, if any, to the Association, the mortgaging of such Community Properties, and the amendment of this Declaration shall require the prior approval of the FHA or the VA.

Upon a merger or consolidation of the Association with another Association, the Association's properties, rights and obligations may be transferred to the surviving or consolidated Association, or alternatively, the properties, rights and obligations of another Association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association shall administer the covenants and restrictions established by this Declaration, together with the covenants and restrictions applicable to the properties of the other Association as one scheme. However, such merger or consolidation shall not effect any revocation, change or addition to the covenants and restrictions established by this Declaration and no merger or consolidation shall be permitted except upon approval of two-thirds (2/3rds) of each class of Members of the

IN WITNESS WHEREOF, this Declaration is executed this 6th day of December, 1982.