

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
(Declaration)

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
(Declaration)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, hereinafter called the "Declaration," is made on the date hereinafter set forth by LAKE OLYMPIA DEVELOPMENT, N V, a Netherland Antilles corporation, doing business as Lake Olympia Development Corporation, hereinafter referred to as "Declarant"

W I T N E S S E T H

WHEREAS, Declarant is the owner of certain property in the County of Fort Bend, State of Texas, which is more particularly described as

Lots 1 through 60, inclusive, in Block 1, Lots 1 through 18, inclusive in Block 2, Lots 1 through 52, inclusive, in Block 3, Lots 1 through 25, inclusive, in Block 4, and Lots 1 through 34, inclusive in Block 5, all in PALMER PLANTATION AT LAKE OLYMPIA Section One (1), a subdivision in Fort Bend County, Texas according to the map or plat thereof recorded on Slide No 626E in the Plat Records of Fort Bend County, Texas, hereinafter called the "Subdivision"

WHEREAS, the Subdivision is a part of a larger tract of properties Declarant is proposing, but is not obligated, to develop as a residential/mixed use commercial community to be known as Lake Olympia, generally described in Exhibits "A", "B" and "C" hereinafter called the "Property"

WHEREAS, Declarant intends, by this Declaration, to impose upon the Subdivision, and any other portions of the Property which may be hereafter annexed to the Subdivision, mutually beneficial restrictions under a general plan of development for the benefit of all owners of real property within Lake Olympia, a community in Fort Bend County, Texas, which general plan includes the development and interrelationship of component residential and other associations and the establishment of a method for the administration, maintenance, preservation, use and enjoyment of all property which is now, or may hereafter be subject to this Declaration

NOW, THEREFORE, Declarant hereby declares that all of the Subdivision 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 shall run with, the real property and be binding on all parties having any right, title, or interest in the Subdivision or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of Declarant, its successors and assigns, and the Association and each Owner (each hereinafter defined) thereof

ARTICLE I

Definitions

Section 1 "Annexation" or "Annex" shall mean the process by which other real property is joined to the Subdivision and made subject, in their entirety or as modified or amended, to the covenants, conditions and restrictions of this Declaration, in accordance with the procedure set out in Article IX below

Section 2 "Architectural Control Committee" shall mean and refer to Andrew M. Choy, Victoria Lee, Lorraine Treich, David K. C. Tsai and Glen Laird, and their successors who shall serve, act and be succeeded as set out in Article V below

Section 3 "Assessment" shall mean the assessment created herein for the purpose of promoting the health, safety, security, welfare common benefit, enjoyment and maintenance of the Subdivision, and other real property annexed thereto, including the actual and estimated expenses, and reserves reasonably required for, operating the Association pursuant to this Declaration, and the By-Laws and Articles of Incorporation of the Association

Section 4 "Association" shall mean and refer to LAKE OLYMPIA CIVIC ASSOCIATION, a Texas non-profit corporation, its successors and assigns which has been formed by Declarant to enforce this Declaration

Section 5 "The Board" shall mean and refer to the appointed Board of Directors of the Association as defined herein, and their successors as appointed by Declarant or elected by the Members in accordance with the provisions hereof

Section 6 "Builder" shall mean a person or entity engaged in the business of constructing and selling single family residences, and owns two (2) or more Lots within the Subdivision upon which it has constructed, or is constructing, a Living Unit for purposes of resale, rather than occupancy

Section 7 "By-Laws" shall mean the By-Laws of the Association

Section 8 "Special Assessment" shall mean an Assessment, in addition to any other assessment authorized herein, which the Board may levy against Lots for the purpose of providing funds for, and the proceeds of which shall only be used for, construction, reconstruction, replacement, major repair or other expenses of a capital nature upon any portion of the Subdivision including, without limitation, any of the Common Areas or any improvements, fixtures, machinery or other personal property constructed or located upon or within, or attached to, or used by the Association in connection with, the Common Areas

Section 9 "Common Area" shall mean all real and personal property now or hereafter utilized by the Association for the common use and enjoyment of the Owners, including, by way of example and not of limitation, all esplanades within all public or private streets and roadways, street lights, fountains, club houses, including pools and tennis courts, athletic fields, green belt areas, hike and bike trails, waterways, utility easements (other than those located within the perimeter boundary of a Lot, Reserve, or other portion of the Subdivision owned by a person or entity other than the Association), excluding, however, any Lots, Reserves and any portion of the Subdivision owned by Declarant. The Common Area shall include the entrance to the subdivision, more particularly described on Exhibit "D" which is attached hereto and incorporated herein by reference for all purposes and shall include all easement rights of Declarant therein. The Common Area shall include all property of the type described herein now owned or hereafter acquired by the Association, whether by purchase or otherwise, and such other real or personal property as Declarant may hereafter designate as Common Area by instrument recorded among the Real Property Records of Fort Bend County, Texas

Section 10 "Declaration of Annexation" shall mean and refer to an instrument, as described in Article IX, which may be

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hereafter executed by Declarant and recorded among the real property records of Fort Bend County, Texas by or in which Declarant subjects some portion of the "Property", or other real property, of this Agreement, to the covenants, conditions and restrictions contained in this Declaration, as amended, modified or supplemented by such Declaration of Annexation and by which such other real property is annexed to the Subdivision

Section 11 "Declarant" shall mean and refer to LAKE OLYMPIA DEVELOPMENT, N V doing business as Lake Olympia Development Corporation its successors and assigns

Section 12 "General Assessment" shall mean any Assessment, as heretofore defined, except a Capital Assessment and a Neighborhood Assessment

Section 13 "Living Unit" shall mean and refer to a detached dwelling house for occupation by a single family, as well by any servants whom the family may retain. A Living Unit shall be the primary structure on its Lot and only one (1) Living Unit shall be permitted on each Lot

Section 14 "Lot" shall mean and refer to the individual tracts or parcels reflected on the recorded plat of the Subdivision and specifically described in the introductory portion of this Declaration, which is restricted to residential use by this Declaration

Section 15 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to a Lot but shall not include a mortgagee until such mortgagee has acquired fee title to the Lot in a grant pursuant to a foreclosure or deed or any other proceeding in lieu of foreclosure

Section 16 "Reserves" shall mean and refer to the real property located with the boundaries of the Subdivision which is owned by Declarant and is not a Lot nor a Common Area, whether or not designated as a Reserve on any plat or replat of the Subdivision or any portion thereof, but shall specifically include any portion of the Subdivision designated as "Reserve" on the map or plat of the Subdivision

Section 17 "Subdivision" shall mean and include Palmer plantation at Lake Olympia Section One, and any other portion of the property, or other real property, which is subdivided by a map or plat recorded among the appropriate records of Fort Bend County, Texas and annexed to the Subdivision by a Declaration of Annexation hereafter executed by Declarant.

Section 18 "Waterway" shall mean and include any lake, creek (other than Oyster Creek) or other body of water, all or a portion of which is contained within the Property or the Subdivision, up to the shore line, levy or bulkhead along such Waterway, together with any adjacent areas contained within the boundaries of any drainage easement applicable to such Waterway and shall include both the water contained within such Waterway, the ground or bottom thereunder, and any structures now or hereafter located upon or within such Waterway

Section 19 "Waterway Assessment" shall mean an assessment levied only against the Waterway Lots (as defined herein) the proceeds of which shall be used to repair, maintain, rebuild, restore, and style or otherwise service any portion of a bulkhead or other shore line between a Waterway and the property which it adjoins

Section 20 "Waterway Lot" shall mean a lot any portion of which is bounded by, or which fronts upon or backs up to, a Waterway, or any portion of a Waterway and shall include, without limitation, those lots designated as Waterway Lots in any Declaration of Annexation hereafter executed and recorded by Declarant

ARTICLE II

Common Areas - Rights and Limitations

Section 1 Owners' Easements of Enjoyment Each and every Owner, as well as Declarant and Declarant's successors and assigns, shall have and is hereby expressly granted a perpetual and non-exclusive right and easement of use and enjoyment in and to the Common Area subject to the limitations and conditions contained in this Declaration or in any Declaration of Annexation, or any Deed conveying Common Area to the Association and subject to any and all rules and regulations promulgated by the Association, and subject to the terms and conditions of any Deed, easement, lease, Deed of Trust or other encumbrance affecting, covering or describing any portion of the Common Area Use of portions of the Common Area, or facilities constructed therein, including boating and waterway facilities, club, club house and athletic facilities may be further subject to the payment of dues, or other fees for the use thereof in accordance with rules and regulations which may be prescribed by the Association from time to time

Section 2 Delegation of Use Any Owner may delegate the right to the use and enjoyment of the Common Area, and facilities which constitute the Common Area, to members of an Owner's family who reside with Owner upon a Lot, and to tenants or contract purchasers who reside on a Lot, all in accordance with the By-Laws of, or rules and regulations adopted by, the Association

ARTICLE III

Assessments

Section 1 Creation of the Lien and Personal Obligation of Assessments The Declarant and each Owner, for each Lot owned within the Subdivision, shall be subject to an Assessment as hereinafter provided and, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such Assessments as may be fixed, established, and collected from time to time, as hereinafter provided, all of which shall be a charge against and secured by a continuing lien upon, the Lot The lien for the payment of Assessments shall be for the benefit of the Association and all Owners although the Association shall have the exclusive right to collect all Assessments and exercise remedies in the event of non-payment, and shall be prior and superior to all other liens, except (a) all liens for taxes or special assessments levied by the county and state governments or any political subdivision or special district thereof, (b) all liens securing amounts due or to become due under any mortgage, vendor's lien or deed of trust filed for record prior to the date payment of any such Assessments become due and payable, and (c) all liens, including but not limited to vendor's liens, deeds of trust and other security instruments which secure any loan for all or a part of the purchase price of a Lot when the same is purchased from a Builder Any foreclosure of any such prior or superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings to which the Association has been made a party, shall extinguish the lien securing an Assessment which become due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot

from the lien securing an Assessment thereafter becoming due and payable, nor shall the personal obligations of the Owner be extinguished by any foreclosure. Each Assessment, together with interest thereon and costs of collection, as hereinafter provided, shall also be and remain the personal obligation of the Owner of such lot at the time the Assessment becomes due and payable, notwithstanding any subsequent transfer of title of same. Such personal obligation shall not pass to such Owner's successors in title unless expressly assumed by them, but shall be secured by the continuing lien referred to above.

Section 2 Effect of Non-payment of Assessment If any Assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from the due date until paid at the maximum non-usurious interest rate allowed by applicable state and/or federal laws, and if placed in the hands of an attorney for collection, or if suit is brought thereon, or if same is collected through probate or other judicial proceedings, there shall be paid to the Association an additional reasonable amount, but not less than ten percent (10%) of the amount owing, as attorneys fees. The Association, as a common expense of all Owners, may institute and maintain an action at law or in equity against any defaulting Owner to enforce collection and/or for foreclosure of the liens against his Lot. All such action may be instituted and brought in the name of the Association and may be maintained and prosecuted by the Association in a like manner as an action to foreclose the liens of a mortgage or deed of trust on real property. The Declarant or Association shall have the right to publish monthly, a list of all Owners delinquent in payment of their respective Assessment charges and post the same throughout the Subdivision or in any newsletter published for the benefit of the Association.

Section 3 Collection and Enforcement Each Owner, by his assertion of title or claim of ownership or by his acceptance of a deed to a Lot whether or not it shall be so recited in such deed, shall be conclusively deemed to have expressly vested in the Association, and its officers and agents, the right, power and authority to take all action which the Association shall deem proper for the collection of Assessments and/or for the enforcement and foreclosure of the lien securing same as well as any other action.

Section 4 Purpose of Assessments The Assessments levied by the Association (other than Special Assessments and Waterway Assessments) shall be used for the purpose of providing funds to or for the Association to carry out any of its duties, rights or privileges under this Declaration or any document referred to or incorporated herein including, without limitation (i) the improvement, beautification, management, operation, repair, restoration, modification and maintenance of the Common Area, including all real and personal property which constitutes, or is located upon or used in connection with the Common Area including the payment of all expenses, and employment and payment of all personnel reasonably required for the Association to carry out its duties hereunder, (ii) the enforcement of this Declaration and any amendments or supplements hereto or additional covenants contained in any Declaration of Annexation, (iii) the payment of taxes and other assessments upon the Common Areas and premiums for insurance applicable to, or covering, the Common Areas, the Architectural Control Committee, the Association, the Board, Declarant or their officers, directors, members or owners, (iv) the operation, or subsidy, including payment of all or a portion of fees, dues or expenses, of any club, club house, or athletic facility or club which may own or operate athletic or club facilities within the Property, and (v) for any and all other uses and purposes, in the sole discretion of the Board as shall benefit, promote or enhance the health, safety, convenience, and welfare of Owners, or the

beauty, use, enjoyment, operation, maintenance or value of the Subdivision, or parts thereof

Section 5 Maximum Assessments

- (a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum General Assessment shall be the sum of \$372 00 per lot per year
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum General Assessment may be increased by the Board without the consent or joinder of Members or Owners, by as much as ten percent (10%) for each year from the first day of the first January after the conveyance of the first Lot until the date of such increase
- (c) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum General Assessment may be increased in excess of amounts permitted under subparagraph (b) above only with the consent or upon the vote of two-thirds (2/3) of the combined classes of all Members voting in person or by proxy at a meeting duly called for this purpose in accordance with the voting rights and provisions of this Declaration
- (d) The actual Assessments, for each year, shall be set, from time to time, by a majority vote of the Board in accordance with the provisions and limitations, if any, of this Declaration

Section 6 Special Assessments In addition to the General Assessment authorized above, the Association may levy a Special Assessment in any year, upon recommendation or vote of a majority of the Board, provided that such assessment is approved or consented to upon the affirmative vote of two-thirds (2/3) of the votes cast by the combined classes of all Members voting in person or by proxy at a meeting duly called for this purpose in accordance with the voting rights and provisions of this Declaration

Section 7 Waterway Assessments In addition to the General Assessment and Special Assessment authorized above, the Association may levy a Waterway Assessment which shall be assessed against, and shall only be applicable to, Waterway Lots, and shall be subject to the following conditions and limitations

- (a) The amount of the Waterway Assessment applicable to any Waterway Lot shall not exceed fifty percent (50%) of the maximum General Assessment which could be assessed against such Lot under the provisions of Section 5 above, unless a greater assessment is consented to or voted upon by the owners of two-thirds (2/3) of all Waterway Lots
- (b) The Waterway Assessment shall be assessed against each Waterway Lot in proportion to, and based upon, the linear footage of the boundary or boundaries of such Waterway Lot which front upon, back up to or otherwise adjoin a Waterway
- (c) The actual amount of any Waterway Assessment shall be set by the Board, upon majority vote, provided that it does not exceed the maximum amounts authorized herein



political subdivision shall be exempt from the Assessments and the liens created herein

Section 12. Commencement of Assessments Until further action of the Board, there is hereby assessed against each Lot in the subdivision an assessment of \$ 144.00 per Lot for the year 1984 and \$ 252.00 per Lot for the year 1985 and thereafter, subject to the further action of the Board. The assessment for the year 1984 shall commence and become effective and shall be due and payable, in full, on May 1, 1984. The assessment for the year 1985 and each year thereafter shall become due and payable on the first day of January of each year unless and until the Board provides otherwise.

#### ARTICLE IV

##### The Association

Section 1. Organization The Declarant has caused the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas.

Section 2. Purpose The purpose of the Association shall in general be to provide for and promote the health, safety and welfare of the residents of the Subdivision, to collect the Assessments and to administer such funds, to provide for the maintenance, repair, preservation, upkeep and protection of the Common Area, and to exercise all rights authorized, and perform all duties imposed, by, and any and all other purposes as are stated in this Declaration, or the Articles of Incorporation or By-Laws of the Association.

Section 3. Directors The initial Directors of the Association shall be three (3) in number, and they shall be selected by Declarant. Each initial Director shall serve until such Director's successor is elected and qualified, provided, however, that any Director may resign at any time and, until the "Equalization Date" (as hereinafter defined), Declarant shall have the right to remove any Director, at any time, with or without cause by a written document sent to the Board. Until the Equalization Date, any vacancy occurring in the Board of Directors shall be filled by Declarant. Within a reasonable time after the Equalization Date, the Directors shall call a meeting of members of the Association for the purpose of electing Directors, and, at such meeting, and thereafter, members of the Board of Directors shall be elected by a majority vote of members of the Association, and each Director shall serve for a term of three (3) years. Except to the extent that another vote is otherwise specifically prescribed, the Board shall manage the affairs of the Association upon a majority vote of such Directors.

Section 4. Members. Each Owner, whether one or more persons or entities, of a Lot which is subject to the Assessments shall, upon and by virtue of becoming such Owner, automatically become a member of the Association and shall remain a member thereof until his ownership ceases for any reason, at which time his membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership. Whenever the legal ownership of any Lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, as such membership is appurtenant to and automatically follows and passes with the legal ownership of a Lot. Membership in the Association is expressly limited to the Owners of Lots which are subject to the Assessments as above stated. Certificates of Membership may be issued at the option of Declarant.

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Section 5 Voting Rights The Association shall have two (2) classes of voting membership

Class A. Class A members shall be all Owners of a Lot, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one person or entity holds or owns an interest in a Lot, all such persons or entities shall be members, and the vote for such Lot shall be exercised as they may determine, but in no event shall more than one vote be cast with respect to any Lot. There shall be no fractional votes.

Class B. The Class B member shall be Declarant and Declarant shall be entitled to three (3) votes for each Lot owned by it. The Class B membership shall cease and be converted to a Class A membership on the happening of any of the following events, whichever occurs first (such date being herein called the "Equalization Date")

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, taking into consideration all Lots owned by Declarant within the Subdivision, and within any additional Subdivision that has been annexed hereto,
- (b) January 1, 2015, or
- (c) When, in its discretion, Declarant so determines

Section 6 Suspension of Voting Rights The Association shall have the right to suspend the voting right of any Owner and/or the right of any Owner to use the Common Area if

- (i) such Owner is in default in the payment of any Assessment or other amount of money due to the Association for a period of forty-five (45) days after the due date thereof, or
- (ii) If such Owner has failed to comply with any of the restrictions contained herein or the rules and regulations of the Association, for a period of fifteen (15) days after written notice thereof from the Association, and
- (iii) In the event of a default in payment of Assessments, or failure to comply with the restrictions of this Declaration or rules and regulations of the Association, for an additional period not to exceed sixty (60) days from the date such default or violation is cured or rectified

The Association's right to suspend voting rights shall not be exclusive, but shall be cumulative of, and in addition to, any and all other rights and remedies of the Association

Section 7 Title to Common Area The Association shall have the right to hold title to such portions of the Common Area as Declarant may convey to the Association, or otherwise designate, by document recorded among the appropriate real property records, as Common Area, all of which conveyances or designations shall be subject to any and all easements prescribed or granted herein, and any and all other liens, claims, encumbrances, easements, restrictions or reservations applicable to such property.

Section 8 Management and Maintenance of Common Area The Association shall maintain the Common Area, with funds provided by

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the Assessment described herein and shall have the exclusive right to the management and control of the Common Area and all improvements thereon and all personal property, fixtures, equipment or machinery thereon or used in connection therewith Without limiting the generality of the foregoing, and by way of illustration and not of limitation

- (a) The Association shall have the right to construct, install, repair and maintain the Common Area and to borrow money and in aid thereof to mortgage the Common Area or any part thereof,
- (b) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure or forfeiture of any mortgage, lien or other encumbrance thereon,
- (c) The Association shall have the right to make, publish and enforce reasonable rules and regulations governing the use and enjoyment of the Common Area or any part thereof, inclusive of rules and regulations of all waterways, all of which shall be binding upon, complied with and observed by each Owner These rules and regulations may include provisions to govern and control the use of the Common Area by guests or invitees of the Owners, including without limitation, the number of guests and invitees who may use the Common Area or any part thereof at the same time and each Owner shall be responsible to insure that all of such persons comply therewith,
- (d) The Association shall have the right to assess and collect the assessments provided for herein, and in addition shall have the right to charge reasonable admission and other fees for the use of any recreational facilities, club (whether privately owned, limited membership clubs), club facilities, water facilities or other facilities which are a part of the Common Area, if any, including, but not limited to, separate charges for the use of any such swimming, tennis, club or lake facilities and additionally shall have the right to disburse such amounts to the entity or entities entitled to receive such funds,
- (e) The Association shall have the right to transfer or convey all or any part of the Common Area, or any interests therein, to any governmental entity or agency which either requests conveyance of the same, or initiates condemnation proceedings to acquire the same, for public purposes
- (f) The Association shall have the right to rent or lease any part of any Common Area for such consideration as it may deem necessary and under such terms and conditions as it may desire so long as all of such funds under such agreement inure to the Association,
- (g) The Association shall have the right to extend the use and enjoyment of any of the Common Area, if any, to persons other than Owners or an Owner's guest or invitee,
- (h) The Association shall have the right to grant or dedicate easements in, on, under or above the Common Area or any part thereof to any public or governmental agency or authority or to any utility company for any service to the Property or subdivision or any part thereof,

- (i) Each Owner shall be liable to the Association for any damage of any kind or character, to the Common Area or any personal property attached thereto, located thereon or used in connection therewith which may be caused by the negligence of an Owner, or tenants, employees, agents, customers, guests, invitees or licensees of such Owner. Each Owner does further, by acceptance of a deed to a Lot, release the Association and the Board, the Architectural Control Committee, and Declarant, and all or either of their officers, directors, shareholders, members from any and all claims or causes of action for personal injuries, or property damages, occurring within or upon the Common Area or any portion of the Property, or caused by, or resulting from, any personal property, machinery, equipment or fixtures located thereon, attached thereto or used in connection therewith.
- (j) Except as permitted in this Declaration, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Subdivision or any part thereof seek any judicial partition unless the Subdivision under which the partition is sought has been removed from the provision of this Declaration. This Section shall not be construed to prohibit the Board of Directors from acquiring and disposing of real or personal property, nor from acquiring title to property which may or may not be subject to this Declaration.
- (k) In addition to the notices above stated, the Association reserves the right to publish in a list and in a form satisfactory to the Association, a list of all individuals or entities who (1) have not abided by the rules and regulations of the Association or (2) are delinquent in paying any assessments of the Association. Each Owner consents to the mailing, publication, or disbursement of this information to assist the Association in collecting such amounts or remedying such acts of non-compliance.

Section 9 Authority of Association The Association shall be the custodian of, and shall have the sole right to administer funds collected from Assessments, for such purposes, and in such manner, as the Board, in the exercise of their reasonable business judgment, may determine. No individual person, as an officer or director of the Association or of Declarant, or as a member of the Architectural Control Committee, shall be liable to any Owner, Builder or any other person or entity as a result of the performance of his duties, or the exercise of his discretion or judgment on behalf of, or in such individual's capacity as officer, director or member, of the Association, Declarant or the Architectural Control Committee. The purposes for which Assessments may be expended, and the rights and privileges granted to the Association herein are permissive only, and shall not create nor imply any obligation or affirmative duty on the part of the Association or Declarant, its officers or directors.

Section 10 Indemnification The Association shall indemnify itself, its Board, and each of its officers and directors, and shall further indemnify the Architectural Control Committee, and each of its members (including any advisory members or directors), against any and all expenses, including reasonable attorney's fees incurred by or imposed upon such individual or entity in connection with any suit, claim or other proceeding (including settlement of any such claim, suit or proceeding if such settlement is approved by the Board) to which such individual may be

a party by reason of being, or having been an officer or director of the Association, or member of the Architectural Control Committee unless, and only unless, such individual is found (by a final judgment which cannot be further appealed) to have acted in bad faith or with malice, or to have been grossly negligent. No such officer, director or committee member shall be liable to the Association, the Committee, any Owner, nor any other person or entity for any mistake of judgment, whether negligent or otherwise nor for the exercise of such individual's judgment except in the event of such judicially determined bad faith, malice or gross negligence. No officer or director of the Association, nor any member of the Architectural Control Committee, shall have personal liability with respect to any contract or other commitment made by them on behalf of the Association or the Architectural Control Committee, and the Association shall indemnify and hold harmless each such officer and director and committee member from any and all liability in connection with any such contract or commitment. The Association shall obtain and keep in force, such general liability, and officers and directors liability insurance as the Board may reasonably determine, from time to time, to insure the Association's indemnity obligation hereunder.

## ARTICLE V

Architectural Control Committee

Section 1 Creation and Duties There is hereby created an Architectural Control Committee (sometimes hereinafter referred to as the "Committee") composed of the individuals named in Article I, Section 2, or their successors, whose duties shall be to review, and control, the architectural and environmental appearance of the Subdivision, in accordance with this Declaration and such standards as may be promulgated by the Board and to carry out such other duties as may be prescribed, from time to time, by the Board.

Section 2 Tenure The persons serving on the Committee shall serve until such time as all Lots within the Subdivision, including any subdivision which may be hereinafter annexed hereto, have been conveyed by Declarant and Declarant is no longer the owner of any Lot (the "Conveyance Date"). After the Conveyance Date, the members of the Committee shall be appointed, and shall serve for such term, as the Board may determine. Any member of the Committee shall have the right to resign at any time, and, until the Conveyance Date, Declarant shall have the right to remove any member of the Committee, with or without cause, and appoint a successor thereto. In the event of the death or resignation of any member of the Committee, prior to the Conveyance Date, Declarant shall designate a successor or successor thereto, which successor shall have all the authority and power of his predecessor. The Committee may designate one or more of its members to act for it. No member of the Committee shall be entitled to compensation for his services, as such, on the Committee, but the Committee shall have the right to retain and use the services of, such architects, engineers, attorneys, accountants or other professionals or consultants as the Committee may determine, from time to time, all of whom shall be entitled to compensation for their services as such, regardless of whether or not they are a member of the Committee. Each member of the Committee shall be entitled to the same immunities and indemnification as are provided for officers and directors of the Association.

Section 3 Advisory Directors The Committee shall have the right, at any time, and from time to time, to appoint one (1), or any number, of advisory directors, each of whom shall serve at the pleasure of the Committee for such term and upon such conditions as the Committee may prescribe from time to time. Advisory directors shall not be entitled to vote upon matters presented to the

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Committee for decision, but shall be entitled to attend, receive notice of and be heard at, all meetings of the Committee subject to such reasonable limitations or conditions as the Committee may prescribe from time to time

Section 4 Approval of Plans No Living Unit, garage, Building structure or other improvement, of any kind or character, including, but not limited to, streets, driveways, sidewalks, drainage facilities, landscaping, fences, walks, fountains, statuary, outdoor lighting and signs, shall be commenced, constructed, erected, placed, or maintained on any Lot or any other portion of the Subdivision, nor shall any exterior addition to, or modification or alteration thereof, be made until (i) a preliminary site plan showing all uses and dimensions, the location of buildings, entries, streets, driveways, sidewalks, parking areas, pedestrian ways, and storage areas, and a schematic plan for the landscaping and lighting of the property, the complete name, identity and address of the Builder (or, in the case of a Lot not owned by a Builder, the identity and address of each contractor which will be performing any portion of the work described in the plans) have been submitted to and approved in writing by the Architectural Control Committee, and thereafter (ii) the final working plans and specifications for the work shown on the preliminary site plan and schematic plan have been submitted to and approved in writing by the Architectural Control Committee as to compliance with this Declaration and as to harmony of external design and location in relation to property lines, building lines, easements, grades, surrounding structures, walks, and topography. The final working plans and specifications shall specify, in such form as the Architectural Control Committee may reasonably require, structural, mechanical, electrical and plumbing details and the nature, kind, shape, height, exterior color scheme, materials, and location of the proposed improvements or alterations thereto. Except to the extent otherwise provided herein, the Architectural Control Committee shall have the right to specify a limited number of acceptable exterior materials and/or finishes that may be used in the construction, alteration or repair of any Living Unit or other improvement upon any Lot and, where not otherwise specified herein, the Architectural Control Committee shall also have the right to specify requirements for each building site as follows: minimum setbacks, driveway access screening devices, and the orientation and construction of structures with respect to streets, walks and structures on adjacent property. The Architectural Control Committee shall have full power and authority to reject any plans and specifications that do not comply with the restrictions herein imposed or meet its minimum construction requirements or architectural design requirements or that might not be compatible, in its judgment, with the overall character, design or aesthetics of the Subdivision.

Section 5. Approval Procedure. Any request for approval of plans, whether preliminary or final, and any other request which may be required to be approved by the Architectural Control Committee, shall be submitted, in writing, accompanied by all information and documents as may be required by this Declaration or as may be required to make the request reasonably understandable. If the Architectural Control Committee fails to approve or disapprove any such preliminary site plan, schematic plan or other request within thirty (30) days after the request has been received by the Architectural Control Committee, then such plans or requests shall be deemed to be approved. If the Architectural Control Committee declines to approve any such request, it shall do so in writing, together with a reasonable explanation of its reason for such disapproval. Any failure by the Architectural Control Committee to approve or disapprove any plan or other request shall not constitute a waiver of the requirement that such approval be obtained nor

waiver of any other provision of the Declaration. Any material alteration in such plans or requests shall be resubmitted to the Architectural Control Committee as a new request.

Section 6 Variances The Architectural Control Committee where it is specifically granted such right herein, and, in any event, in any situation which the Board may direct or authorize from time to time, may authorize variances from compliance with any of the architectural provisions of this Declaration, including restrictions upon height, size, placement of structures or other similar restrictions when reasonably justified by individual circumstances. Any such variance must be evidenced by a writing signed by a majority of the Committee and shall become effective upon their execution. The granting of such variance shall not constitute a waiver or modification of any of the covenants, conditions or restrictions of this Declaration, but shall only constitute an acknowledgment and agreement, which shall be binding upon the Association, each Member and Declarant, that the specific variance authorized shall not be deemed a violation of this Declaration.

Section 7 Blanket Builder Approval Any Builder which owns, and is constructing Living Units for resale upon ten (10) or more Lots may submit a series of plans, specifications and elevations which describe all Living Units which such Builder will construct upon the Lots owned by it and which generally describe where such Living Units, garages, and other facilities to be constructed by the Builder, will be located upon the Lots, without designation of a particular type of Living Unit to be constructed upon a particular Lot. So long as the contents of such plans otherwise comply with these restrictions, they shall be approved by the Architectural Control Committee, subject to the condition that all such Living Units, garages and other structures and improvements shall thereafter be constructed in strict compliance with such plans and these restrictions.

#### ARTICLE VI

##### Electrical Distribution System

An underground or aboveground electric distribution system will be installed in that part of Palmer Plantation in Lake Olympia subdivision, Section One, designated herein as Underground or aboveground Residential Subdivision, which underground or aboveground service area embraces all of the lots which are platted in Palmer Plantation in Lake Olympia Subdivision, Section One, at the execution of the agreement between Houston Lighting and Power Company (herein called the "Company") and Declarant 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, 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 or aboveground 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. Declarant 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 from 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, 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 or aboveground service is maintained in the Underground or Aboveground Residential Subdivision, the electric service to each dwelling unit therein shall be underground or aboveground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground or aboveground electric distribution system in the Underground or Aboveground Residential Subdivision at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided) upon Declarant's representation that the Underground or Aboveground Residential Subdivision is being developed for residential dwelling units, including homes, 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 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 or Aboveground 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) Declarant has paid to the Company an amount representing the excess in cost, for the entire Underground or Aboveground Residential Subdivision, of the underground or aboveground 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 \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground or aboveground 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 any Subdivision in the Property shown on the plat of the Property, as such plat exists at the execution of the agreement for underground electric service between any electric company and Declarant or thereafter. Specifically, but not by way of limitation, if a Lot owner in a former Neighborhood undertakes some action which would have invoked the above per front lot foot payment if such action had 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 Declarant has paid the electric company as above described.

The underground distribution system covered by this contract is being installed by Company at no cost to Declarant (except for certain conduits), where applicable and except as hereinafter provided) upon Declarant's representation that such Subdivision covered hereby is being developed for residential dwelling units, including homes, townhouses, duplexes and/or apartment structures,

constructed upon the Properties and designed to be permanently located where originally constructed (such category of Living Units expressly to exclude mobile homes), and so wired as to provide for separate metering to each Unit. Should Declarant's plans as outlined to Company be changed so that mobile homes are to be erected, or should the Declarant sell lots within the Underground Residential Subdivision for location thereon of mobile homes, Developer shall thereupon become liable to Company for \$1 75 per front lot foot for all lots or Living Units specified by this agreement to be within the Underground Residential Subdivision, such amount representing the excess in cost, for the entire Subdivision, of the underground distribution system being installed under this agreement over the cost of equivalent facilities for Company's standard overhead services, and Company shall not be further obligated to Declarant under this contract until such payment shall have been made in full. In the event that Developer shall replat all or any part of the Subdivision, Company shall not be obligated to furnish the underground distribution system for services to the replatted lots or dwelling units to be located therein are to be constructed for Living Units as herein before defined, same being those constructed and designed to be permanently located where originally constructed (such category of Living Units expressly to exclude mobile homes) and wired for separate metering to each Living Unit in a multiple dwelling unit structure and (b) payment is made to Company of an amount equal to the excess cost of bringing underground service to the replatted lots over the cost of installing underground distribution system for service to the lots as originally platted. Further, in the event that the plans for the development of the Underground Residential Subdivision as outlined to Company be changed after Company has installed any of its underground service facilities, and if such change in plans will require the removal of, or alteration of such installed facilities, then, except to the extent that such facilities remain suitable for serving any Living Units called for by the change in plans, Declarant shall pay to Company the cost to Company of installing and altering such facilities.

#### ARTICLE VII

##### Restrictions

Section 1. Use of Lots. Unless otherwise agreed to in writing by Declarant, all Lots shall be used solely for single-family residential purposes, and no Lot shall be used (either primarily or secondarily) for any business, professional, commercial or multi-family residential purpose whatsoever of any kind or type.

Section 2. Improvements on Lots. No Building, Living Unit, or other structure of any kind or type shall be erected or maintained on any Lot other than one detached single-family dwelling and no more than one (1) garage, not to exceed two and one-half (2-1/2) stories in height, and a private garage for not less than two (2) nor more than three (3) passenger cars and servants' quarters for household and domestic employees actually employed by the Owner or resident of the Lot, and a greenhouse to grow plants for the Owner's or resident's family or household purposes, the design, location and construction of which must be approved by the Architectural Control Committee and which must not be visible from any street, Common Area or adjacent property unless agreed to by the Architectural Control Committee. Carports shall not be allowed.

Section 3. Exterior Materials. All Living Units, and other buildings, structures, and other improvements erected, altered, or placed on any Lot shall be of new construction, and no structure of a temporary character, trailer, modular home, mobile home, tent,

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shack, garage, barn, or outbuilding shall be used on the Subdivision at any time as a residence, either temporarily or permanently. The exterior finish or construction in all materials used for the exterior of each Living Unit and other structure upon a Lot, shall be of brick, stone, masonry or such other materials as the Architectural Control Committee may approve, which approval may also include minimum percentages of such exterior which shall be constructed of brick, stone or other masonry or other materials. The Architectural Control Committee shall have the exclusive right to determine what exterior color schemes, materials and paint colors may be used for the exterior of any Living Unit or other improvements constructed upon a Lot.

Section 4 Temporary Structures No temporary building shall be erected or maintained on any Lot except during actual construction of a Living Unit and other facilities or improvements thereon, in which case, such temporary buildings and structures must be located upon the Lot upon which construction is in progress and not upon any adjoining Lots, streets, or easements, provided, however, that a Builder which is constructing Living Units upon two (2) or more Lots at one time, may use a Lot owned by such Builder for the location of all temporary buildings and structures during construction. In any event, immediately upon completion of construction, all temporary buildings must be removed. No temporary building or other structure shall be used for residential purposes during construction or at any other time.

Section 5 Apartments and Servants Quarters No garage apartments for rental purposes shall be permitted on any Lot. Living quarters on any Lot other than the Living Unit may be constructed solely for use by the bona fide domestic or household employees of the Owner of the Living Unit, the use of which is clearly incidental to the use of the Lot on which the Living Unit is located.

Section 6 Frontage All Living Units shall be constructed on Lots so as to front the street upon which the Lot faces. A Corner Lot shall be deemed to face toward the street which is the furthest from the building setback line for such Lot. The front exterior wall of a Living Unit shall be constructed so as to lie as close to parallel to the street upon which the Lot faces as is reasonably possible, unless otherwise permitted by the Architectural Control Committee.

Section 7 Size Each Living Unit constructed upon a Lot within the Subdivision shall contain not less than 1,600 square feet of living area, if a one story Living Unit and not less than 2,000 square feet of living area, if a one and one-half story, two story, or two and one-half story Living Unit. All computations of living area shall be exclusive of open or screened porches, terraces, patios, driveways, garages, servants' quarters and greenhouse. Measurements shall be to the face of the outermost exterior walls of the living area.

Section 8 Roofing Material The roof of any Living Unit (including any garage or servant's quarters) shall be constructed or covered with (1) wood shingles which have been treated with fire-retardant as prescribed by the ordinance of the City of Missouri City as is in existence or amended or (2) asphalt or composition type shingles of a minimum of two hundred thirty-five (235) pound - dimensional type, comparable in color to wood shingles. The decision of such comparison shall rest exclusively with the Architectural Control Committee. Any other type of roofing material shall be permitted only at the sole discretion of the Architectural Control Committee and shall not be deemed approved until approved in writing.