BYLAWS
of
FAIRWAY VISTAS AT GREATWOOD TOWNHOME ASSOCIATION
A NONPROFIT CORPORATION

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BYLAWS OF
FAIRWAY VISTAS AT GREATWOOD TOWNHOME ASSOCIATION
A NONPROFIT CORPORATION

ARTICLE I
DEFINITIONS

The terms used in these Bylaws shall have the same definitions as terms used and defined in that certain instrument entitled Declaration of Covenants, Conditions, Restrictions and Easements for Fairway Vistas at Greatwood Townhomes, pertaining to Fairway Vistas at Greatwood Townhomes, being all that property in Fort Bend County, Texas, as set forth in the map or plat of Greatwood Tract C-8 filed of record under Clerk(s) file No. 200035067, Official Public Records of Fort Bend County, Texas, and recorded on Slide Nos. 1980A and 1980B, the Map Records of Fort Bend County, Texas, as amended by that Amending Plat of Greatwood Tract C-8 filed of record under Clerk(s) File No. 2000061729, Official Public Records of Fort Bend County, Texas and recorded on Slide No. 2020B, in the Map Records of Fort Bend County, Texas.

ARTICLE II
OFFICES

Section 2.01. Principal Office. The principal office of the Association shall be located in the County of Harris, in the State of Texas. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

Section 2.02. Registered Office and Registered Agent. The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Association in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III
MEMBERSHIP

The Members of the Association shall be the record owner, whether one or more persons or entities of a fee simple title to any Lot located in, including a contract seller, but excluding those having such interest merely as security for the performance of an obligation. Members shall have such voting rights as set forth in the Declaration and Articles of Incorporation.

ARTICLE IV
MEETING OF MEMBERS

Section 4.01. Annual Meeting. An annual meeting of the Members shall be held during the first calendar quarter of each year, beginning with the year 2002, on a day, time, and place set by the Board of Directors of the Association for the purpose of electing Directors and for the transaction of other business as may properly come before the meeting. If the election of Directors shall not be held at the time designated herein for any annual meeting, or any adjournment hereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

Section 4.02. Special Meeting. Special meetings of the Members may be called by the President, the Board of Directors, or by not less than ten percent (10%) of the votes that would be entitled to be voted at any such special meeting.

Section 4.03. Place of Meetings. The Board of Directors may designate any place in Fort Bend County, Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.

Section 4.04. Notice of Meetings. Written or printed notice, stating the place, day and hour of any meeting of Members shall be delivered, either personally, by mail, facsimile transmission or electronically to each member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting. In case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 4.05. Informal Action by Members. Any action required by law to be taken at a meeting of the Members or any action which may be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof and filed with the Secretary of the Association.

Section 4.06. Quorum. The Members holding ten percent (10%) of the votes of each class of membership which are entitled to be cast at any meeting shall constitute a quorum at such meeting unless a higher percentage is required by the Declaration. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice until a quorum has been established.

Section 4.07. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member, or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

ARTICLE V
BOARD OF DIRECTORS

Section 5.01. Powers and Duties. The Board of Directors shall have such powers and duties as set forth at law and in the Documents of the Association.

Section 5.02. Number, Tenure, and Qualifications. The Board of Directors shall consist of three (3) directors, who shall be elected by the Members in accordance with these Bylaws. At the first annual meeting of the Members, one (1) Director shall be elected for a term of one (1) year; one (1) Director shall be elected for a term of two (2) years; and one (1) Director shall be elected for a term of three (3) years. At every annual meeting thereafter, one (1) Director shall be elected for a term of three (3) years as provided in the Articles of Incorporation of the Association. The number of Directors may be increased to five (5) by amendment of this section of the Bylaws and if so increased, the initial term of one additional Director shall be one (1) year and for the other additional Director shall be two (2) years, and terms thereafter for such additional Directors shall be three (3) years. Any Directors elected prior to the Election Date need not be residents of the Property. All Directors elected after the Election Date must be residents of the Property and Members of the Association in good standing.

Section 5.03. Regular Meeting. A regular annual meeting of the Board of Directors shall be held without other notice than this section, immediately after, and at the same place as the annual meeting of Members. The Board of Directors may provide by resolution the time and place in Harris County, Texas, until Election Date, but thereafter in Fort Bend County, Texas for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 5.04. Special Meetings. Special Meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place in Harris County, Texas until Election Date, but thereafter in Fort Bend County, Texas, as the place for holding any special meetings of the Board called by them.

Section 5.05. Notice. Notice of any special meeting of the Board of Directors shall be given at least two (2) days previous thereto by written notice delivered personally or sent by mail, fax, telegram or electronically to each director at his address as shown by the records of the corporation. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the

meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section 5.06. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 5.07. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 5.08. Removal. The Declarant shall be entitled to remove, with or without cause, and appoint any one or more directors of the Board of Directors of the Association prior to the Election Date. Following the Election Date, Directors may be removed from office, with or without cause, by a majority vote of the Members of the Association present in person or by proxy at a meeting of the Members duly called for that purpose.

Section 5.09. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by a reason of an increase in the number of Directors, shall be filled by the Board of Directors. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

Section 5.10. Compensation. Directors as such shall not receive any stated salaries for their services.

Section 5.11. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors or as provided in Article X of the Articles of Incorporation.

ARTICLE VI
OFFICERS

Section 6.01. Officers. The Officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other Officers as may be determined necessary by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 6.02. Election and Term of Office. The Officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board

of Directors after the annual meeting of the Members. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 6.03. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.04. Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 6.05. President. The President shall be the principal Executive Officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.06. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions on the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or Board of Directors.

Section 6.07. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. Notwithstanding the foregoing, the duties of the Treasurer may be performed by a manager pursuant to a Management Agreement approved by the Board and entered into in accordance with Section 3.13 of the Declaration.

Section 6.08. Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; give, or cause to be given, all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Association, and affix the seal of the Association to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws; keep, or cause to be kept, a register of the address of each Member which shall be furnished to the Secretary by each Member; and, in general, perform, or cause to be performed, all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 6.09. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE VII
CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 7.01. Authorization. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

Section 7.02. Checks and Drafts. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

Section 7.03. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 7.04. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

ARTICLE VIII
BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Association may be inspected by any Member or his agent or attorney for any proper purpose at any reasonable time, pursuant to any policy resolutions adopted by the Board of Directors.

ARTICLE IX
FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE X
AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended, or repealed and new bylaws may be adopted by the Board of Directors of the Association.

ARTICLE XI
CONFLICT WITH DECLARATION AND ARTICLES OF INCORPORATION

In the event anything contained in these Bylaws shall be determined to be in conflict with the provisions of the Declaration or Articles of Incorporation, then the Declaration and the Articles of Incorporation shall be controlling as to the actions of the Association, its Board of Directors and Members.

Date 11/14/00 — Ernest Loeb

Date 11/16/00 — Fred Scherer

Date 11/14/00 — Pete Arcilesi

THIS DOCUMENT WAS FILED
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DECLARATION OF COVENANTS,

CONDITIONS, RESTRICTIONS AND

EASEMENTS FOR

FAIRWAY VISTAS AT GREATWOOD TOWNHOME ASSOCIATION

FORT BEND COUNTY, TEXAS

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR FAIRWAY VISTAS AT GREATWOOD TOWNHOMES FORT BEND COUNTY, TEXAS

WHEREAS, RH of TEXAS LIMITED PARTNERSHIP, a Maryland limited partnership and Westbrook Greatwood, L.P. are the current sole owners of that certain real property described as follows:

> GREATWOOD TRACT C-8, a subdivision in Fort Bend County, Texas according to the Plat thereof filed for record under Clerk's File No. 200035067, Official Public Records of Real Property of Fort Bend County, Texas, and recorded on Slide Nos. 1980 A and 1980 B, Map Records of Fort Bend County, Texas (the "Property"); and

WHEREAS, certain covenants, restrictions, easements, charges and liens have been imposed on the Property as set forth in the Declaration of Protective Covenants for Greatwood recorded in Volume 2147, Page 377 , as amended by Supplemental Declaration of Amendments to Declaration of Protective Covenants for Greatwood and First Amendment to By-Laws of Greatwood Community Association, Inc., being recorded respectively under Clerk's File Nos. 8940912 and 1999048154, all recording references being to the Official Public Records of Real Property of Fort Bend County, Texas, together with all other documentation relative to the Greatwood Community Association, Inc. such as its Articles of Incorporation, Bylaws, Rules and Regulations and Design Guidelines (the "Prior Restrictions"); and

WHEREAS, the Property has been annexed thereto by Supplemental Declaration of Protective Covenants for Greatwood filed for record under Clerk's File No. 2000050896 in the Official Public Records of Real Property of Fort Bend County, Texas, covering the Property; and

WHEREAS, the Property is to be developed as a townhome Neighborhood with its own Neighborhood Association (as such terms are defined in the Prior Restrictions); and

WHEREAS, RH of TEXAS LIMITED PARTNERSHIP, desires to establish a uniform plan for the further development, improvement, and sale of the Property to ensure the reservation of such uniform plan for the benefit of both the present and future owners of the Property, and Westbrook Greatwood, L.P. desires to consent to such.

NOW THEREFORE, RH of TEXAS LIMITED PARTNERSHIP. hereby supplements the Prior Restrictions with the additional covenants, conditions, restrictions, easements, charges and liens, as follows:

ARTICLE 1
DEFINITIONS

As used in this instrument, the terms set forth below shall have the following meanings:

Section 1.1. Articles of Incorporation. The Articles of Incorporation of the Association.

Section 1.2. Association. Fairway Vistas at Greatwood Townhome Association, a Texas non-profit corporation, its successors and/or assigns. The Association is a Neighborhood Association pursuant to the Prior Restrictions.

Section 1.3. Assessment or Assessments. A General Assessment, a Special Assessment, or a Reimbursement Assessment.

Section 1.4. Board or Board of Directors. The Board of Directors of the Association as elected in accordance with the Articles of Incorporation and the Bylaws.

Section 1.5. Bylaws. The Bylaws of the Association, as same may be amended from time to time.

Section 1.6. Cash Reserve Account. That fund created pursuant to Section 9.9 to meet unforeseen expenditures or to purchase any additional equipment or services for the Property.

Section 1.7. Common Area. All real property designated as Common Area and owned by the Association from time to time, if any, for the benefit of and for the common use and enjoyment of the Owners. All platted reserves are to be owned by the Greatwood Association.

Section 1.8. General Assessment or General Assessments. The assessments levied pursuant to Article IX hereof for managing, maintaining, operating, repairing and insuring the Common Area, and the other purposes set out in this Declaration.

Section 1.9. Declarant. Shall mean and refer to RH of TEXAS LIMITED PARTNERSHIP, its successors and assigns so designated in writing by RH of TEXAS LIMITED PARTNERSHIP. No person or entity merely providing loans to or purchasing one or more Lots from RH of TEXAS LIMITED PARTNERSHIP shall be considered a "Declarant".

Section 1.10. Declaration. The covenants, conditions, restrictions, easements, reservations, and stipulations that shall be applicable to and govern the improvement, use, occupancy, and conveyance of all the Lots in the Property set out in this instrument or any amendment thereto.

Section 1.11. New Construction Committee. The New Construction Committee established pursuant to Article XI, Section 1 of the Prior Restrictions.

Section 1.12. Documents. The Articles of Incorporation, Bylaws, Declaration, and Rules and Regulations, as may be amended from time to time.

Section 1.13. Election Date. The earliest of the following dates: (a) four (4) months after Declarant shall have conveyed seventy-five percent (75%) of the Lots to Owners; (b) three (3) years after the conveyance of the first Lot to an Owner other than Declarant; or (c) Declarant by written notice to the Board notifies the Board of its election to cause the Election Date to occur.

Section 1.14. Eligible Mortgagee. Mortgagees who have submitted a written request to the Association that the Association notify them of any proposed action requiring the consent of a specified percentage of Eligible Mortgagees.

Section 1.15. Greatwood Association. Greatwood Community Association, Inc., a Texas non-profit corporation, its successors and/or assigns.

Section 1.16. Lot or Lots. Any one or more of the seventy-three (73) Lots reflected on the Plat.

Section 1.17. Maintenance Fund. Any accumulation of the Assessments collected by the Association in accordance with the provisions of the Declaration and interest, penalties, fines, and other sums and revenues collected by the Association pursuant to the provisions of the Declaration, the Bylaws, or Rules and Regulations.

Section 1.18. Member or Members. All Owners of Lots who are Members of the Association as provided in Section 3.3 of this Declaration.

Section 1.19. Mortgage. A security interest, mortgage, deed of trust, or lien instrument voluntarily granted by an Owner of a Lot to secure the payment of a loan made to such Owner, duly recorded in the Real Property Records of Fort Bend County, Texas, and creating a lien or security interest encumbering a Lot and some or all improvements thereon.

Section 1.20. Mortgagee. A mortgagee under a Mortgage or a beneficiary under a deed of trust, as the case may be, and the insurer, guarantor or assignees of any such mortgagee or beneficiary.

Section 1.21. Notice. A written notice from or on behalf of the Board of Directors in the manner provided in this Declaration, the Bylaws, or the Rules and Regulations.

Section 1.22. Owner. Any Person or other entity, including Declarant, or any combination thereof that is the record owner of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as a security for the performance of an obligation.

Section 1.23. Person. A natural person, a corporation, a partnership, or any other legal entity.

Section 1.24. Plat. The plat of Greatwood Tract C-8 filed of record under Clerk's File No. 200035067, Official Public Records of Fort Bend County, Texas, and recorded on Slide Nos. 1980A and 1980B, in the Map Records of Fort Bend County, Texas, as amended by that Amending Plat of Greatwood Tract C-8 filed of record under Clerk's File No. 2000061729, Official Public Records of Fort Bend County, Texas, and recorded on Slide No. 2020B, in the Map Records of Fort Bend County, Texas, which plat and amending plat are incorporated herein by reference.

Section 1.25. Prior Restrictions. Those certain covenants, restrictions, easements, charges and liens as have been imposed on the Property as set forth in that Declaration of Protective Covenants for Greatwood recorded in Volume 2147, Page 377, as amended by Supplemental Declaration of Amendments to Declaration of Protective Covenants for Greatwood and First Amendment to By-Laws of Greatwood Community Association, Inc., being recorded respectively under Clerk's File Nos. 8940912 and 1999048154, all recording references being to the Official Public Records of Real Property of Fort Bend County, Texas, together with all other documentation relative to the Greatwood Community Association, Inc. such as its Articles of Incorporation, Bylaws, Rules and Regulations and Design Guidelines.

Section 1.26. Property. All that certain real property described in the Plat.

Section 1.27. Rear Yard. That portion of the Lot located behind the rear wall of the Unit.

Section 1.28. Reimbursement Assessment. A charge against a particular Owner and Lot for the purpose of reimbursing the Association for expenditures and other costs of the Association incurred in curing any violation, directly attributable to the Owner, or the invitee, agent or tenant of such Owner, for a violation of the Documents and/or the Prior Restrictions, pursuant to Section 3.10 hereof.

Section 1.29. Rules and Regulations. Such rules and regulations as the Board may promulgate from time to time with respect to the Property, which may include reasonable provisions for the fines for violation of such Rules and Regulations, however, no such rules or regulations may be in derogation of or contary to the interests of the Greatwood Association under the Prior Restrictions.

Section 1.30. Special Assessment. A charge against each Owner and Lot representing a portion of the cost to the Association for the purpose of funding major capital repairs, maintenance, and replacement of improvements, imposed pursuant to Section 9.6 hereof.

Section 1.31. Unit. A residential unit designed for, limited and restricted to, occupancy by a single family on a Lot.

ARTICLE II
ESTABLISHMENT OF GENERAL PLAN

Section 2.1. General Plan and Declaration. This Declaration is hereby established pursuant to and in furtherance of a common and general plan for the improvement and sale of Lots within the Property. Declarant, for itself, its successors, and assigns, hereby declares that the Property and each part thereof shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in the Prior Restrictions and in this Declaration, for the duration thereof. To the extent legally possible, the terms of the Prior Restrictions shall be read to harmonize with this Declaration and all Owners must comply with the Prior Restrictions and this Declaration, and all rights herein established are in all respects inferior and subordinate to the easements and rights of way established under the Prior Restrictions, and no use or operation shall be conducted that would in any manner interfere with, obstruct, alter or diminish the rights of the Greatwood Association, its successors and assigns, under the Prior Restirctions. Unless otherwise specified herein, the terms of the Documents shall apply equally to all Owners, including Declarant.

Section 2.2. Equitable Servitude. The covenants, conditions, restrictions, limitations, reservations, and easements, of this Declaration hereby are imposed as equitable servitude upon each Lot and the Common Areas within the Property as a servient estate for the benefit of each and every other Lot within the Property, as the dominant estate.

Section 2.3. Covenants Appurtenant. The covenants, conditions, restrictions, limitations, reservations, easements, exceptions, equitable servitudes, and other provisions set forth in this Declaration shall run with, and shall inure to the benefit of and shall be binding upon, all of the Property, each Lot and the Common Area, and shall be binding upon and inure to the benefit of: (a) the Property; (b) Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all Persons having, or hereafter acquiring, any right, title, or interest in all or any portion of the Property and their heirs, executors, successors, and assigns; and shall inure to the benefit of Greatwood Association.

ARTICLE III
MANAGEMENT AND OPERATION OF THE PROPERTY

Section 3.1. Management by Association. The affairs of the Property shall be administered by the Association. The Association shall have the right, power and obligation to provide for the management, acquisition, construction, maintenance, repair, replacement, administration, and operation of the Property as provided for in the Documents. In the event of a conflict between the Articles of Incorporation, Bylaws and Rules and Regulations and the provisions of the Declaration, the provisions of the Declaration shall control. In the event of any conflict between the Articles of Incorporation, Bylaws, and Rules and Regulations, the Articles of Incorporation shall control. In the event of any conflict between the Bylaws and the Rules and Regulations, the Bylaws shall control. The business and affairs of the Association shall be managed by the Board of Directors, unless any particular item is otherwise reserved to the Members of the Association by law or the terms of the Documents.

It shall be the responsibility of each Owner or occupant of a Unit to obtain copies of and become familiar with the terms of the Documents and the Prior Restrictions.

The Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Property as the Board deems reasonably necessary or appropriate to maintain and operate the Property in accordance with the Declaration, including without limitation, the right to grant utility, access and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities and/or the Greatwood Association on matters of maintenance, trash pick-up, repair, administration, courtesy patrol, operation of recreational facilities, or other matters of mutual interest. The Board of Directors shall also have the power to create procedures for resolving disputes between Owners or occupants of Units, including appointment of committees to consider or reconsider resolutions of any disputes.

Section 3.2. Board of Directors. The number, term, and qualifications of the members of the Board of Directors shall be governed by the Articles of Incorporation and the Bylaws.

Section 3.3. Membership in Association. Each Owner, whether one Person or more, of a Lot shall, upon and by virtue of becoming such Owner, automatically become and shall remain a Member of the Association until ownership of the Lot ceases for any reason, at which time the membership in the Association shall also automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership. Each Owner also acknowledges that by virtue of becoming an Owner, each Owner also automatically becomes a Member of the Greatwood Association.

Section 3.4. Unit Owner Information. Not later than the 30th day after the date of acquiring an interest in a Lot or granting a Mortgage against a Lot, the Lot Owner shall provide the Association with:

(a) The Owner's mailing address, telephone number and driver's license number, if any;

(b) The name and address of the holder of any Mortgage against the Lot, and any loan number:

(c) The name and telephone number of any person occupying the Lot other than the Owner; and

(d) The name, address, and telephone number of any person managing the Lot as agent of the Owner.

Section 3.5. Notice of Change. Each Owner shall notify the Association and the Greatwood Association not later than the 30th day after the date the Owner has notice of a change in any information required by Section 3.4 above, and shall provide the information on request by the Association from time to time.

Section 3.6. Notice in Writing. Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given when delivered personally at the appropriate address provided by Owner under Section 3.4 above, or 72 hours after deposit in any United States post office box, postage prepaid, addressed to the appropriate address provided by Owner under Section 3.4 above.

Section 3.7. Transfer Fee. Prior to changing the name of the Owner of any Lot on the membership rolls of the Association or the name of the Mortgagee of the Owner, the Association or its managing agent (if authorized by the Board of Directors) may charge a transfer fee or processing fee when ownership to any Lot changes or the Mortgage on the Lot is refinanced.

Section 3.8. Voting of Members. The Association shall have two classes of membership.

Class A. Class A Members shall be all those Owners as defined in Section 3.3, with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership in Section 3.3. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Section 3.3; provided, however, that the Class B membership shall cease and be converted to Class A membership on the Election Date.

Section 3.9. Power to Adopt Rules and Regulations. The Association, through its Board of Directors, may adopt, amend, repeal, and enforce the Rules and Regulations, fines, levies, and enforcement provisions as it deems necessary or desirable with respect to the interpretation and implementation of the Declaration, Articles of Incorporation, and Bylaws; the operation of the Association; the use and enjoyment of the Common Areas; and, the use of any other property within the Property, including Lots. Any such Rules and Regulations shall be reasonable and uniformly applied to all Members and their family, tenants, and guests. Such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. Each Member shall comply with such Rules and Regulations and shall see that Persons claiming through such Member comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration; however no such Rules and Regulations shall be in derogation of or contrary to the interests of the Greatwood Association under the Prior Restrictions..

Section 3.10. Power to Enforce Documents. The Association and the Greatwood Association shall each have the power to enforce the provisions of the Documents and shall take such action as the Board of the Association or the Greatwood Association, as applicable,

deems necessary or desirable to cause compliance by each Member and each Member's family, guests or tenants. Without limiting the generality of the foregoing, the Association and the Greatwood Association shall each have the power to enforce the provisions of the Documents by any one or more of the following means: (a) by entry upon any Lot after Notice (unless a bona fide emergency exists in which event this right of entry may be exercised without notice [written or oral] to the Owner, but in such manner as to avoid any reasonable or unnecessary interference with the lawful possession, use, or enjoyment of the improvements situated thereon by the Owner or any other Person), without liability by the Association or the Greatwood Association to the Owner thereof or any other person, for the purpose of enforcement of the Documents or Rules and Regulations, as more particularly described in Section hereof; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of the Documents, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of the Documents; (d) by exclusion, after Notice, of any Member or Member's family, guests, or tenants from use of the Common Area during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations relating to the Common Area by such Member or Member's family, guests, or tenants, unless the breach is a continuing breach in which case, such exclusion shall continue for so long as such breach continues; (e) by suspension, after Notice, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or Member's family, guests, or tenants, of the Documents, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after Notice, a Reimbursement Assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests, or tenants; and (g) by levying and collecting, after Notice, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Member's family, guests, or tenants, for breach of this Declaration or such Rules and Regulations by such Member or Member's family, guests or tenants.

Section 3.11. Board Actions in Good Faith. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.

Section 3.12. Property Rights of Owners.

(a) Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title of every Lot subject to the following provisions:

1. The right of the Association to establish uniform rules and regulations (which rules and regulations shall not be in derogation of or contrary to the interests of the Greatwood Association under the Prior Restrictions) and to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area and to regulate the time and circumstances by which Owners may use the facilities;

2. The right of the Association to limit the number of guests of Members and to make provisions for use by fee-paying third parties who are not Members:

3. The right of the Association to suspend the voting rights and right to use of the recreational facilities, if any, located in the Common Area, by an Owner as provided in Section 3.10;

4. The right of the Association to grant or dedicate easements in, on, under, or above the Common Area or any part of the Common Area to any public or governmental agency or authority or to any utility company for any service to the Property or any part of the Property:

5. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for the purposes and subject to conditions that may be agreed to by the Board. No dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members, agreeing to dedication or transfer, has been recorded except that easements for utility purposes may be approved solely by the Board of Directors.

(b) Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, the Owner's right of enjoyment to the Common Area and facilities to the members of the Owner's family, tenants, or contract purchasers who reside on the Property, subject to the Documents and the Prior Restrictions.

(c) Waiver of Use. No Owner may be exempt from personal liability for assessments duly levied by the Association, nor release a Lot owned from the liens and charges of the Declaration, by waiver of the use and enjoyment of the Common Area or by abandonment.

Section 3.13. Management Agreements. Each Owner of a Lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association: (I) shall provide the management agreement may be canceled, with or without cause, with thirty (30) days written notice; and, (II) shall not provide for any penalty due to cancellation or termination. In no event shall such management agreement be canceled prior to the negotiation by the Association or its Board of Directors of a new management agreement with a party or parties, which new management agreement will become operative immediately upon the termination date of the preceding management agreement. It shall be the duty of the Association or its Board of Directors to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be for a term not to exceed one year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type.

Section 3.14. Condemnation. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether

permanent or temporary), the Association and each Owner shall be entitled to participate in the condemnation proceedings at their own expense. The Association shall give timely written notice of the existence of these proceedings to all Owners and to all holders of first Mortgages known to the Association by notice to the Association to have an interest in any property subject to assessment. The expense of participation in such proceedings by the Association shall be borne by the Association. The Association is authorized to obtain and pay for assistance from attorneys, appraisers, architects, engineers, expert witnesses, and other persons that the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to these proceedings.

All damages or awards for any taking shall be deposited with the Association, and damages or awards shall be applied as provided in this Declaration. If an action in eminent domain is brought against a portion of the Common Area, the Association, as attorneys-in-fact for all Owners, in addition to its general powers, shall have the sole authority to determine whether to defend or resist any such proceeding; to make any settlement of such proceedings; or to convey such portion of the Property to the condemning authority in lieu of the proceeding. With respect to any taking, all damages and awards shall be determined for the taking as a whole and not for each Owner's interest in the portion sought to be condemned. After the damages or awards for the taking are determined, the damages or awards shall be paid to the Association, which may use the funds in the manner determined by the Board. Alternatively, the Board, if it deems advisable, is authorized to call a meeting of the Members, at which meeting the Members, by a majority vote, shall decide whether to replace or restore, as far as possible, the Common Area so taken or damaged. If it is determined that the Common Area should be replaced or restored by obtaining other land, this Declaration shall be duly amended by instrument executed by the Association on behalf of the Owners.

ARTICLE IV
INSURANCE AND CASUALTY

Section 4.1. Insurance.

(a) The Board or its authorized agent shall obtain and maintain at all times, to the extent obtainable, policies of insurance consistent with the then current specific requirements of the Federal National Mortgage Association for a development of the size and type of the Property, written with financially responsible companies licensed to do business in Texas, covering, without limitation, the risks set forth below. The type of coverage's to be obtained and risks to be covered are, at a minimum, as follows, to-wit:

(1) Insurance against loss or damage by fire and lightning, and such other hazards ("casualty damage") as are customarily covered in townhome projects in Fort BendCounty, Texas, under extended coverage and all risk endorsements. Said casualty insurance shall insure the entire Property and all buildings thereon, together with all equipment contained therein, in an amount equal to the full replacement value, without deduction for depreciation, subject to reasonable deductable.

(2) Bodily injury and property damage insurance in such limits as the Board may from time to time determine, but not in an amount less than $1,000,000.00 per

occurrence covering all claims for bodily injury or death, and $100,000.00 per occurrence for property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Property. All liability insurance shall name the Association, the Board, the Declarant, the Owners, the managing agent and the officers of the Association and the Greatwood Association as insureds thereunder.

(3) Worker's Compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association, in the amounts and on the forms now or hereafter required by law or deemed reasonable and necessary by the Board.

(4) Directors and officers liability insurance with respect to the actions of the Board and officers of the Association.

(5) Insurance against such other risks of similar or dissimilar nature as the Board may deem appropriate with respect to the Property, including insurance for any personal property of the Association located thereon.

(b) All policies of insurance, to the extent obtainable, shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be canceled or modified without at least thirty (30) days' prior written notice to all Owners, Eligible Mortgagees and the Association. Certificates evidencing such insurance coverage shall be promptly delivered to any Eligible Mortgagees upon request. All casualty insurance shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the Owners and Eligible Mortgagees, as their interests may appear.

(c) Owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Owner.

(d) It shall be the duty of each Owner to obtain personal liability insurance, and casualty insurance, and coverage for the Owner's personal property.

Section 4.2 Damage or Destruction.

(a) Attorney-in-fact. All Owners irrevocably constitute and appoint the Board as their attorney-in-fact for the purpose of dealing with the repair or reconstruction of damage or destruction to any Unit, by fire or other disaster. A claim for any loss covered by the policy under Section 4.1, (a) must be submitted by and adjusted with the Board, as attorney-in-fact. As attorney-in-fact, the Board, by its president and secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interests of an Owner, which is necessary and appropriate to exercise the powers herein granted. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, reconstruction or replacement.

Maintenance assessments shall not be abated during the period of insurance adjustment and repair and reconstruction.

(b) Duty to Rebuild. Any Unit that is damaged or destroyed by fire or other disaster shall be promptly repaired or reconstructed by the Association. Repair and reconstruction of the damaged or destroyed Units shall be to substantially the same condition to which they existed prior to the damage. If insurance proceeds are insufficient to complete the necessary repair or reconstruction, they shall be allocated to the repair of each damaged Unit based upon its percentage damage interest. The cost of repair and replacement to any Unit in excess of the insurance proceeds shall be paid by the Owner(s) of the damaged Unit(s).

(c) Owner Liability. Notwithstanding anything set out above, each Owner shall be liable to the Association for all costs incurred by the Association in excess of insurance proceeds (including the full amount of any deductible payable to the Association) if the loss was caused by the negligence of the Owner, his tenants, guests or invitees.

ARTICLE V

ARCHITECTURAL REVIEW COMMITTEES

Section 5.1. Creation. The New Construction Committee (herein referred to as the "New Construction Committee") was created by the Prior Restrictions. The New Construction Committee shall have exclusive jurisdiction over all original construction on the Lots in the Property. Pursuant to the Prior Restrictions, a Modifications Committee may be established and if established, will have exclusive jurisdiction over modifications, additions or alterations made; provided, however, under the Prior Restrictions, the Modifications Committee may delegate this authority to the appropriate board or committee of any Neighborhood Association. There is hereby created a Townhome Modifications Committee (herein referred to as the "Townhome Modifications Committee") (the New Construction Committee, the Modifications Committee and the Townhome Modifications Committee being collectively referred to herein as the "Architectural Review Committees" or the "Committees") which, if delegated by the Modifications Committee pursuant to the Prior Restrictions, shall have concurrent jurisdiction with the Modifications Committee over all modifications, additions or alterations made on or to the Units and other improvements on the Lots within the Property. No person serving on a Committee shall be entitled to compensation from the Association for services performed in such capacity, however, the Townhome Modifications Committee may employ, at the expense of the Association, one or more architects, engineers, attorneys, or other consultants to assist the Committees in carrying out their respective duties hereunder.

Section 5.2. Number and Appointment of Members. The Townhome Modifications Committee shall consist of three (3) members. The New Construction Committee and the Modification Committee are governed by the provisions set forth in the Prior Restrictions. The initial members and all successor members of the Townhome Modifications Committee shall be appointed by the Board of Directors which also shall have the power to remove any member at any time.

Section 5.3. Powers of the Committees. No building, structure, fence, patio, patio cover, pool, spa, trellises, deck, wall or other improvements (including landscaping of Rear Yards) shall be commenced or constructed on any Lot, and no exterior addition or alteration to Unit or other improvements shall be made until the site plan and the final working plans and specifications have been submitted to and approved in writing by the required vote of the applicable Committee as to conformity with the Prior Restrictions and the restrictions herein contained and harmony of external design and location in relation to existing structures and topography.

The Committees shall have the right to specify architectural and aesthetic requirements for improvements on the Lots, including structures, patios, patio covers, pools, spas, trellises, and decks, the location, height, and extent of fences, walls, or other screening devices, the orientation of structures with respect to streets, walks, paths, golf course fairways and structures on adjacent property and shall have the right to limit the number of acceptable exterior materials and finishes that may be utilized in construction or repair of any Unit or other improvements. The Committees shall have full power and authority to reject any site plan or final working plans and specifications that do not comply with the restrictions herein contained or that do not meet its minimum construction or architectural design requirements or that, in the sole and uncontrolled discretion and opinion of the applicable Committee, will not be compatible with the overall character and aesthetics of the Property.

The Committees shall have the right, exercisable at their sole discretion, to grant variances to the restrictions of this Declaration in specific instances where the applicable Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Property. A Committee may require the submission of such documents and items as it shall deem appropriate in connection with its consideration of a request for a variance. If the Committee shall approve such request for a variance, it shall evidence such approval, and grant its permission for such variance, only by written instrument addressed to the Owner of the Lot or Unit relative to which such variance has been requested, describing the applicable restriction(s) or guideline(s) and the particular variance requested, expressing the decision of the Committee to permit the variance, and describing (when applicable) the conditions on which the variance has been approved. Any request for a variance shall be deemed to have been disapproved in the event of either (a) written notice of disapproval from the Committee or (b) failure by the Committee to respond to the request for variance.

Notwithstanding anything to the contrary herein, the Townhome Modification Committee is inferior and subordinate to the New Construction Committee and the Modification Committee. The New Construction Committee and Modification Committee shall have the right to veto any decision of the Townhome Modification Committee which either the New Construction Committee or the Modifications Committee decides is not in compliance with the Prior Restrictions.

Section 5.4. Rules and Regulations. The Board may from time to time adopt, amend, and repeal Rules and Regulations interpreting and implementing the provisions of this Article V, subject however to the Prior Restrictions and not in derogation of or contrary to the interests of the New Construction Committee, the Modifications Committee or the Greatwood Association.

Section 5.5. Limitation of Liability. The Committees have no liability or obligation whatsoever in connection with any plans and/or specifications and no responsibility for the adequacy thereof or for the construction of any improvements contemplated by any such plans and/or specifications. The Committees have no duty to inspect any improvements; and, if a Committee should inspect any improvements, it shall have no liability or obligation to any party arising out of such inspection. The Committees expressly shall have no liability or responsibility for defects in or omissions from any plans and/or specifications or for defects in or omissions from the construction of any improvements. Notwithstanding any covenant, condition or term contained in this Declaration, the Prior Restrictions, or any provision of the By-Laws of the Association to the contrary, a Committee shall not have any liability to any Owner arising or resulting from any act or omission of the Committee taken or omitted pursuant to this Declaration, the Prior Restrictions or the By-Laws of the Association. Each Owner by accepting a conveyance of any Lot or of any portion of the Property conclusively shall be deemed to have unconditionally and irrevocably waived all claims against the Committees arising or resulting from acts or omissions pursuant to this Declaration, the By-Laws of the Association, or the Prior Restrictions.

ARTICLE VI
EXTERIOR MAINTENANCE

Section 6.1. Owner Maintenance. Owners shall maintain and keep in good repair the interior of their Units as well as: enclosed porches, if any; interiors of chimneys, if any; all glass surfaces and doors, including all fixtures, framing, and related hardware; air conditioning equipment; utility company meters; circuit breakers and switch panels; sanitary sewer lines; gas and electric power service lines, and Rear Yards (including the landscaping inside the Rear Yard, if any). Such maintenance to be performed by Owners of Units shall also include the structural supports for roofs and walls, as well as the foundations of Units. All fixtures and equipment installed on the Lot for the exclusive use of the Lot, commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Lot, shall also be maintained and kept in repair by the Owner thereof. All improvements made to the Rear Yards must not interfere with or disturb the proper functioning of the drainage system of adjoining Lots. Replacement of light bulbs in light fixtures under the exclusive control of an Owner, shall also be the responsibility of the Owner.

In the event an Owner is responsible for certain exterior maintenance and such Owner shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association or the Greatwood Association shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and any improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the Assessments to which such Lot is subject, or part of assessments under the Prior Restrictions.

Section 6.2. Maintenance by Multiple Owners. In the event that the responsibility for certain maintenance described in Section 6.1 extends to more than one Owner (for example, by way of illustration only, foundation or slab repairs affecting more than one Lot) any one of the affected Owners may repair or provide for the needed maintenance, with or without the consent of (but with prior written notice to) the other affected Owners, and the cost of reasonable repair and maintenance of such item shall be shared by the Owners of the affected Lots in

proportion to the affect on such Lots. The right of any Owner to contribution from any other Owner under this Section 6.2 shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6.3. Association Maintenance. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Unit, as follows: paint; repair; replacement (but not in the event or fire or other casualty loss normally covered by insurance on the premises) of exterior surfaces including care of roofs (shingles and decking only); gutter; downspouts, if any; driveways; sidewalks and walkways; and fencing. Such exterior maintenance provided by the Association shall not, however, include any of those items defined as Owner maintenance in Section 6.1. The Association shall not be responsible for any alterations made to the Unit or Lot by the Owner. The Association shall also be responsible for installing and maintaining all landscaping on the Lot located outside the Rear Yard and any sprinkler systems installed by Declarant or the Association outside the Rear Yard. The Association and the Greatwood Association are each granted an easement over, across and under all areas on the Lot for the purpose of maintaining the grounds and other site improvements. In the event that the need for maintenance or repair of a Lot, Unit, Common Area, or the improvements thereon is caused through the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invites of the owner of the Lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the Assessments to which such Lot is subject. Should the Greatwood Association determine that the Association has failed its maintenance obligations hereunder, the Greatwood Association shall have the right to use any and all easement rights granted to the Association herein to enter the Property and perform such maintenance obligations and recover its costs as assessments under the Prior Restrictions from the Association.

Section 6.4. Maintenance Dispute. In the event of any dispute between Owners, or any Owner(s) and the Association as to maintenance responsibilities of any Lot or any improvements thereon, the decision of the Board shall control and be final.

ARTICLE VII
PARTY WALLS

Section 7.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Units upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 7.2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall.

Section 7.3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, it shall be the responsibility of the Owners who make use of the wall to restore it. Any Owner who has used the wall may restore the party wall, and if other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or

willful acts or omission. In the event of a casualty and a party wall(s) is damaged and the Owners thereof are unable to agree to the terms of repair of such party wall(s) within thirty (30) days following such casualty then the Association shall have the right to negotiate the repair thereof with the insurance company and contractors and all Owners shall be bound by the settlement made by the Association.

Section 7.4. Waterproofing. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 7.5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE VIII
GOLF COURSE

Section 8.1. Golf Course. Each Owner acknowledges that the Property, or a portion thereof, and the Units, or a portion thereof, adjoin or are in close proximity to a golf course and that from time to time errant golf balls may come land on the Property, and the Units.

Section 8.2. Waiver and Release of Liability. Each Owner and the Association hereby expressly agrees to a waiver of any and all liable for errant golf balls. By acceptance of a deed to a Unit, the Association and each Owner, for him or herself and on behalf of Owner's family, guest and tenants, release the Declarant under the Prior Restrictions, the Greatwood Association, Westbrook Greatwood, L.P., the Association and Declarant from all claims, demands, expenses, damages, costs, causes of action, obligations and liabilities, including, without limitation, damage to Owner's Unit and damages for personal injury or death, which in any way arise from or relate to the impact of a golf ball which enters upon the Property, the Common Areas or within any Unit from the golf course property, whether or not the golf balls is struck in a negligent manner.

ARTICLE IX
USE RESTRICTIONS

Section 9.1. General. No Owner shall use the Common Area, or use or permit such Owner's Lot or Unit to be used for any purpose that would (a) void any insurance in force with respect to the Property; (b) make it impossible to obtain any insurance required be this Declaration; (c) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (d) constitute a violation of the Documents, the Prior Restrictions, or any applicable law, or (e) unreasonably interfere with the use and occupancy of the Property by other Owners. These Use Restrictions are subject to and subordinated and inferior to the Prior Restrictions and the Greatwood Association's power to enforce same.

Section 9.2. Single Family Residential Use. Each Owner shall use his Lot and the Unit on his Lot for single family residential purposes only. As used herein the term "single family residential purposes" shall be deemed to specifically prohibit, by way of illustration but without limitation, the use of any Lot for any business, educational, church, professional or other

commercial activity of any type, except that an Owner may use his residence as a personal office for a profession or occupation, provided: (a) the public is not invited, permitted, or allowed to enter the Unit or any structure or improvement upon such Lot and conduct business therein; (b) no signs advertising such profession or business are permitted; (c) no on-site employees are permitted; (d) no offensive activity or condition, noise and/or odor are permitted; and (e) such use in all respects complies with the Prior Restrictions, the laws of the State of Texas, and the laws, rules, and regulations of any other regulatory body or governmental agency having authority and jurisdiction over such matters. The term "single family residential purposes" shall also be defined as: (a) one or more persons related by blood, marriage, or adoption, which may include only parents, their children (including foster children and wards), their dependent brothers and sisters, their dependent parents, their dependent grandparents, and their domestic servants; or (b) no more than three (3) unrelated persons living together as a single housekeeping unit and their children (including foster children and wards), their dependent brothers or sisters, their dependent parents, their dependent grandparents, and their domestic servants; provided, however, in no event, shall any single family residence be occupied by more persons than the product of the total number of bedrooms contained in the single family residence as originally constructed multiplied by two and one-half (2 ½).

Section 9.3. Animals. No animals of any kind shall be raised, bred, or kept on a Lot, except as hereinafter provided. A total of two (2) dogs, cats, or other household pets may be kept on a Lot (except for fish of a type customarily kept within normal home aquariums, with respect to which there shall be no limitation on amount) provided that: (a) they are not kept, bred, or maintained for commercial purposes; (b) they do not make objectionable noises, create any objectionable odor, or otherwise constitute an unreasonable nuisance to other Owners; (c) they are kept within the Unit, an enclosed patio on the Lot occupied by the Owner of such pets, or on a leash being held by a Person capable of controlling the animal; and (d) they are not in violation of any other provision of this Declaration and such other limitations as may be set forth in the Rules and Regulations. The Association, acting through the Board, shall have the right to prohibit maintenance of any animal that, in the sole opinion of the Board, is not being maintained in accordance with the foregoing restrictions. Each Owner, tenant or guest of an Owner shall have the absolute duty and responsibility to clean up after such animals to the extent they have used any portion of the Lot of another Owner or any Common Area.

Section 9.4. Signs, Advertisements, Billboards. No sign, advertisement, billboard or advertising structure of any kind shall be displayed to the public view on any portion of the Property except one sign for each Lot may be permitted, provided it is approved by the Architectural Review Committee. Such sign may have one maximum dimension of twenty-four inches (24") and a maximum area of 576 square inches for the purpose of advertising the Unit located on the Lot for sale or rent.

Section 9.5. Antennae. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any structure specifically covered by the regulations promulgated under the Telecommunications Act of 1996, and amended January 5 and 22 and February 16, 1999 as amended from time to time. The Board is empowered to adopt rules governing the types of antennae that are permissible in the Properties and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the

extent that receipt of an acceptable signal would not be impaired, an antenna permissible to pursuant to the rules of the Board may only be installed in a side or rear yard location, not visible from a Street, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

Section 9.6. Visible Storage. All clothesline, equipment, service yards, or storage piles shall be kept within the Rear Yard, or other screened areas, so as to conceal them from view of neighboring Lots, streets, and adjacent golf course property.

Section 9.7. Restrictions on Garbage and Trash. No refuse, garbage, trash, or debris of any kind shall be kept stored, or allowed to accumulate on any Lot except within an enclosed container. All rubbish, trash, and garbage shall be kept in containers and within areas designated by the Association for collection purposes.

Section 9.8. No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot within the Property nor shall anything be done or placed thereon that is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to others.

Section 9.9. No Hazardous Activities. No activity shall be conducted on any Lot that is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property (except as allowed by law for the protection of persons or property) and no open fires shall be lighted or permitted on any Lot except in a contained barbecue unit (located a safe distance from the Unit while attended and in use for cooking purposes) or within an interior fireplace, which is a part of the original construction or has been approved for installation by all applicable Architectural Review Committees.

Section 9.10. Leasing. Lots may only be leased for single family residential purposes as defined in Section 8.2. No Owner shall be permitted to lease his Lot for hotel or transient purposes, which for purposes of this Section 8.10 is defined as a period of less than seven (7) days. No Owner shall be permitted to lease less than the entire Lot. Every such lease shall be in writing. Every such lease shall provide that the tenant shall be bound by and subject to all of the obligations of the Owner in the Documents and under the Prior Restrictions. The Owner making such lease shall not be relieved from any of such obligations. Copies of all leases entered into by Owners for occupancy of a Unit shall be deposited with the managing agent of the Association and the Greatwood Association prior to the tenant taking occupancy of the Unit.

Section 9.11. Window Treatment. No window in any Unit or other improvement that is visible from any other Lot or street may be covered with paper, cardboard, newspaper, boards, aluminum foil, or any other reflective material. Portions of window treatments facing streets must be shades of white or beige, unless otherwise approved by the Board.

Section 9.12. Parking. On-street parking is restricted to approved deliveries, pick-ups, and short term guests. Lots shall not, without express written permission of the Association, be used for storage of boats, trailers, campers, unused or inoperable automobiles or any other items which the Association deems unsightly or inappropriate. Parking on streets in, along, adjacent

to the Property and on Lots, shall be subject to further restrictions in the Rules and Regulations, and the Prior Restrictions.

Section 9.13. Fences. Rear Yards must at all times be completely enclosed by a fence, which has been approved in writing by the Declarant or the applicable Architectural Review Committee pursuant to Article V, provided, however Lots adjacent to golf course property may have open metal fencing.

Section 9.14. Declarant Exemptions. For so long as Declarant owns a Lot, notwithstanding any provisions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant to maintain upon the Property such facilities (as in the sole opinion of the Declarant) may be reasonably required, convenient or incidental to the sale of any Lot, including, but not without limitation, a business office, storage area, construction yards, model units, sales offices and advertising signs of any size. Declarant however, is not exempt from the Prior Restrictions.

ARTICLE X
COVENANTS FOR ASSESSMENTS

Section 10.1. Creation of the Lien and Personal Obligation for Assessments. Each Owner (except the Declarant), by acceptance of a deed to any Lot, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Association the General Assessments, Special Assessments and Reimbursement Assessments fixed, established, and collected from time to time as hereinafter provided. The General Assessments, Special Assessments and Reimbursement Assessments, together with interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon each Lot and any rents or insurance proceeds with respect to each Lot. Such Assessments, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Owner of each Lot at the time when the Assessment becomes due. The personal obligation shall not pass to an Owner's successor in title unless expressly assumed by the successor. Pursuant to the Prior Restrictions, Assessments hereunder may include amounts to be paid to the Greatwood Association.

Section 10.2. General Assessments. The General Assessments levied by the Association shall be used for the improvement and maintenance of the Common Area and for services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and for the performance of such other duties as are given to the Association by this Declaration, including without limitation, payments as required to the Greatwood Association pursuant to the Prior Restrictions. The purposes of the General Assessments shall include, but are not limited to, the payment of the expenses of the Association, and the establishment of adequate reserves for , insurance, insurance deductibles, such repair, replacement and maintenance of the Property for which the Association is responsible pursuant to this Declaration, and other uses that the Board shall determine to be necessary to meet the primary purposes of the Association.

Section 10.3. Amount of General Assessment. After consideration of the current maintenance and operating costs and future needs of the Association, the Board shall fix the General Assessment in an amount necessary to fund the anticipated revenue needs of the

Association, including an adequate reserve fund for the purposes set forth in Section 10.2 above. The Board may adjust the amount of the General Assessment not more than one time during any calendar year. Written notice of any adjustment in the amount of the General Assessment shall be sent to every Member at least thirty days prior to the effective date of the adjustment; provided that the failure of the Association to provide such notice shall not release or relieve the Owner of the duty to pay the General Assessment.

Section 10.4. Uniform Rate of Assessments. General Assessments shall be a uniform rate for all Lots, and shall be due and payable monthly in advance without notice on the first day of each calendar month.

Section 10.5. Date of Commencement of General Assessments. General Assessments shall commence to accrue against each Lot on the first day of the first calendar month following the date of closing of the sale of that Lot from the Declarant to another Owner.

Section 10.6. Special Assessments for Capital Improvements. In addition to the General Assessment authorized above, the Association may levy Special Assessments from time to time in an amount necessary and for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements, or other capital or operating expenditures deemed necessary. Any Special Assessment shall require the consent of sixty-seven percent (67%) of the Members voting at a meeting duly called for such purpose, written notice of which shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting, setting forth the purposes of the meeting. Special Assessments levied in accordance with this Section shall be a uniform sum for each Lot, and shall be due and payable on the date or dates and in the manner determined by the Board and specified in a statement mailed to the Members.

Section 10.7. Application of Payments. All Assessment payments received from Owners shall be applied by the Board first to payment of accrued fines, legal fees, court costs and costs of collection, then to accrued late charges and interest, then to delinquent Special Assessments, and finally to those General Assessments with the longest delinquency.

Section 10.8. Declarant Payment. Until the Election Date, Declarant shall make a monthly payment to the Association equal to (i) the cost of all operating expenses for which the Association is liable less the operational expense portion of the Assessments levied against the Owners, plus (ii) for each Lot on which General Assessments have not commenced to accrue, an amount determined by the Board to be deposited into a reserve fund for the replacement of improvements to the Common Area. Commencing on the Election Date, General Assessments shall commence to accrue against any Lot which has not been sold by Declarant to another Owner.

Section 10.9. Cash Reserve Account. In addition to any required escrow deposit for General Assessments, each purchaser of a Lot agrees, at the closing of the Lot purchase, to pay to the Association's cash reserve account an amount equal to two times the monthly General Assessment for the Lot being purchased. Neither the cash reserve account nor the portion of the General Assessments allocated to reserves as referenced in Section 10.2 shall be used to pay operational expenses until the Election Date.

Section 10.10. Effect of Nonpayment of Assessments. Remedies of the Association. If any Assessment is not paid on or before ten (10) days following the due date, same shall be delinquent and shall, at the option of the Board, bear interest from the date of delinquency at the rate established by the Board from time to time but not to exceed the highest legal rate as may be permitted under the laws of the State of Texas. The defaulting Owner shall also be assessed a late charge in the amount of $25.00 or such greater amount as may be imposed by the Board from time to time, to cover the extra cost and expense involved in handling delinquent assessments. The Association is authorized to impose a charge of $15 or more for checks which are returned unpaid. The Association may bring an action at law against the Owner personally obligated to pay the delinquent General or Special Assessments and/or Reimbursement Assessments to recover the delinquent amount and all accrued interest and late charges thereon, and/or to foreclose the lien against the Lot securing such assessment. In any such action, the Association shall be entitled to recover its costs incurred in the proceeding, including reasonable attorney's fees, all of which shall be secured by the lien securing payment of assessment. Each Owner, by acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents, the right and power to bring an action against such Owner personally for the collection of delinquent assessments and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure in a like manner as a mortgage or deed of trust lien on real property. Each Owner hereby expressly grants to the Association a power of sale in connection with said lien, same to be exercised in compliance with the terms of the applicable Texas Civil Statutes relating to the foreclosure of deed of trust or other contractual liens (Texas Property Code Section 51.002). The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire, hold, lease and mortgage same. No Owner may waive or otherwise escape liability for any Assessments by non-use of any Common Area or other services or facilities, or abandonment of his Lot. No Owner may offset liability for any Assessment for any reason. In addition, the Greatwood Association shall have all rights and remedies under the Prior Restrictions to enforce payment of delinquent sums secured by a lien under this Article.

Section 10.11. Certificate. The Association shall upon request at any time furnish a certificate in writing, signed by an officer or agent of the Association, setting forth whether the Assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of a certificate, which shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 10.12. Subordination of the Lien to Mortgage. The lien of the Assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages imposed on a Lot to secure debt incurred for the purchase price thereof or for improvements thereto. Sale, transfer or other disposition of any Lot shall not affect the Assessment lien. However, the sale or transfer of any mortgaged Lot pursuant to a decree of foreclosure under such mortgage shall extinguish the Assessment lien as to payments which became due prior to such sale or transfer. No sale or transfer of any Lot, including foreclosure sale or transfer by deed in lieu of foreclosure, shall release such Lot from liability for any assessments thereafter becoming due or from the lien provided in this Declaration.

Section 10.13. Subordination of the Lien to the Prior Restrictions. The lien securing the Assessments provided for herein shall be subordinate to the lien provided for in the Prior

Restrictions. The sale or transfer of any Lot pursuant to a decree of foreclosure under the lien provided for in the Prior Restrictions shall extinguish the lien hereunder as to payments which become due prior to such sale or transfer. Foreclosure of the lien provided for in the Prior Restrictions shall not relieve such Lot from liability for any General or Special Assessments thereafter becoming due or from the lien securing payment thereof.

ARTICLE XI
UTILITIES AND EASEMENTS

Section 11.1. Utility Easements. The rights and duties of the Owners of Lots within the Property with respect to sanitary sewer and water, electricity, gas and telephone, security system and cable television lines and drainage facilities shall be governed by the following:

(a) Permanent easements are hereby created upon, across, over and under those portions of the Property as may be reasonably necessary for the installation, maintenance and repair of all utilities, including, but not limited to, water, sewers, gas, telephone, electricity and a master or cable television system, security system and drainage facilities, which easements shall run to and be administered by the Association and/or the Greatwood Association. Declarant reserves, for itself and the Greatwood Association, the right to grant (without necessity for consent from any Owner) such additional utility easements as may, in its sole judgment, be necessary to properly serve the Property's utility requirements.

(b) Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone and cable television lines, security system, or drainage facilities are installed within the Property, which connection lines or facilities or any portion thereof, lie in or upon land owned by the Association or persons other than the Owner of a Lot served by these connections, lines or facilities, the Owners of Lots served shall have the right, and are granted an easement to the full extent necessary, to enter upon the Lots and/or on land owned by the Association within the Property in or upon which the connections, lines, or facilities, or any portion of them, lie to repair, replace, and generally maintain the connections as and when repair, replacement, and maintenance may be necessary.

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

Section 11.2. Emergency and Service Vehicles. An easement is granted to all police, fire protection, ambulance, and other emergency vehicles and other service vehicles to enter upon the Common Area in the performance of their duties.

Section 11.3. Ingress and Egress Easement of Owner. Each Owner is granted an unrestricted right of ingress and egress to his Lot.

Section 11.4. Sprinkler System. Declarant or the Association may install an underground sprinkler system on the Lots and Common Area for the general benefit of all Owners. If installed, the Association shall maintain the sprinkler system and pay for all costs related to same and is hereby granted an easement for the maintenance (and relocation, if necessary) of the sprinkler system as the Board may deem necessary from time to time.

Section 11.5. Association and Greatwood Association Easements. The Association and the Greatwood Association, their respective agents, servants, and employees shall have all other such easements necessary to perform those duties, tasks or rights and enforcement of remedies as referenced throughout this Declaration and the Prior Restrictions.

Section 11.6. Easements for Encroachments. Should any part of a Unit or driveway providing access to a Unit ever encroach upon the Common Area or another Lot, or the Common Area upon a Lot or Unit, due to construction, reconstruction, repair, shifting, settlement, or other movement of any portion of said improvements, a valid easement is hereby granted for both the encroachment and its repair and maintenance, provided the physical boundaries of any such Unit after construction, reconstruction, repair, shifting, settlement, or other movement is in substantial accord with the description of the boundaries of the Unit as referenced in the Plat.

Section 11.7. Easements for Repairs and Maintenance. Each Owner shall have such easements as are reasonably necessary to perform the repair and maintenance responsibilities set forth in Section 6.1 of this Declaration.

Section 11.8. Easements for Shared Walkways. "Shared walkway" shall mean each of those walkways situated, in whole or in part, on two adjacent Lots which provide access to the front entry doors of the Units on each such adjacent Lot. Each Owner of a Lot upon which a shared walkway is located shall have an easement over and across that portion of the adjacent Lot upon which the shared walkway is constructed for the use of the shared walkway.

ARTICLE XII
MORTGAGES

Section 12.1. Notice to Association. An Owner who mortgages his Lot shall notify the Association in accordance with Section 3.4 of this Declaration.

Section 12.2. Notice to Default. The Association shall notify a first Mortgagee in writing, upon request of such Mortgagee, of any default by the mortgagor in the performance of such mortgagor's obligations as set forth in the Declaration which is not cured within thirty (30) days.

Section 12.3. Examination of Books. The Association shall permit first Mortgagees and the Greatwood Association to examine the books and records of the Association during normal business hours.

Section 12.4. Annual Audits. The Association shall furnish each first Mortgagee and the Greatwood Association, upon request of such Mortgagee or the Greatwood Association and at the expense of such Mortgagee or the Greatwood Association, an annual audited financial statement of the Association within one hundred twenty (120) days following the end of each fiscal year of the Association.

Section 12.5. Notice to Mortgagees. The Association shall give the Mortgagee and the Greatwood Association timely written notice of:

(a) any condemnation or casualty loss that affects either a material portion of the Property or the Lot securing its Mortgagee;

(b) any 60-day delinquency in the payment of Assessments or charges owed by the Owner of any Lot on which it holds the Mortgage;

(c) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and

(d) any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

Section 12.6. Consent of Mortgages Required. Unless the Greatwood Association and, at least fifty-one percent (51%) of all of the Eligible Mortgagees have given their approval, the Association shall not be entitled to change any of the provisions of the Declaration governing:

(a) voting rights in the Association;

(b) increases in Assessments that raise the previously assessed amount by more than 25%, Assessment liens, or the priority of Assessment liens;

(c) reductions in reserves for maintenance, repair and replacement of Common Area;

(d) responsibility for maintenance and repairs;

(e) reallocation of ownership interest in the Common Area or rights to its use;

(f) redefinition of any Unit boundaries;

(g) convertibility of Units into Common Area or vise versa;

(h) expansion or contraction of the Property, or the addition, annexation, or withdrawal of land areas to or from the Property;

(i) hazard or fidelity insurance requirements;

(j) imposition of any restrictions on the leasing of Units;

(k) imposition of any restrictions on an Owner's right to sell or transfer a Unit;

(l) a decision by the Association to establish self-management;

(m) restoration or repair of the Property (after damage or partial condemnation) in a manner other than that specified in the Documents;

(n) termination of the legal status of the Association and/or the Property as a planned unit development after substantial destruction or condemnation occurs (provided, however, in the event of termination of the Association or the Property as a planned unit development for reasons other than substantial destruction or condemnation, sixty-seven percent (67%) of the Eligible Mortgagees must agree); or

(o) any provisions that expressly benefit Mortgagees.

The approval of a Mortgagee may be implied by the failure of the Mortgagee to respond to any written proposal for an amendment of the Declaration for the matters set forth above within thirty (30) days after the Mortgagees receive proper notice of the proposal by certified or registered mail, return receipt requested.

Section 12.7. Deed to Common Area. Declarant and/or Westbrook Greatwood, L.P. shall deed all real property it owns in the Property, save and except the Lots, to the Greatwood Association. The Common Area may not be subject to a lease between the Owners or the Association and any other party.

Section 12.8. Insurance Proceeds. With respect to substantial damage to or destruction of any Lot or any part of the Common Area, nothing herein or in any other document establishing the Association will entitle the owner of a Lot or other party to priority over a Mortgagee with respect to any distribution to such Owner of any insurance proceeds.

ARTICLE XIII
AMENDMENT AND DURATION OF DECLARATION

Section 13.1. Amendment by Owners. The terms of this Declaration may be amended at any time for legal reasons (including termination of the Declaration) by those Owners representing at least sixty-seven percent (67%) of the Lots within the Property and the approval of Mortgagees as required by Section 12.6. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed of record in the Real Property Records of Fort BendCounty, Texas.

Section 13.2. Amendment by Declarant. Notwithstanding anything in this Declaration to the contrary, Declarant may amend this Declaration at any time and from time to time, without the joinder of any Owner, Mortgagee or other party, (a) if such amendment is necessary to bring any provision hereof into compliance with the Prior Restrictions or with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender, or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot subject to this Declaration; (c) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure

mortgage loans on the property subject to this Declaration; (d) to correct any mistake or errors of a clerical nature resulting from typographical or similar errors; or (e) for any other purpose, provided that the amendment has no material adverse effect upon any right of any Owner or that the Owner or Owners so affected have consented thereto. Any amendments by Declarant under this Section must be by written instrument executed by Declarant and duly recorded in the Real Property Records of Fort BendCounty, Texas. Any amendment which materially affects the rights or interests of the Greatwood Association must have the approval of the board of directors of the Greatwood Association.

Section 13.3. Duration. This Declaration shall remain in full force and effect until December 31, 2021, and shall be extended automatically for successive ten (10) year periods; provided however, that this Declaration may be amended at any time, as set forth in Sections 13.1 and 13.2.

ARTICLE XIV
MISCELLANEOUS

Section 14.1. Severability. In the event of the invalidity or partial invalidity or partial unenforceability of any provision in this Declaration, the remainder of the Declaration shall remain in full force and effect.

Section 14.2. Number and Gender. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities and associations of every kind and character, and the singular shall include the plural, and vise versa, whenever and as often as may be appropriate.

Section 14.3. Delay in Enforcement. No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time.

Section 14.4. Enforceability. The documents shall run with the Property and shall be binding upon and inure to the benefit of and be enforceable by the Association, the Greatwood Association and each Owner against the Association or any Owner violating the terms thereof, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. In the event any action to enforce the Documents is initiated against an Owner or occupant of a Lot by the Association or the Greatwood Association, the Association or the Greatwood Association or other Owner, as the case may be, shall be entitled to recover reasonable attorney's fees from the Owner or occupant of a Lot who violated the Documents.

Section 14.5. Remedies. In the event any Person shall violate or attempt to violate any of the provisions of the Documents, the Association, the Greatwood Association or each Owner of a Lot within the Property, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

Section 14.6. Right of Entry; Enforcement by Self Help. The Association shall have the right, in addition to and not in limitation of all the rights it may have under this Declaration, to enter upon any Lot, including the Unit located thereon, for emergency, security, maintenance, repair, or safety purposes, which right may be exercised by the Association's Board, the Greatwood Association's Board, their respective officers, agents, employees, managers, and all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or occupant of the Lot. In addition to any other remedies provided for herein, the Association or the Greatwood Association, or their respective duly authorized agents shall have the power to enter upon any improvements or any portion of a Lot to abate or remove, using such force as reasonably may be necessary, any improvement to Property, other structure, or thing or condition that violates the Documents and/or the Prior Restrictions. Unless an emergency situation exists, such self-help shall be preceded by written notice. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein, or in the Prior Restrictions for the collection of the Assessments. All such entries shall be made with as little inconvenience to the Owner as is practicable in the judgment of the Association, and/or the Greatwood Association, and any damages caused thereby (as distinguished from repairs with respect to which the Association is entitled to a Reimbursement Assessment) shall be borne by the Maintenance Fund of the Association. Notwithstanding anything contained in the Declaration to the contrary, prior to altering or demolishing any items of construction in or affixed to a Unit, the Association and/or the Greatwood Association, shall file judicial proceedings through which the Association or the Greatwood Association, or both, has been granted the right to demolish or alter items of construction in or affixed to a Unit.

Section 14.7. Violations of Law. Any violation of any federal, state, municipal or local law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Property hereby is declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

Section 14.8. Remedies Cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

Section 14.9. No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Property, or any improvement thereon, its or their physical condition, compliance with applicable laws, fitness for intended use, or in connection with the Property, sale, operation, maintenance, cost of maintenance, taxes, or regulation thereof, unless and except as specifically shall be set forth in writing. NEITHER THE ASSOCIATION, THE BOARD, THE DECLARANT, MANAGING AGENT, THE GREATWOOD ASSOCIATION, WESTWOOD GREATWOOD, L.P., ANY MANAGING AGENT OF THE GREATWOOD ASSOCIATION, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, OR EMPLOYEES SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY AND SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF ALLEGED FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY.

Section 14.10. Limitation on Liability. Neither the Association, the Board, Declarant, the Greatwood Association, nor any officer, agent, or employee of any of the same acting within the scope of their respective duties described in this Declaration shall be liable to any Person for any reason or for any failure to act if the action or failure to act was in good faith and without malice.

Section 14.11. Captions for Convenience. The titles, headings, captions, article and section numbers used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration. Unless the context otherwise requires, references herein to articles and sections are to articles and sections of this Declaration.

Section 14.12. Governing Law. This Declaration shall be constructed and governed under the laws of the State of Texas.

Section 14.13. Conflicts with Prior Restrictions. The Prior Restrictions shall remain prior in time and right to this Declaration. In the event that any clause, sentence, paragraph, sub-section, or section of this Declaration shall be inconsistent with the Prior Restrictions, then the Prior Restrictions shall be controlling. Nothing in this document shall be construed to confer upon the Association the right to amend or in any manner change the Prior Restrictions.

Section 14.14. Arbitration. All disputes and controversies concerning the performance, breach, construction or interpretation of this Declaration, or in any manner arising out of this Declaration, shall be submitted to arbitration before a panel of three arbitrators upon written demand by either party setting forth the name of the arbitrator selected by such party. All arbitrators selected pursuant to this Declaration shall be former judges of state or federal courts who are not affiliated with either party and who have no conflict which would inhibit their providing unbiased decisions. Within thirty (30) days after receipt of the demand for arbitration, the other party shall notify the demanding party of the name of the arbitrator selected by it. Within thirty (30) days thereafter the two arbitrators so selected shall select a third arbitrator and the decision of any two shall be binding upon the parties. If either party fails to name an arbitrator as required above, an arbitrator shall be chosen for such party by the American Arbitration Association, or other independent third party arbitration organization mutually selected by the parties, and the two arbitrators thus designated shall choose a third. If the arbitrators fail to designate the third arbitrator within thirty (30) days after the date of the initial demand for arbitration, the shall upon application by either party, designate the third arbitrator. The arbitrators American Arbitration Association, or other independent third party arbitration organization mutually selected by the parties, shall reasonably fix their own compensation, unless otherwise provided by agreement. All costs of arbitration shall be born equally by the parties, provided that the prevailing party shall be awarded such sums as the arbitrator shall deem proper as compensation for the time and expense incident to the proceeding. All arbitration proceedings held in connection with this Declaration shall be held in Fort Bend County, Texas in accordance with the Rules of Practice and Procedure for Arbitration of Commercial Disputes of the American Arbitration Association then in effect, The decision of such arbitration shall be binding on both parties. Exclusive jurisdiction over entry of judgment on any arbitration award rendered pursuant thereto or over any dispute, action or suit arising therefrom shall be in any court of appropriate subject matter jurisdiction located in Fort Bend County, Texas, and all Owners expressly subject themselves to the personal jurisdiction of such court for the entry of

any judgment and for the resolution of any dispute, action or suit arising in connection with the entry of such judgment.

Section 14.15. Architectural Review. All of the Property is, and shall be, subject to the architectural review provisions set forth in the Prior Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed the foregoing instrument on this 13 day of November, 2000.

RH OF TEXAS LIMITED PARTNERSHIP,
a Maryland limited partnership

By: Ryland Homes of Texas, Inc.,
general partner

By: Ernest Loeb
Its: VICE PRESIDENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on Nov. 13, 2000 by ERNEST LOEB, VICE PRESIDENT of Ryland Homes of Texas, Inc., a Maryland corporation which is the general partner of RH of Texas Limited Partnership, a Maryland limited partnership, on behalf of said limited partnership.

(SEAL)

Aurora Brooks
Notary Public in and for the State of Texas

AURORA BROOKS
Notary Public, State of Texas
My Commission Expires
JUNE 4, 2002.

JOINDER OF OWNER

WHEREAS, the undersigned is an owner of a portion of the Property as defined in this Declaration for Fairway Vistas at Greatwood Townhomes and the undersigned desires to ratify, confirm and approve this Declaration.

NOW, THEREFORE, that for and in consideration of the premises, and the sum of Ten Dollars ($10.00) and other good and valuable consideration this day paid by Declarant to the undersigned, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned does hereby fully subordinate and subject the portion of the Property owned by it to this Declaration.

Executed the 20th day of November, 2000.

WESTBROOK GREATWOOD, L.P.,
a Delaware limited partnership

By: Westerra Management, L.L.C.,
a Delaware limited liability company
Its authorized representative

By: Peter C. Houghton
Name: Peter C. Houghton
Title: Assistant Vice President

THE STATE OF TEXAS §
§
COUNTY OF FORT BEND §

This instrument was acknowledged before me on November 20, 2000 by Peter C. Houghton, Asst. Vice President of Westerra Management, L.L.C., a Delaware limited liability company, on behalf of said company, and on behalf of WESTBROOK GREATWOOD, L.P., a Delaware limited partnership.

(SEAL) NOTARY PUBLIC STATE OF TEXAS LORI J FIORE NOTARY PUBLIC State of Texas Comm. Exp. 06-18-2002

Notary Public in and for
the State of Texas

AS PER ORIGINAL

3363.24\229775.3 DYAHNER

THIS DOCUMENT WAS FILED
BY AND RETURNED TO:

RYLAND TITLE
4700 W SAM HOUSTON PKWY N #150
USTON TX 77041

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

11-27-2000 11:35 AM 2000100179
TD $77.00
DIANNE WILSON ,COUNTY CLERK
FORT BEND COUNTY, TEXAS