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*SUPPLEMENTAL DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
TWIN OAKS VILLAGE, SECTION NINE*

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**SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
TWIN OAKS VILLAGE, SECTION NINE**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF FORT BEND §

This Declaration made on the date hereinafter set forth by KIMBALL HILL HOMES TEXAS, INC., a Texas corporation having its principal offices in Houston, Harris County, Texas, and being herein called "Declarant".

WITNESSETH:

WHEREAS, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against property owned by Declarant known, or to be known, as TWIN OAKS VILLAGE, SECTION NINE, a subdivision in Fort Bend County, Texas, according to the map or plat thereof, recorded under Clerk's File No. 20040035 of the Map or Plat Records of Fort Bend County, Texas (the "Property" as hereafter defined) in order to establish a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of both the present and future Owners of the Lots in the Property;

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon the Property and declares the following reservations, easements, restrictions, covenants and conditions applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, and for the welfare and benefit of the Owners of the Lots in the Property, which reservations, easements, covenants, restrictions and conditions shall

run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each Owner thereof for the welfare and protection of property values.

ARTICLE I

DEFINITIONS

Wherever used in this Declaration, the following words and/or phrases shall have the following meanings, unless the context clearly requires otherwise:

1.1 "Property" or "Properties" shall mean and refer to TWIN OAKS VILLAGE, SECTION NINE, a subdivision in Fort Bend County, Texas, according to the map or plat thereof, recorded under Clerk's File No. 20040035 of the Map or Plat Records of Fort Bend County, Texas, and any additional properties made subject to the terms hereof pursuant to the annexation provisions set forth herein.

1.2 "Lot" and/or "Lots" shall mean and refer to the Lots shown upon the recorded Subdivision Plat which are restricted hereby to use for residential purposes, excluding specifically the Common Area or Reserves.

1.3 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having any interest in the mineral estate. However, the term "Owner" shall include any mortgagee or lien holder who acquires fee simple title to any Lot through judicial or non-judicial foreclosure.

1.4 "Subdivision Plat" shall mean and refer to the map or plat of TWIN OAKS VILLAGE, SECTION NINE, recorded in the Plat Records of Fort Bend County.

1.5 "Association" shall mean and refer to the TWIN OAKS VILLAGE COMMUNITY ASSOCIATION, INC., its successors and assigns, as provided for in Article V hereof.

1.6 "Declarant" shall mean and refer to KIMBALL HILL HOMES TEXAS, INC. and its respective successors and assigns, if such successors and assigns should acquire (i) more than one Lot from the Declarant and (ii) and are designated as a Declarant by an instrument in writing executed by KIMBALL HILL HOMES TEXAS, INC. and filed of record in the Official Public Records of Real Property of Fort Bend County, Texas.

1.7 "Common Area" shall mean and refer to all those areas of land within the Properties as shown on the Subdivision Plat, except the Lots and the public streets shown thereon, together with such other property as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plat, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title. References herein to "Common Area" shall mean and refer to Common Area as defined respectively in the Declaration and all Supplemental Declarations. Common Area also includes any pipeline easements, drainage easements, utility easements not within platted Lots, landscape reserves and recreational reserves.

1.8 "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the Common Area, except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of improvements for

the use and benefit of the Owners in the Subdivision, constructed on portions of one or more Lots or on acreage owned by Declarant (or Declarant and others) which has not been brought within the scheme of this Declaration. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: structures for recreation, storage or protection of equipment; fountains; statuary; sidewalks; gates; common driveways; landscaping; and other similar and appurtenant improvements. References herein to Common Facilities (any Common Facility) shall mean and refer to Common Facilities as defined respectively in the Declaration and all Supplemental Declarations.

1.9 "Improvement to Property" shall mean, without limitation: (a) the construction, installation or erection of any building, structure, fence, dwelling unit or other Improvements, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure, fence, or other Improvements; (c) the grading, excavation, filling, or similar disturbance to the surface of any Lot, including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation or changes to the landscaping on any Lot; and (e) any exterior modification, expansion, change or alteration of any previously approved Improvement to Property, including any change of exterior appearance, color, or texture not expressly permitted by this Declaration, or rules and regulations adopted by the Board of Directors of the Association.

1.10 "Improvements" shall mean all structures and any appurtenances thereto of every type or kind, which are visible on a Lot, including, but not limited to: a dwelling unit, buildings, outbuildings, swimming pools, spas, hot tubs, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, sidewalks, walkways, sprinkler pipes, garages,

carports, roads, driveways, parking areas, fences, screening, walls, retaining walls, stairs, decks, fixtures, windbreaks, basketball goals, flagpoles, or any other type of pole, signs, exterior tanks, exterior air conditioning fixtures and equipment, water softener fixtures, exterior lighting, recreational equipment or facilities, radio, conventional or cable or television antenna or dish, microwave television antenna, and landscaping that is placed on and/or visible from any Lot.

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

2.1 The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, the streets and easements shown thereon, and such Subdivision Plat further establishes certain restrictions applicable to the Properties, including, without limitation, certain minimum setback lines. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying said property or any part thereof, whether specifically referred to in such contract, deed or conveyance.

2.2 Declarant reserves the easements and right-of-ways as shown on the Subdivision Plat for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas, sewers, water, cable or any other utility Declarant sees fit to install in, across and/or under the Properties.

2.3 Neither Declarant nor any utility company using the easements or rights-of-way as shown on the Subdivision Plat, or that may otherwise be granted or conveyed covering the Properties, or any portion thereof, shall be liable for any damages done by them, or their assigns,

agents, employees or servants, to fences, shrubbery, trees or flowers or other property of the Owner situated on the land covered by any such easements or rights-of-way, unless negligent.

2.4 It is expressly agreed and understood that the title to any Lot or parcel of land within the Properties conveyed by Declarant by contract, deed or other conveyance shall be subject to an easement for roadways or drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph, telephone or cable purposes and no deed or other conveyance of the Lot shall convey any interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances thereto constructed by or under Declarant or any easement Owner, or their agents, through, along or upon the premises affected thereby, or any part thereof, to serve said Properties or other lands appurtenant thereto. The right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party, is hereby expressly reserved to Declarant.

ARTICLE III

USE RESTRICTIONS

3.1 Land Use and Building Type. All Lots shall be known and described as Lots for single family residential purposes only (hereinafter referred to as "Residential Lots"), and no structure shall be erected, altered, placed or permitted to remain on any Residential Lot other than one detached single-family dwelling not to exceed two and one-half (2-1/2) stories in height and must have a detached or attached garage capable of housing not less than two (2) or more than three (3) cars. As used herein, the term "single family residential purposes" shall be construed to prohibit the use of said Lots for mobile homes, duplex houses, garage apartments or apartment houses; and

no Lot shall be used for business or professional purposes of any kind, nor for any commercial or manufacturing purposes.

The following specific restrictions and requirements shall apply to all Lots in the Property:

(a) Outbuilding: Provided the express written consent of the Architectural Control Committee is secured prior to installation and placement on a Lot, one (1) lawn storage building and/or one (1) children's playhouse, each limited in maximum height to eight (8) feet from ground to highest point of structure, may be placed on a Lot. In no case can the outbuilding be placed in a utility easement; within five feet of side property line; nor ten feet of the back property line. Additionally, no outbuilding structure of any type is permitted unless the specific Lot involved is completely enclosed by fencing in accordance with paragraph 3.13. Otherwise, no building or structure of any kind shall ever be moved onto or erected on any Lot. It is intended hereby that, unless otherwise specifically approved pursuant to Article IV hereof, only new construction shall be placed and erected on any Lot within the Property. No carports of any kind shall be built, placed, or constructed on any Lot.

(b) Garages: No garage shall ever be changed, altered or otherwise converted for any purpose inconsistent with the housing of a minimum of two (2) automobiles at all times. All Owners, their families, tenants and contract purchasers shall, to the greatest extent practicable, utilize such garages for the garaging of vehicles belonging to them.

(c) Exterior Wall: No residences shall have less than fifty-one (51) percent, or masonry construction, on its exterior wall area. As used in this paragraph, the term masonry construction shall include brick, stone, artificial stone, stucco or equivalent material acceptable to the Architectural Control Committee. Fibrous cement siding (i.e. Hardiplank) may be included

within the term masonry construction with the approval of the Architectural Control Committee. Detached garages may have wood siding of a type and design approved by the Architectural Control Committee.

(d) Roof Materials: Unless otherwise approved in accordance with the last sentence of this subsection (d), the roof of all buildings on the Property shall be constructed or covered with asphalt composition shingles or fiberglass composition shingles with a minimum manufacturer guarantee of 20 years. The color of any composition shingles shall be of wood tone, earthtone or in harmony with earthtone and shall be subject to written approval by the Architectural Control Committee prior to installation. Any other type roofing material may be used only if approved in writing prior to installation by the Architectural Control Committee.

(e) Air Conditioners: No window or wall type air conditioners shall be permitted to be used, erected, placed, or maintained on or in any building or on any Lot, except in temporary buildings and then only if approved in writing by the Architectural Control Committee prior to installation or placement.

3.2 Minimum Square Footage Within Improvement . Each one story dwelling constructed on a Lot shall contain a minimum of One Thousand (1,000) square feet of livable area, exclusive of open porches and garages, and each multistory dwelling shall have at least Six Hundred (600) square feet of livable area situated on the ground floor, with a minimum of One Thousand Two Hundred (1,200) square feet of livable area.

3.3 Landscaping. The Owner or builder of each Lot, as a minimum, prior to completion of the construction of a residential dwelling shall (1) solid sod with grass in the area between his residential dwelling and the curb line(s) of the abutting street(s). The grass, plants,

shrubs and trees shall be of a type and within standards approved by the Architectural Control Committee's landscape requirements. These landscape requirements may be revised by the Architectural Control Committee from time to time.

3.4 Sidewalk. No sidewalk, walkway, improved pathway, deck, patio, driveway or other improvement shall be constructed on any Lot unless and until the plans and specifications therefor are submitted to and approved by the Architectural Control Committee as provided in Article IV below. A concrete sidewalk four (4) feet wide shall be constructed parallel to the curb two (2) feet from and "outside" the property line along the entire fronts of all Lots. In addition thereto, four (4) foot wide sidewalks shall be constructed parallel to the curb two (2) feet from and "outside" the property line along the entire side of all corner Lots, and the plans for each residential building on each of said Lots shall include plans and specifications for such sidewalk and same shall be constructed and completed before the main residence is occupied. Furthermore, at each street intersection and/or pedestrian crosswalk where a sidewalk shall abut the curb, there shall be provided curb ramps with a rough, non-skid surface to accommodate handicapped individuals in wheelchairs before the main residence is occupied. The type of construction and the specifications for said ramps shall be as provided by the City of Houston Engineering Department.

3.5 Location of the Improvements Upon the Lot. No building shall be located on any Lot nearer to the front line or nearer to the street side line than the minimum building setback line shown on the recorded Subdivision Plat or replat(s) thereof. The main residential structure shall be located no less than ten (10) feet from the rear property line. Subject to the provisions of Section 3.6 below, no part of the house building or garage shall be located nearer than five (5) feet

to an interior side Lot line or ten (10) feet to any exterior Lot line on a corner Lot. Any detached garage located a distance of sixty-five (65) feet or more from the front property line of a Lot may be located not less than three (3) feet from an interior side Lot line. Notwithstanding any provision hereof to the contrary, no building or structure constructed on a Lot shall be allowed to encroach upon another Lot or to be situated closer than ten (10) feet to a building or structure on any adjoining Lot (except detached garages may be no less than six (6) feet apart). Unless otherwise approved in writing by the Architectural Control Committee, each main residential building shall face the front of the Lot. For the purpose hereof, the term "front Lot line" shall mean the property line of a Lot that is adjacent and continuous to a street or road shown on the Subdivision Plat, or if two or more property lines are adjacent to a street, the "front Lot line" shall be the property line adjacent to a street that has the shortest dimension, and the term "street side Lot line" shall mean and refer to all property lines of any Lots that are adjacent to a street except the front Lot line, and the "interior side Lot line" shall mean and refer to all property lines other than the front Lot line and the street side Lot line. For the purposes of this covenant, eaves, steps, and unroofed terraces shall not be considered as part of a building provided, however, this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot. Unless otherwise approved in writing by the Architectural Control Committee, each main residential building shall face the front building line.

3.6 Composite Building Site. Subject to the approval of the Architectural Control Committee, any Owner of one or more adjoining Lots or portions thereof may consolidate or redivide such Lots or portions into one or more building sites with the privilege of placing or constructing improvements on such resulting sites, in which case the front footage at the building

setback lines shall be measured from the resulting side property lines rather than from the Lot lines indicated on the recorded plats. Any such resulting building site must have a frontage at the building setback line of not less than forty (40) feet. If an Owner consolidates two or more adjoining Lots, each original Lot shall continue to be assessed for maintenance as provided in Article VII. If an Owner redivides a Lot, the resulting Lots shall be assessed for maintenance as provided in Article VII as if each resulting Lot were an original Lot.

3.7 Prohibition of Offensive Activities. No activity, whether for profit or not, shall be carried on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the neighborhood. This restriction is not applicable in regard to the normal sales activities required to sell new homes in the Subdivision and the lighting effects utilized to display the model homes.

3.8 Use of Temporary Structures. No structure of temporary character, whether trailer, basement, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, with the exception of lawn storage or children's playhouses which are constructed with prior express written consent of the Architectural Control Committee; provided, however, Declarant reserves the right to grant the exclusive right to erect, place and maintain such facilities in or upon any portions of the Lots or Reserves as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Such facilities may include, but not necessarily be limited to, sales and construction offices, storage areas, model units, signs and portable toilet facilities. Garages, if used during the development phase or new

home construction as a sales office, are permissible provided it is converted to a regular garage capable of housing a minimum of two (2) automobiles prior to conveyance for occupancy by an Owner.

3.9 Playhouses, Pools, or Other Amenity Structures. No above ground pools are permitted at all on any Lots. Playhouse or fort style structures are limited to a maximum overall height of eight (8) feet and an above ground grade deck maximum height of forty-two (42) inches. The intent of this provision is to offer optimum private enjoyment of adjacent properties. Additionally, playground equipment of any type or amenity structures of any type are permitted only when the specific Lot involved is completely enclosed by fences in accordance with paragraph 3.13.

3.10 Storage of Automobiles, Boats, Trailers and Other Vehicles. No vehicle with or without motor may be parked or stored on any part of any Lot, easement, right-of-way, or Common Area unless such vehicle is concealed from public view inside a garage provided the doors may be closed and secured or other approved enclosure, except passenger automobiles, passenger vans or pick-up trucks that: (1) are in operating condition; (2) have current license plates and inspection stickers; (3) are in daily use as motor vehicles on the streets and highways of the State of Texas; and (4) which do not exceed six feet six inches in height, or seven feet six inches in width or twenty-one feet in length, and may be parked in the driveway on such Lot. No non-motorized vehicle, trailer, boat, marine craft, hovercraft, aircraft, machinery or equipment of any kind may be parked or stored, on any part of any Lot, easement, right-of-way, or Common Area unless such object is concealed from public view inside a garage provided the doors may be closed and secured or other approved enclosure. No repair work, dismantling or assembling of

motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway or any portion of the Properties. No motor bikes, motorcycles, motor scooters, "gocarts" or other similar vehicles shall be permitted to be operated in the Properties, if, in the sole judgment of the Board of Directors of the Association, such operation, by reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance or jeopardize the safety of the Owner, his tenants, and their families. The Board of the Association may adopt rules for the regulation of the admission and parking of vehicles within the Common Areas, including the assessment of charges to Owners who violate, or whose invitees violate, such rules. If a complaint is received about a violation of any part of this section, the Board of Directors of the Association will be the final authority on the matter. This restriction shall not apply to any vehicle, machinery, or maintenance equipment temporarily parked and in use for the construction, repair or maintenance of subdivision facilities or of a house or houses in the immediate vicinity.

3.11 Mineral Operations. No derrick or other structures designed for the use in boring for oil or natural gas or their minerals shall be erected, maintained, or permitted upon any Lot, nor shall any tanks be permitted upon any Lot.

3.12 Animal Husbandry. No animals, snakes, livestock or poultry of any kind shall be raised, bred or kept on any Lot except dogs, cats or other common household pets may be kept provided they are not kept, bred or maintained for commercial purposes. No more than four (4) common household pets will be permitted on each Lot. If common household pets are kept, such pets must be restrained and confined on the Owner's back Lot. It is the pet owner's responsibility to keep the Lot clean and free of pet debris. Pets must be on a leash when away from the Lot. Owner's are advised that should the Owner's pet(s) become a nuisance as determined by the

Board of Directors of the Association, the Owner must take immediate action to eliminate the nuisance as determined by the Board of Directors of the Association, including but not limited to removal of one (1) or more of the Owner's pets.

3.13 Walls, Fences, and Hedges. No hedge in excess of five (5) feet in height, wall or fence shall be erected or maintained nearer to the front Lot line than the walls of the dwelling existing on such Lot. No side or rear fence, wall or hedge shall be more than six (6) feet in height except fencing around the perimeter of the Subdivision may be no more than eight (8) feet, unless otherwise approved in writing by the Architectural Control Committee. All fences and walls shall be of wood construction or better. No chain link fence type construction will be permitted on any Lot.

3.14 Visual Obstruction at the Intersections of Public Streets. No object or thing which obstructs site lines at elevations between two (2) feet and eight (8) feet above the roadways within the triangular area formed by the intersecting street property lines and a line connecting them at points ten (10) feet from the intersection of the street property lines or extension thereof shall be placed, planted or permitted to remain on any corner Lots.

3.15 Lot Maintenance. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereof cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, which materials and equipment shall be stored so as not to be visible from any street. The drying of clothes in public view is prohibited. The Owner or occupants of any Lot shall construct and maintain a fenced enclosure to screen drying clothes from public view. Similarly, all yard equipment, wood piles, or

storage piles shall be kept screened by a fenced service yard or other similar facilities so as to conceal them from view of neighboring Lots, any street or other property. No Lot shall be used or maintained as a dumping ground for trash, nor will the accumulation of garbage, trash or rubbish of any kind thereon be permitted. Burning of trash, garbage, leaves, grass or anything else will not be permitted. Trash, garbage or other waste materials shall be kept in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids or as required by the City of Houston. Equipment for the storage or disposal of such waste materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. In the event of default on the part of the Owner or occupant of any Lot in observing any of the above requirements, such default continuing after ten (10) days' written notice thereof, being placed in the U. S. mail without the requirement of certification, Declarant or its assigns may, without liability to the Owner or occupant, enter upon said Lot and cause to be cut such weeds and grass, and remove or cause to be removed such garbage, trash and rubbish, or do any other thing necessary to secure compliance with these restrictions so as to place said Lot in a neat, attractive, healthful, and sanitary condition, and may reasonably charge the Owner or occupant of such Lot for the cost of the work. Said charges shall become an assessment against the Lot as provided in Article VII. Minimum standards are defined for any property wherein the grass exceeds the height of six (6) inches or wherein the Directors or their agent determines weeds not to be consistent with the standard of surrounding properties. Further, Declarant or its assignee

reserves the right to contract or arrange for regular garbage pick up service for the Lot Owners. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay for such work or service immediately upon receipt of a statement, the amount thereof may be added to the annual maintenance charge assessed against such Lot and become a charge thereon in the same manner as the regular annual maintenance charge provided for herein.

3.16 Signs, Advertisements, Billboards. No signs, billboards, posters or advertising devices of any character shall be erected on any Lot except one sign of not more than five (5) square feet, advertising the property for sale or rent or signs used by a builder to advertise the property for sale during the construction and sales period. Declarant shall have the right to remove any nonconforming sign, advertisement or billboard or structure which is placed on a Lot and in so doing shall not be subject to any liability or damages for trespass, tort or otherwise in connection therewith arising from such removal. The right is reserved for builders, provided consent is obtained from the Declarant, which cannot be unreasonably withheld, to construct and maintain signs, billboards, or advertising devices for the purpose of advertising for sale dwellings constructed by the builders and not previously sold by such builder.

3.17 Antennas, Satellite Dishes and Related Masts. Any antenna, satellite dish and related masts are permitted to be placed on a Lot only in accordance with guidelines, conditions, standards and requirements adopted by the Board of Directors of the Association from time to time and as may be amended by the Board of Directors of the Association from time to time.

3.18 Noise. Except in an emergency or when unusual circumstances exist (as determined by the Board of Directors), outside construction work or noisy interior construction work shall be permitted only after 6:00 a.m. and before 9:00 p.m.

3.19 Underground Electric Service. An underground electric distribution system will be installed in the subdivision, designated herein as Underground Residential Subdivision, which underground service area embraces all the Lots which are platted in the subdivision at the execution of the agreement between CenterPoint Energy and Declarant. The Owner of each Lot containing a single dwelling unit shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment to be made available by the electric company at a point designated by electric company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has, either by designation on the plat of the subdivision or by separate instrument, granted necessary easements to the electric company providing for the installation, maintenance, and operation of its electric distribution system and has also granted to the various Owner's reciprocal easements providing for the access to the area occupied by and centered on the service wires of the various Owners to permit installation, repair and maintenance of each Owner's owned and installed service wire. In addition, the Owner of each Lot containing a single dwelling unit shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each dwelling unit therein shall be underground, uniform in character and

exclusively of the type known as single phase, 240/120 volt, three wire, 60 cycle, alternating current.

3.20 Deviations in Restrictions. The Declarant, at its sole discretion, is hereby permitted to approve deviations in the restrictions set forth herein in instances where, in its sole judgment, such deviation will result in a more common beneficial use. Such approvals must be granted in writing. Any deviations granted must be in the spirit and intent of the welfare of the overall community.

3.21 No Liability. Neither Declarant, Board of Directors of the Association, nor the respective agents, employees and architects of each, shall be liable to any Owner or any other party for any loss, claim or demand asserted on account of the administration of these restrictions or the performance of the duties hereunder, or any failure or defect in such administration and performance. These restrictions can be altered or amended only as provided herein and no person is authorized to grant exceptions or make representations contrary to the intent of this Declaration. No approval of plans and specifications and no publication of minimum construction standards shall ever be construed as representing such plans, specifications or standards will, if followed, result in a properly designed residential structure. Such approvals and standards shall in no event be construed as representing or guaranteeing any residence will be built in a good, workmanlike manner. The acceptance of a deed to a residential Lot by the Owner in the subdivision shall be deemed a covenant and agreement on the part of the Owner, and the Owner's heirs, successors and assigns, that Declarant and the Board of Directors of the Association, as well as their agents, employees and architects, shall have no liability under this Declaration except for willful misdeeds.

3.22 Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of one or more conflicting interpretations, the interpretation which is most nearly in accord with the general purposes and objectives of this Declaration shall govern and may be corrected or clarified by Declarant's preparation, execution and recording of a supplement to the Declaration.

ARTICLE IV

ARCHITECTURAL APPROVAL

4.1 Architectural Control Committee. As used in this Declaration, the term "Architectural Control Committee" shall mean a committee of three (3) members, all of whom shall be appointed by Declarant, except as otherwise set forth herein. Declarant shall have the continuing right to appoint all three (3) members until the earlier of (a) the date the last Lot owned by Declarant is sold (except in connection with a conveyance to another party that is a successor to Declarant); or (b) such date as Declarant elects to discontinue such right of appointment by written notice to the Board of Directors of the Association. Thereafter, the Board of Directors of the Association shall have the right to appoint all members of the Architectural Control Committee. Members of the Architectural Control Committee may, but need not be, Members of the Association. Members of the Architectural Control Committee appointed by Declarant may be removed at any time and shall serve until death, resignation or removal by Declarant. The initial members of the Architectural Control Committee are Ian Boyd, Gregory McKenzie, and Wayne McLane. Members of the Architectural Control Committee appointed by the Board of Directors of the Association may be removed at any time by the Board, and shall serve for such

term as may be designated by the Board of Directors of the Association or until death, resignation or removal by the Board of Directors of the Association.

4.2 Approval of Improvements Required. Notwithstanding anything contained in the Declaration to the contrary, the approval of a majority of the members of the Architectural Control Committee shall be required for the construction of the initial dwelling unit on a Lot ("New Construction") and the approval of a majority of the Board of Directors of the Association (the "Board") (or the approval of any subcommittee appointed by the Board for such purpose) shall be required for any other Improvement to Property on any of the Properties before commencement of construction of such Improvement to Property. After the Declarant no longer has the right to appoint the members of the Architectural Control Committee as set forth herein, the Architectural Control Committee appointed by the Board will then be in charge of approving all Improvements to Property. For purposes of this Article IV, the Board and the Architectural Control Committee are each sometimes referred to as the "Approval Entity". No approval is required for an Improvement to Property made by Declarant.

4.3 Address of Approval Entity. The address of the Architectural Control Committee shall be c/o Kimball Hill Homes Texas, Inc., 8584 Katy Freeway, Suite 200, Houston, Texas 77024. The address of the Board shall be at the principal office of the Association.

4.4 Submission of Plans. Before commencement of work to accomplish any proposed Improvement to Property, the Owner proposing to make such Improvement to Property (the "Applicant") shall submit to the proper Approval Entity at its respective office copies of such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications, and samples of materials and colors as the Approval Entity reasonably shall

request, showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to Property, as may be more particularly described from time-to-time in any minimum construction standards and/or architectural guidelines adopted by the Architectural Control Committee (in the case of New Construction) or the Board (in the case of all Improvements to Property other than New Construction) (the "Architectural Guidelines"). The Approval Entity may require submission of additional plans, specifications, or other information before approving or disapproving the proposed Improvement to Property. Until receipt by the Approval Entity of all required materials in connection with the proposed Improvement to Property, the Approval Entity may postpone review of any materials submitted for approval.

4.5 Criteria for Approval. The proper Approval Entity shall approve any proposed Improvement to Property only if it determines in its reasonable discretion that the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Properties as a whole; that the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Properties, including, without limitation, quality and color of materials and location with respect to topography and finished grade elevation; that the Improvement to Property will comply with the provisions of this Declaration and any applicable plat, ordinance, governmental rule, or regulation; that the Improvement to Property will not detract from the beauty, wholesomeness, and attractiveness of the Property or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the Association. Each Approval Entity is specifically granted the authority to disapprove proposed Improvements because of the unique characteristics or configuration of the Lot on which the proposed Improvement would otherwise

be constructed, even though the same or a similar type of Improvement might or would be approved for construction on another Lot. The Approval Entity may condition its approval of any proposed Improvement to Property upon the making of such changes thereto as the Approval Entity may deem appropriate.

4.6 Architectural Guidelines. Each Approval Entity from time to time may supplement or amend the Architectural Guidelines. The Architectural Guidelines serve as a guideline only and an Approval Entity may impose other requirements in connection with its review of any proposed Improvements. If the Architectural Guidelines impose requirements that are more stringent than the provisions of this Declaration, the provisions of the Architectural Guidelines shall control.

4.7 Decision of Approval Entity. The decision of the Approval Entity shall be made within thirty (30) days after receipt by the proper Approval Entity of all materials required by the Approval Entity. The decision shall be in writing and, if the decision is not to approve a proposed Improvement to Property, the reasons therefor shall be stated. The decision of the Approval Entity promptly shall be transmitted to the Applicant at the address furnished by the Applicant to the Approval Entity. The Owner, however, is responsible under all circumstances to conform to the provisions of these restrictions in their entirety.

4.8 Failure of Approval Entity to Act on Plans. Any request for approval of a proposed Improvement to Property shall be deemed approved by the appropriate Approval Entity, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Approval Entity, within thirty (30) days after the date of receipt by the appropriate Approval Entity of all required materials; provided, however, that no such deemed

approval shall operate to permit any Owner to construct or maintain any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines. The Approval Entity shall at all times retain the right to object to any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines.

4.9 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in strict conformity with the description of the proposed Improvement to Property in the materials submitted to the Approval Entity. Failure to complete the proposed Improvement to Property within nine (9) months after the date of approval or such other period of time as shall have been designated in writing by the Approval Entity (unless an extension has been granted by the Approval Entity in writing) or to complete the Improvement to Property in strict conformity with the description and materials furnished to the Approval Entity, shall operate automatically to revoke the approval by the Approval Entity of the proposed Improvement to Property. No Improvement to Property shall be deemed completed until the exterior fascia and trim on the structure have been applied and finished and all construction materials and debris have been cleaned up and removed from the site and all rooms in the dwelling unit, other than attics, have been finished. Removal of materials and debris shall not take in excess of thirty (30) days following completion of the exterior.

4.10 Inspection of Work. The Approval Entity or its duly authorized representative shall have the right, not the obligation, to inspect any Improvement to Property before or after completion, provided that the right of inspection shall terminate once the Improvement to Property becomes occupied.

4.11 Notice of Noncompliance. If, as a result of inspections or otherwise, the Approval Entity finds that any Improvement to Property has been constructed or undertaken without obtaining the approval of the Approval Entity or has been completed other than in strict conformity with the description and materials furnished by the Owner to the Approval Entity or has not been completed within the required time period after the date of approval by the Approval Entity, the Approval Entity shall notify the Owner in writing of the noncompliance ("Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Owner to take such action as may be necessary to remedy the noncompliance within the period of time set forth therein.

4.12 Correction of Noncompliance. If the Approval Entity finds that a noncompliance continues to exist after such time within which the Owner was to remedy the noncompliance as set forth in the Notice of Noncompliance, the Association may, at its option but with no obligation to do so, (a) record a Notice of Noncompliance against the Lot on which the noncompliance exists in the Office of the County Clerk of Fort Bend County, Texas; (b) remove the noncomplying Improvement to Property; and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Board elects to take any action with respect to such violation, the Owner shall reimburse the Association upon demand for all expenses incurred therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board may levy an assessment for such costs and expenses against the Owner of the Lot in question and such assessment will become a part of the assessment provided for in Article VII hereof. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the

Association to take such action) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise.

4.13 No Implied Waiver or Estoppel. No action or failure to act by an Approval Entity shall constitute a waiver or estoppel with respect to future action by the Approval Entity with respect to any Improvement to Property. Specifically, the approval by the Approval Entity of any Improvement to Property shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement to Property by such Person or otherwise.

4.14 Power to Grant Variances. Each Approval Entity may authorize variances from compliance with any of the provisions of Article III and Article IV of this Declaration (except for the provisions relating to single family residential construction and use), including restrictions upon placement of structures, the time for completion of construction of any Improvement to Property, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Approval Entity. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. Provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Approval Entity other than with respect to the subject matter of the

variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Lot concerned.

4.15 Compensation of Architectural Control Committee. The members of the Architectural Control Committee shall be entitled to reimbursement by the Association for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve.

4.16 Non-liability for Approval Entity Action. None of the members of the Architectural Control Committee, the Association, any member of the Board of Directors, or Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of any Approval Entity except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Approval Entity shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of, the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes, or other governmental laws or regulations. Furthermore, none of the members of the Architectural Control Committee, any member of the Board of Directors, or Declarant shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association, or for a tort of another of such individuals, whether such other individuals were acting on behalf of the Association, the Architectural Control Committee, the Board of Directors, or otherwise. Finally, neither Declarant, the Association, the Board, the Architectural Control Committee, or their officers, agents, members, or employees shall be liable for any incidental

or consequential damages for failure to inspect any premises, Improvements, or portion thereof, or for failure to repair or maintain the same.

4.17 Construction Period Exception. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Approval Entity may temporarily suspend certain provisions of this Declaration as to the Lot upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing shall be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Property.

ARTICLE V

TWIN OAKS VILLAGE COMMUNITY ASSOCIATION, INC.

5.1 Membership and Voting Rights. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned by an Owner.

5.1 A Each Owner is required at all times to provide the Association with proper mailing information should it differ from the property address relative to ownership. Further, when an alternate address exists, Owner is required to render notice of tenant, if any, or agency, if any,

involved in the management of said property. The Owner is required and obligated to maintain current information with the Association or its designated management company at all times.

5.2 The Association shall have two classes of voting membership:

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

Class B. The Class B member(s) shall be the Declarant or its successors and assigns to whom the right of Class B membership is expressly assigned in writing (with a copy of the written instrument making such assignment being delivered to the Association). Class B members shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership: or

(b) January 1, 2030.

The Class A and Class B members shall have no rights as such to vote as a class, except as required by the Texas Non-Profit Corporation Act, the Articles of Incorporation or the Bylaws of the Association or as herein provided, and both classes shall vote upon all matters as one group. Notwithstanding the prior provisions of Section 5.2 above, if additional property is made subject to the jurisdiction of the Association pursuant to a Supplemental Declaration such that Declarant

owns more than twenty-five percent (25%) of the total of all Lots, then Class B membership and this Section 5.2 shall be automatically reinstated ipso facto.

5.3 Non-Profit Corporation. TWIN OAKS VILLAGE COMMUNITY ASSOCIATION, INC., a non-profit corporation, has been, or shall be, organized; and it shall be governed by the Articles of Incorporation and Bylaws of said Association. All duties, obligations, benefits, liens and rights hereunder in favor of the Association shall be vested in said corporation. The Association, by a majority vote of the Board of Directors of the Association, shall have the authority to borrow money for the purpose of making capital improvements on property owned by the Association.

5.4 Bylaws. The Association may make and establish such rules or bylaws as it may choose to govern the organization and administration of the Association, provided, however, that such rules or bylaws are not in conflict with the terms and provisions hereof. The right and power to alter, amend or repeal the bylaws of the Association, or to adopt new bylaws is expressly reserved by and delegated by the members of the Association to the Board of Directors of the Association.

5.5 Inspection of Records. The members of the Association shall have the right to inspect the books and records for the Association at reasonable times during the normal business hours by appointment.

ARTICLE VI

PROPERTY RIGHTS

6.1 Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and common facilities, if any, which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(b) The right of the Association to suspend the voting rights and right to use the recreation facility by an Owner; to suspend any other service provided by the Association for an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for each infraction of its published rules and regulations, or breach of any provisions of the Declaration.

(a) The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of the members agreeing to such dedication or transfer has been recorded in the Official Public Records of Real Property of Fort Bend County, Texas; provided, however, the Board of Directors by majority vote of the Board is authorized and empowered to cause the dedication and conveyance of utility easements and easements for similar purposes without submitting such matter to a vote of the members, and to authorize any officer of the Association to execute the documents required for such dedication or conveyance.

(d) The right of the Association to collect and disburse those funds as set forth in Paragraph 7.1.

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to the approval of sixty-seven percent (67%) of the votes of all Owners.

6.2 Delegation of Use. Any Owner may delegate in accordance with the bylaws the Owner's right of enjoyment to the Common Area and facilities, if any, to the members of the Owner's family, tenants or contract purchasers who occupy the residential dwelling of the Owner's Lot.

ARTICLE VII

MAINTENANCE ASSESSMENTS

7.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the subdivision hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association; (1) annual assessment or charges, and (2) special assessments for capital improvements, and (3) other charges assessed against an Owner and his Lot as provided in Sections 3.15, 4.12 and 8.2 of this Declaration, such assessments and charges to be established and collected as herein provided. The annual and special assessments, as well as the other charges described in Sections 3.15, 4.12 and 8.2 of this Declaration, together with interest, collection costs and reasonable attorney's fees, shall be a charge on the Lot and shall be secured by a continuing lien upon the Lot against which each such assessment is made. Each such assessment and other charges, together with interest, collection costs and reasonable attorney's

fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, and the personal obligation for delinquent assessments shall not pass to subsequent Owners of the concerned Lot unless expressly assumed in writing.

7.2 Purpose of Assessments. The assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents in the Property, for the improvement, maintenance and management of any Common Area and Common Facilities of the Association as well as any esplanades or landscaped areas within street right-of-way designated by the Board of Directors of the Association as being appropriate for maintenance by the Association, and to enable the Association to fulfill its responsibilities. The responsibilities of the Association shall include, but not be limited to, the maintenance and repair of the Common Area and Common Facilities, if any; constructing and maintaining parkways, green belts, detention areas, right-of-ways, easements, esplanades, Common Areas, sidewalks, paths, and other public areas; construction and operations of all street lights; garbage collecting; insecticide services; purchase and/or operating expenses of recreation areas, if any; payment of all legal and other expenses incurred in connection with the collection and enforcement of all charges, assessments, covenants, restrictions, and conditions established under this Declaration; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charges and assessments; employing policemen and watchmen, and/or security service, if desired; caring for vacant Lots and doing other thing or things necessary or desirable in the opinion of the Board of Directors to keep the Lots neat and in good order, or which is considered of general benefit to the Owners or occupants of the Lots; and obtaining liability, workers compensation, property and Director and Officer liability insurance in amounts deemed

proper by the Board of Directors of the Association. It is understood that the judgment of the Board of Directors in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith. All Lots in the Property shall commence to bear their applicable maintenance fund assessment simultaneously from the date of conveyance of the first Lot by Declarant to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Lots which are or at any time have been occupied, shall be subject to the annual assessment determined by the Board of Directors according to the provisions of Section 7.3. Lots which are not and have never been occupied, and which are owned by the Declarant or the person who built (or causes to be built) the residential dwelling on the Lot, shall be subject to an annual assessment equal to one-half ($\frac{1}{2}$) of the annual assessment applicable to occupied Lots. The rate of assessment for any calendar year for any individual Lot will change within that calendar year as the character of ownership or the status of occupancy changes, however, once any Lot has become subject to assessment at the full rate, it shall not thereafter revert to assessment at the lower rate. The applicable assessment for each Lot shall be prorated for each calendar year according to the rate applicable for each type of ownership of the Lot during that calendar year.

7.3 Maximum Annual Assessment. Until January 1, 2004, there shall be no annual assessment.

(a) The annual assessment for the calendar year 2004 shall be established by the Board of Directors of the Association (the "Board of Directors") and may be set in any amount not in excess of \$450.00 per year. The Board of Directors shall fix the amount of the 2005 annual assessment (and the annual assessment for each subsequent calendar year) at least thirty (30) days

in advance of the annual assessment period, which shall begin on the first day of January 1 of each year. Written notice of the annual assessment shall be sent to every Owner subject thereto at the address of each Lot or at such other address provided to the Association in writing pursuant to Section 5.1(a). Maintenance fees are due on January 1 of each year and considered delinquent if not received by January 31 of that year. If for any reason the Board of Directors fails to fix the annual assessment for any year by December 2 of the preceding year, it shall be deemed that the annual assessment for such year will be the same as that established for the preceding year, and such annual assessment shall continue unchanged from year to year until the Board of Directors establish a new annual assessment in accordance with the provisions hereof.

(b) From and after January 1, 2005, the maximum annual assessment may be increased each year by a majority vote of the Board of Directors of the Association only to an amount which is not more than ten percent (10%) above the maximum annual assessment for the previous year.

(c) From and after January 1, 2005, the maximum annual assessment may be increased by more than ten (10%) percent of the previous year's maximum annual assessment only if the increase is approved by the affirmative vote of a majority of those members of each class who are voting, in person or by proxy, at a meeting duly called for the purpose of considering such increase. Subject to the provisions of Section 7.5, the voting process for this action may also be handled by mail ballot as long as the ballots contain the name, property address, certification by the Secretary of the Association, alternate address of the member, if applicable, and the date and signature of the member. Ballots may be returned by U.S. mail in envelopes specifically marked as containing ballots for the special election, or may be collected

by door to door canvas. Upon levying of any increased assessment pursuant to the provisions of this Section 7.3, the Association shall cause to be recorded in the Official Public Records of Real Property of Fort Bend County, Texas, a sworn and acknowledged affidavit of the President (or any Vice President) and of the Secretary of the Association which shall certify, among other items that may be appropriate, the total number of each class of members as of the date of the voting, the quorum required, the number of votes represented, the number of each class voting "for" and "against" the levy, the amount of the increased assessment and the date by which such increased assessment must be paid in order to avoid being delinquent.

7.4 Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to the current year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided any such assessment shall have the approval of two-thirds (2/3) of the votes of those members of each class who are voting in person or by proxy at a meeting duly called for this purpose. Likewise, subject to the provisions of Section 7.5, the voting process for this action may also be handled by mail ballot as long as the ballots contain the name, property address, certification by the Secretary of the Association, alternate address of the member, if applicable, and the date and signature of the member. Ballots may be returned by U. S. mail in envelopes specifically marked as containing ballots for the special election or may be collected by door to door canvas. Upon the levying of any Special Assessment pursuant to the provisions of this Section 7.4, the Association shall cause to be recorded in the Real Property Records of the Fort Bend County Clerk's Office a sworn and

acknowledged affidavit of the President (or any Vice President) and of the Secretary of the Association which shall certify, among other items that may be appropriate, the total number of each class of members as of the date of the voting, the quorum required, the number of each class of votes represented, the number of each class voting "for" and "against" the levy, the amount of the special assessment authorized, and the date by which the special assessment must be paid in order to avoid being delinquent.

7.5 Notice and Quorum for any Action Authorized under Paragraphs 7.3 and 7.4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 7.3 and 7.4 shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If the vote of the members is conducted by mail or door to door canvas, the approval of two-thirds ($\frac{2}{3}$) of the total membership of each class is required.

7.6 Effect of Nonpayment of Assessments. Any assessment, annual or special, or other charges assessed in accordance with Sections 3.15 and 4.1 not paid within thirty-one (31) days after its due date shall bear interest from the due date at a rate of ten percent (10%) per annum on the unpaid balance. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien herein retained against the Lot. Interest, costs and

reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. In order to secure the payment of the assessments or charges hereby levied, a vendor's lien for the benefit of the Association shall be and is hereby reserved in the Deed from the Declarant to the purchaser of each Lot or portion thereof, which lien shall be enforceable through appropriate judicial and non-judicial proceedings by the Association. As additional security for the payment of the assessments hereby levied, each Owner of a Lot in the subdivision, by such party's acceptance of a deed thereto, hereby grants the Association a lien on such Lot which may be foreclosed on by nonjudicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of a written instrument executed by the President or any Vice President of the Association and filed for record in the Real Property Records of Fort Bend County, Texas. In the event that the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale not less than twenty-one (21) days prior to the date on which said sale is scheduled by posting such notice through the U. S. Postal Service, postage prepaid, registered or certified, return receipt requested, properly addressed to such Owner at the last known address of such

Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Real Property Records of Fort Bend County, Texas. Out of the proceeds of such sale, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and, third, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In addition to foreclosing the lien hereby retained, in the event of nonpayment by any Owner of such Owner's portion of any assessment, the Association may, acting through the Board, upon ten (10) days' prior written notice thereof to such nonpaying Owner, in addition to all other rights and remedies available at law or otherwise, restrict the right of such nonpaying Owner to use the Common Areas, if any, in such manner as the Association deems fit or appropriate and/or suspend the voting rights of such nonpaying Owner so long as such default exists.

It is the intent of the provisions of this Section 7.6 to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale and, in the event of the amendment of said Section 51.002 of the Texas Property Code hereafter, the President or any Vice President of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property

Records of Fort Bend County, Texas, amend the provisions hereof so as to comply with said amendments to Section 51.002 of the Texas Property Code.

No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. In addition to the above rights, the Association shall have the right to refuse to provide the services of the Association to any Owner who is delinquent in the payment of the above-described assessments.

7.7 Subordination of the Lien to Mortgages. As hereinabove provided, the title to each Lot shall be subject to a vendor's lien and power of sale and non-judicial foreclosure securing the payment of all assessments and charges due the Association, but said vendor's lien and power of sale and non-judicial foreclosure shall be subordinate to any valid purchase money lien or mortgage covering a Lot and any valid lien securing the cost of construction of home improvements. Sale or transfer of any Lot shall not affect said vendor's lien or power of sale and non-judicial foreclosure. However, the sale or transfer of any Lot which is subject to any valid purchase money lien or mortgage pursuant to a judicial or non-judicial foreclosure under such lien or mortgage shall extinguish the vendor's lien and power of sale and non-judicial foreclosure securing such assessment or charge only as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided hereinabove, the Association, in the discretion of the Board of Directors, may subordinate the lien securing any assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board may determine.

7.8 Future Sections. The Association shall use the proceeds of the assessments for the use and benefit of all residents of the Property, provided, however, that any additional property made a part of the Property by annexation under Section 8.7 of this Declaration, to be entitled to the benefit of this maintenance fund, must be impressed with and subjected to the annual maintenance charge and assessment on a uniform per Lot basis equivalent to the maintenance charge and assessment imposed hereby, and further, made subject to the jurisdiction of the Association.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Term. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or the Owner of any land subject to this Declaration or any Supplemental Declaration, their respective legal representatives, heirs, successors and assigns, for an initial term of thirty (30) years from the date these covenants are recorded. During such initial term, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument executed by the then Owners of ninety (90) percent of all the Lots within the Property, and properly recorded in the Official Public Records of Real Property of Fort Bend County, Texas. Upon the expiration of such initial term, unless terminated as below provided, said covenants and restrictions (as changed, if changed), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years each. During the last twelve (12) months of the initial term above stated and during any such ten (10) year automatic extension period, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of

not less than sixty-seven (67%) percent of all the Lots in the Property and properly recorded in the Official Public Records of Real Property of Fort Bend County, Texas. In addition, Declarant, in its sole discretion, shall have the right at any time and from time-to-time, without the joinder or consent of any other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record in Fort Bend County, Texas.

8.2 Enforcement. The Association, any Owner, or the Declarant, and their respective successors and assigns, shall have the right to enforce by a proceeding at law or in equity all easements, restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration and in connection therewith, shall be entitled to recover all reasonable collection costs and attorney's fees: Failure by the Association or by any other person entitled to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. It is hereby stipulated, the failure or refusal of any Owner or any occupant of a Lot to comply with the terms and provisions hereof would result in irreparable harm to other Owners, to Declarant and to the Association. Thus, the covenants, conditions, restrictions and provisions of this Declaration may not only be enforced by an action for damages at law, but also may be enforced by injunctive or other equitable relief (i.e., restraining orders and/or injunctions) by any court of competent jurisdiction, upon the proof of the existence of any violation or any attempted or threatened violation. Any exercise of discretionary authority by the Association concerning a covenant created by this Declaration is presumed reasonable unless the court determines by a preponderance of the evidence the exercise of discretionary authority was arbitrary, capricious or inconsistent with the scheme of the

development (i.e., the architectural approval or disapproval for similar renovations relative to a given location within the Property).

The Association on its own behalf or through the efforts of its management company may initiate, defend or intervene in litigation or any administrative proceeding affecting the enforcement of a covenant created by this instrument or for the protection, preservation or operation of the Property covered by this Declaration. Notification will be deemed to have been given upon deposit of a letter in the U. S. mail addressed to the Owner alleged to be in violation. Any cost that has accrued to the Association pursuant to this Section shall be secured and collectable in the same manner as established herein for the security and collection of annual assessments as provided in Article VII.

8.3 Severability. Invalidation of any one of these covenants by judgment or other court order shall in no way affect any of the other provisions which shall remain in full force and effect.

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

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

8.7 Annexation. Additional residential property and "Common Area" may be annexed to the Properties:

(a) With the consent of two-thirds (2/3) of each Class of Members; or

(b) Notwithstanding anything contained in (a) above, additional land representing future sections or phases of Twin Oaks Village may be annexed from time to time by the Declarant, its successors or assigns, without the consent of other Owners, or their mortgagees, within thirty (30) years of the date of recording of this Declaration of Covenants, Conditions and Restrictions;

(c) The annexation or addition may be accomplished by the execution and filing for record in the Real Property Records of Fort Bend County, Texas by the owner of the property being added or annexed of an instrument which may be called "Supplemental Declaration". Each such instrument evidencing the annexation of additional property shall describe the portion of the property comprising the Lots and Common Area, if any. Such "Supplemental Declaration" may contain such other provisions which are not inconsistent with the provisions of this Declaration of Covenants, Conditions and Restrictions or the general scheme or plan of Twin Oaks Village as a residential development. Nothing in this Declaration shall be construed to represent or imply that Declarant, its successors or assigns, are under any obligation to add or annex additional property to this residential development;

(d) At such time as the "Supplemental Declaration" is filed for record as hereinabove provided, the annexation shall be deemed accomplished and the annexed area shall be a part of the properties and subject to each and all of the provisions of this Declaration of Covenants, Conditions and Restrictions and to the jurisdiction of the Association in the same manner and

with the same force and effect as if such annexed property had been originally included in this Declaration of Covenants, Conditions and Restrictions as part of the original development;

(e) After additions or annexations are made to the development, all assessments collected by the Association from the Owners in the annexed areas shall be commingled with the assessments collected from all other Owners so that there shall be a common maintenance for the Properties.

8.8 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. NEITHER THE ASSOCIATION, THE DECLARANT NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY LOT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE ARCHITECTURAL CONTROL COMMITTEE DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE ARCHITECTURAL CONTROL COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION

OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLARS ALARM SYSTEMS OR OTHER SECURITY SYSTEMS DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE ARCHITECTURAL CONTROL COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLARS ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED, EACH OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST, AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS, AND TO THE CONTENTS OF LOTS, AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT,

GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

EXECUTED effective as of the 1st day of APRIL, 2004.

DECLARANT:

KIMBALL HILL HOMES TEXAS, INC.,
a Texas corporation

By: *Greg McKenzie*
Name: GREG MCKENZIE
Title: VICE PRESIDENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 1st day of APRIL, 2004, by GREG MCKENZIE, VICE PRESIDENT of Kimball Hill Homes Texas, Inc., a Texas corporation, on behalf of said corporation.



Rose Mary Rodriguez
NOTARY PUBLIC

LIENHOLDER'S CONSENT AND SUBORDINATION

RFC Construction Funding Corp., a Delaware corporation, the owner and holder of a lien or liens covering the Lots has executed this Declaration to evidence its (i) consent to Declarant's execution of this Declaration; (ii) agreement to subordinate its lien or liens to the provisions of this Declaration with the same effect as if this Declaration had been executed, delivered, and recorded prior to the execution and recording of the agreement(s) creating the lien or liens; and (iii) agreement that notwithstanding any foreclosure pursuant to the terms of any agreement(s) creating the lien or liens, this Declaration shall continue unabated and in full force and effect.

RFC Construction Funding Corp., a Delaware corporation

By [Signature]
Name: M. FERENTINOS
Title: ASSISTANT VICE PRESIDENT

THE STATE OF Maryland §
COUNTY OF Montgomery §

This instrument was acknowledged before me on the 5th day of April, 2004, by M. Ferentinos, ASST. V.P. of RFC Construction Funding Corp., a Delaware corporation, on behalf of said corporation.



[Signature]
NOTARY PUBLIC
BELONA TERESITA KIDD
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 1, 2005

AFTER RECORDING RETURN TO:

Mark K. Knop
HOOVER SLOVACEK, L.L.P.
P. O. Box 4547
Houston, Texas 77210
File No. 121864-23

Ret.

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FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dr. Dianne Wilson

2004 Apr 21 03:37 PM

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SF \$107.00

Dianne Wilson, Ph.D. COUNTY CLERK

FT BEND COUNTY TEXAS