

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
RIVERWALK, SECTION 4

STATE OF TEXAS X

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF MONTGOMERY X

This Declaration, made on the date hereinafter set forth by Riverwalk Ventures, Ltd., a Texas Limited Partnership, hereinafter referred to as "Developer,"

WITNESSETH:

WHEREAS, Riverwalk Ventures, Ltd., a Texas limited partnership, ("Developer") is the Developer of that certain tract of land known as "Riverwalk, Section Four" being a Subdivision of 307.27, acres of land, (owned by Riverwalk Ventures, Ltd.) situated in the Ella Walker Survey, Abstract No. 701 and the Thomas Vanhorn Survey, Abstract No. 587, Montgomery County, Texas according to the plat ("Plat") of said Riverwalk, Section Four, recorded in the office of the County Clerk of Montgomery County, Texas on the 9th day of August, 2001, after having been approved as provided by law, and being recorded in Cabinet 9, Sheet(s) 101 thru 104, of the Map Records of Montgomery County, Texas (hereinafter referred to as the "Property" or the "Subdivision"); and

WHEREAS, it is the desire of Developer to place certain restrictions, easements, covenants, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against such Property 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 Lots in said Subdivision;

NOW, THEREFORE, Developer hereby adopts, establishes and imposes upon the Subdivision known as Riverwalk, Section Four, and declares the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said Property, which Restrictions shall run with said Property and title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof, except that no part of this Declaration or the Restrictions shall be deemed to apply in any manner to the areas identified or platted as a Reserve or Unrestricted Reserve on the Plat or to any area not included in the boundaries of said Plat. Developer also declares that this Subdivision shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

ARTICLE I

DEFINITIONS

Section 1.01. "Annexable Area" shall mean and refer to any additional property made subject to the jurisdiction of the Association pursuant to the provisions set forth herein, including, without limitation any property adjacent to or in proximity of the Property, or any subsequent Section or Sections of Riverwalk.

Section 1.02. "Association" shall mean and refer to Riverwalk Property Owners Association, and its successors and assigns.

Section 1.03. "Riverwalk" shall mean and refer to this Subdivision and any other sections of Riverwalk hereafter made subject to the jurisdiction of the Association.

Section 1.04. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 1.05. **"Builders"** shall mean and refer to persons or entities that purchase Lots and build speculative or custom homes thereon for third party purchasers.

Section 1.06. **"Common Area"** shall mean all real property (including the improvements thereto) within the Subdivision owned by the Developer and/or the Association for the common use and enjoyment of the Owners and/or any other real property and improvements, including, but not limited to, parks, open spaces, lakes, canals, lake road crossings, dams, greenbelt areas and other facilities and areas designated on the Plat within the Common Area to which the Owners may hereafter become entitled to use.

Section 1.07. **"Contractor"** shall mean and refer to the person or entity with whom an Owner contracts to construct a residential dwelling on such Owner's Lot.

Section 1.08. **"Developer"** shall mean and refer to Riverwalk Ventures, Ltd., and its successors and assigns.

Section 1.09. **"Lot"** shall mean and refer to any plot of land identified as a Lot or tract on the plat of the Subdivision. For purposes of this instrument, "Lot" shall not be deemed to include any portion of any "Common Areas," "Reserves," "Restricted Reserves" or "Unrestricted Reserves," (defined herein as any Common Areas, Reserves, Restricted Reserves or Unrestricted Reserves shown on the Plat) in the Subdivision, regardless of the use made of such area.

Section 1.10. **"Waterfront and/or Lakesfront Lot"** shall mean and refer to any Lot which shall abut upon any lake, stream, river, canal or other waterway (hereinafter collectively referred to as "Waterways") and shall be subject to the following additional restrictions:

- (1) No wharf, pier, bulkhead, or other structure, or obstruction shall be built or maintained upon any waterfront site or into or upon any Waterway on the Property or adjacent thereto except with the specific written approval of the Developer. No structure or obstruction shall be permitted if it offers any threat whatsoever to safe navigation upon such Waterway or to the safe and convenient use of such Waterway as a recreation facility.
- (2) Except as approved by the Developer, no boat canal shall be constructed or installed upon any Lot which shall in any way alter the course of or natural boundaries of any Waterway, or which shall involve or result in the removal of water from any Waterway.
- (3) Except as approved by the Developer, no boat, hoists, launching facilities or any similar type of structures or equipment shall be installed, constructed or maintained upon any Lot, nor shall any boat trailer be stored on any lot in such manner as to violate these restrictions or any regulation of the Riverwalk Property Owners Association.
- (4) The Developer, and upon the Transfer Control Date, the Board of Directors of the Association, shall have the right and authority to amend or modify these Rules and Regulations for the Lake in the event it deems such amendment or modification to be in the best interest of the subdivision.

Section 1.11. **"Member"** shall mean and refer to every person or entity who holds a membership in the Association.

Section 1.12. **"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 Subdivision, including (i) contract sellers (a seller under a Contract-for-Deed), but excluding those having such interest merely as security for the performance of an obligation, (ii) Developer (except as otherwise provided herein), and (iii) Builders.

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

Section 2.01. "Recorded Subdivision Map of the Property". The plat ("Plat") of the Subdivision dedicates for use as such, subject to the limitations as set forth therein, the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable to the Property. All dedications, restrictions and reservations created herein or shown on the Plat, replats or amendments of the Plat of the Subdivision recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Developer, conveying said Property or any part thereof whether specifically referred to therein or not.

Section 2.02. "Easements". Developer reserves for public use the utility easements shown on the Plat or that have been or hereafter may be created by separate instrument recorded in the Real Property Records of Montgomery County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, water lines, storm drainage (surface or underground), cable television, or any other utility the Developer sees fit to install in, across and/or under the Property. Developer and its assigns further expressly reserves the right to enter upon any Lot for the purpose of constructing or maintaining any natural drainage pattern, area of easement. All utility easements in the Subdivision may be used for the construction of drainage swales in order to provide for improved surface drainage of the Reserves, Common Area and/or Lots. Any utility company serving the Subdivision and/or any Utility District serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Developer nor any utility company, water district, political Subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees and lawns on any other property of the Owner on the property covered by said easements.

Section 2.03. "Title Subject to Easements". It is expressly agreed and understood that the title conveyed by Developer to any of the Lots by contract deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water line, electric lighting, electric power, telegraph or telephone purposes and other easements hereafter granted affecting the Lots.

Section 2.04. "Utility Easements".

(a) Utility ground and aerial easements have been dedicated in accordance with the Plat.

(b) No building shall be located over, under, upon or across any portion of any utility easement. The Owner of each Lot shall have the right to construct, keep and maintain paved drives, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Lots, provided, however, any paved drive, fence or similar improvement placed upon such Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and, as such, the Owner of each Lot subject to said Utility Easements shall be responsible for (i) any and all repairs to the paved drives, fences and similar improvements which cross or are located upon such Utility Easements and (ii) repairing any damage to said improvements caused by the Utility District or any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Utility Easements.

Section 2.05. "Right of Use". The Owner of any Waterway Lot shall have the exclusive right to use any portion of land lying beyond the platted Lot line and the waters edge, however, the Owner assumes all risk of all loss or damage to Owner's structures or property thereon.

Section 2.06. "Use of Waterway". The Waterway area shall be Common Area to be used by Owners in any Section of Riverwalk Subdivision and their guests for recreation and outdoor activities as may be permitted and regulated by the Developer or the Association. The use of the Waterway shall be permitted and regulated by the Developer and, upon the Transfer Control Date, the Association and any

Owner's failure to comply with such rules and regulations regarding use of the Waterway shall allow the Developer or Association, as the case may be, to suspend said Owner's use privileges of the Waterway as set forth in Article 5.04 hereof. Further, the Lake shall be subject to the following rules and regulations:

- (1) No boat or water craft of any kind, that uses or is propelled by an internal combustion engine or external furnace shall be operated upon any Waterway, unless approved by the Association;
- (2) The Developer, and upon the Transfer Control Date, the Board of Directors of the Association, shall have the right and authority to amend or modify these Rules and Regulations for the Lake in the event it deems such amendment or modification to be in the best interest of the subdivision; and
- (3) The violation of any of these Rules and Regulations for the Lake shall be cause for suspension of the violator's right to use the lake and other recreational facilities in the subdivision for a period as may be determined by the Board of Directors of the Association.

Section 2.07. **"Roads and Streets"**. Subject to the terms and conditions of this Section 2.07, the roads and streets in this Subdivision, as shown on the Plat, are hereby dedicated in addition to roadways, as utility easements for the purpose of constructing, operating, maintaining or repairing a system(s) of electric lighting, electrical power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground) cable television, or any other utilities that the Developer sees fit to install (or permit to be installed) in, across and/or under the Property.

ARTICLE III

USE RESTRICTIONS

Section 3.01. **"Single Family Residential Construction"**. No building shall be erected, altered, placed or permitted to remain on any Lot or Composite Building Site other than one dwelling unit ("Dwelling") per each Lot to be used solely for residential purposes except that one guest/servants house may be built provided said guest/servants house must contain a minimum of 500 square feet and be built after or while the main dwelling is being built and be approved in writing by the Architectural Control Committee prior to construction. Detached garages, work shops, and barns may be constructed on the property prior to the main dwelling being built, so long as they are of good construction, kept in good repair, and are not used for residential purposes provided, however, and in any event, the construction of the main dwelling must begin within two (2) years of completion of any non residential buildings. All dwellings, detached garages, work shop, and barns must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on the property. The term "dwelling" does not include single or double wide manufactured or mobile homes, or any old or used houses to be moved on the Lot and said manufactured or mobile and used homes are not permitted within the Subdivision. Dwellings on all lots that face or are contiguous to Riverwalk Boulevard must have at least 2000 square feet of living area, excluding porches, and be built with new construction materials. All other dwellings must have at least 1800 square feet of living area, excluding porches, and be built with new construction materials. Any building, structure or improvement commenced on any tract shall be completed as to exterior finish and appearance within twelve (12) months from the setting of forms for the foundation of said building or structure. As used herein, the term "residential purposes" shall be construed to prohibit mobile homes or trailers being placed on said Lots, or the use of said Lots for duplex houses, condominiums, townhouses, garage apartments, or apartment houses; and no Lot shall be used for business, educational, religious or professional purposes of any kind whatsoever, nor for any commercial or manufacturing purposes. Provided, however, an Owner may maintain a home office in a dwelling with no advertising signs or regular visits by customers or clients.

Section 3.02. **"Composite Building Site"**. Any Owner of one or more adjoining Lots (or portions

thereof) may, with prior written approval of the Architectural Control Committee, consolidate such Lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting site, in which case the side set-back lines shall be measured from the resulting side property lines rather than from the center adjacent Lot lines as indicated to the Plat. Any such composite building site must have a frontage at the building setback line of not less than the minimum frontage of all Lots in the same block and shall be considered one Lot for purposes of the Maintenance Charge set forth in Article VI hereof.

Section 3.03. "Location of the Improvements upon the Lot". No building of any kind shall be located on any Lot nearer to any side or rear property line, or nearer to any public road or nearer to any Waterway than as maybe indicated on the Plat; provided, however, as to any Lot, the Architectural Control Committee may waive or alter any such setback line if the Architectural Control Committee, in the exercise of the Architectural Control Committee's sole discretion, deems such waiver or alteration is necessary to permit effective utilization of a Lot. Any such waiver or alteration must be in writing and recorded in the Deed of Records of Montgomery County, Texas. All dwellings placed on Property must be equipped with septic tank or other sewage disposal system meeting all applicable laws, rules, standards and specifications, provided that, all Lots that front on or are adjacent to a Waterway shall be equipped with a proprietary aerobic sewage disposal system, and all such dwellings must be served with water and electricity. The main residential structure on any Lot shall face the front of the Lot towards the street or road, unless a deviation is approved in writing by the Architectural Control Committee.

- (1) The building set back line along the front of each Lot shall be one hundred (100') feet.
- (2) The building set back line along the side of each Lot shall be fifteen (15') feet and the building set back line on the side of any Lot which adjoins a street or road shall be as shown on the plat.
- (3) The rear building set back line along the rear of each Waterway Lot shall be two hundred (200') feet, or as otherwise approved by the Architectural Control Committee.

Section 3.04. "Residential Foundation Requirements". All building foundations shall consist of a concrete slab. Provided, however, the Architectural Control Committee may approve a different type of foundation when circumstances such as topography of the Lot make it impractical to use one of the above foundation for all or any portion of the foundation of the building improvements constructed on the Lot. On all Lots that adjoin a Waterway the minimum finished slab elevation for all structures shall be 97.5 feet above the mean sea level ("msl") elevation, or such other level as may be established by the Commissioner's Court or County Engineer of Montgomery County, Texas, and other applicable governmental authorities. On all other Lots in the Subdivision the minimum finished slab elevation for all structures shall be eighteen (18") above natural grade or six (6") inches above the top, of the center, of the nearest roadway, whichever is the higher elevation, or such other level as may be established by the Commissioner's Court or the County engineer of Montgomery County, Texas, and other applicable governmental authorities.

Section 3.05. "Driveways". All driveways in the Subdivision shall have a paved surface constructed of portland cement concrete or asphalt concrete or other hard surface as may be approved by the Architectural Control Committee. Further, all plans for driveways are to be submitted at or before the time house or residence plans are submitted to the Architectural Control Committee and all driveways shall be fully constructed and completed prior or at the time the residence is occupied.

Section 3.06. "Use of Temporary Structures and Sales Offices". No structure of a 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, either temporarily or permanently, provided, however, that Developer reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Subdivision as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements within the Subdivision.

Section 3.07. **"Water Supply"**. All residential dwellings in this Subdivision shall be equipped with and served by a fresh water system installed, operated and continuously maintained in accordance with applicable utility company and governmental requirements, and no water wells shall be made, bored or drilled, nor any type or kind of private system installed or used except upon approval of the Architectural Control Committee and any required governmental authorities. Wells may be drilled by the Developer or Association for use in watering common areas and filling of lakes or ponds in common areas and may be drilled by Owners for use in watering of animals or livestock, yard sprinkler systems or swimming pools, but shall not be used for human consumption.

Section 3.08. **"Sanitary Sewers"**. No outside, open or pit type toilets will be permitted in this Subdivision. Prior to occupancy, all dwellings constructed in this Subdivision must have either a septic or aerobic sewage disposal system installed by the Owner; (except that all Lots that front on or are adjacent to a Waterway shall be equipped with a proprietary aerobic sewage disposal system) and comply with the requirements of the appropriate governing agency.

Section 3.09. **"Walls and Fences"**. All walls and fences, if any, must be approved prior to construction by the Architectural Control Committee and shall not be closer to front street property lines than the front building set-back line, except that decorative fencing may be installed between the street and the front building set-back line provided that same is approved prior to installation by the Architectural Control Committee. Any erection of any wall, fence or other improvements on any easement is prohibited. No electric barbed wire, barbed wire, or temporary fences shall be allowed. Driveway entrances may be constructed of masonry columns, ornamental iron or similar materials in harmony with the Dwelling on said Lot as may be approved by the Architectural Control Committee. The Owner of any Lot upon which the Developer has constructed a fence shall be responsible for the maintenance and repair of said fence.

Section 3.10. **"Prohibition of Offensive Activities"**. Without expanding the permitted use of the Lots, no activity, whether for profit or not, shall be conducted 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 Subdivision. This restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision and for home offices described in Section 3.01 hereof. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. Without limitation, the discharge or use of firearms is expressly prohibited. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

Section 3.11. **"Garbage and Trash Disposal"**. Garbage and trash or other refuse accumulated in this Subdivision shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence of this Subdivision is or may be created. No Lot shall be used or maintained as a dumping ground for rubbish or landfill. Trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 3.12. **"Junked Motor Vehicles Prohibited"**. No Lot shall be used as a depository for abandoned or junked motor vehicles. An abandoned or junked motor vehicle is one without a current, valid state vehicle inspection sticker and license plate. No junk of any kind or character, or dilapidated structure or building of any kind or character, shall be kept on any Lot. No accessories, parts or objects used with cars, boats, buses, trucks, trailers, house trailers or the like, shall be kept on any Lot other than in a garage or other structure approved by the Architectural Control Committee. No unlicensed go-cart, dirt bike, motorcycle, or recreational vehicle powered by an internal combustion engine may be operated on any roadways, streets, or rights-of-way within the Subdivision.

Section 3.13. **"Signs"**. No signs, advertisement, billboard or advertising structure of any kind, except those of the Developer, may be erected or maintained on any Lot without the consent in writing of the Architectural Control Committee, except (i) one (1) professionally made sign not more than forty-eight inches (48") square, advertising an Owner's Dwelling for sale or rent, may be placed on such improved Lot

and (ii) one (1) sign not more than forty-eight inches (48") square advertising the builders of the Owner's dwelling may be placed on such Lot during the construction period of such residence from the forming of the foundation until completion not to exceed a twelve (12) month period. Developer or any member of such Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Lot in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from, any liability for trespass or other tort in connection therewith, or arising from such removal.

Section 3.14. **"Livestock and Animals"**. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot in the Subdivision except that dogs, cats or other common household pets and two (2) horses per acre may be kept on Lots consisting of at least one (1) acre, provided that they are not kept, bred or maintained for commercial purposes and do not become a nuisance or threat to other Owners. Provided, however, animals being raised for FFA or 4-H school sponsored programs will be permitted on Lots in the Subdivision. However, no pigs, hogs, emus, peacocks, ostriches or reptiles will be permitted under any circumstances.

No animals shall be allowed to run loose in the Subdivision.

Section 3.15. **"Mineral Development and Logging"**. No commercial oil drilling, oil development operations, oil refining, quarrying, mining operation or logging of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot, and, no derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 3.16. **"Drainage"**. Natural established drainage patterns of streets, Lots or roadway ditches will not be impaired by any person or persons and Developer may enter upon any Lot to maintain such natural drainage areas. Driveway culverts must be installed prior to beginning construction of any building or dwelling on the Lot and must be of sufficient size to afford proper drainage of ditches without backing water up into ditch or diverting flow. The size and type of driveway culverts must also be approved by the Montgomery County Engineer's office. The breaking of curbs, if any, for drive installations will be accomplished in a good and workmanlike manner and such break will be re-cemented without hindrance to drainage and such work is subject to the inspection and approval of the Architectural Control Committee.

Section 3.17. **"Lot Maintenance"**. All Lots, at Owner's sole cost and expense, shall be kept at all times in a neat, attractive, healthful and sanitary condition, and the Owner or occupant of all Lots shall keep all weeds and grass thereon (outside of natural vegetation areas) cut and shall in no event use any Lot for storage of materials or equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon, and shall not burn any garbage, trash or rubbish. Provided, however, the burning of underbrush and trees during Lot clearing shall be permitted. All yard equipment or storage piles shall be kept screened by a service yard or other similar facility as herein otherwise provided, so as to conceal them from view of neighboring Lots, streets or other property.

Section 3.18. **"Exterior Maintenance of Building"**. In the event the owner of any building in the Subdivision should allow such building to fall into disrepair and become in need of paint, repair or restoration of any nature and become unattractive and not in keeping with the neighborhood, the Association and/or the Developer will give such owner written notice of such conditions. Fifteen (15) days after notice of such condition to owner, and failure of owner to begin and continue at a diligent, reasonable rate of progress to correct such condition, the Association and/or the Developer in addition to any and all remedies, either at law or in equity, available for the enforcement of these Restrictions, may at its sole discretion enter upon said premises, without liability to Owner, to do or cause to be done any work necessary to correct said situation. The owner thereof shall be billed for cost of necessary repairs, plus ten (10%) percent.

All monies so owed the Association will be an additional Maintenance Charge and shall be payable on the

first day of the next calendar month.

Section 3.19. "Miscellaneous Use Restrictions". Without limiting the foregoing, the following restrictions shall apply to all Lots:

- (1) No boat, jet-ski, aircraft, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage in the front of any Dwelling or parked on any street in the Subdivision, nor shall any such vehicle or equipment be parked for storage to the side or rear of any Dwelling unless completely concealed from public view. All boats so parked or stored on any Lot must at all times also be stored on a trailer. No such vehicle or equipment shall be used as a residence either temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a Dwelling in the Subdivision.
- (2) Trucks with tonnage in excess of one and one-half tons shall not be permitted to park overnight within the Subdivision except those used by a builder during the construction of improvements in the Subdivision. No vehicle shall be permitted to park overnight on any street within the Subdivision except for those vehicles used by a builder during the construction of improvements on Lots or Common Areas in the Subdivision.
- (3) No vehicle of any size which transports inflammatory or explosive cargo may be kept in the Subdivision at any time.
- (4) No vehicles or similar equipment shall be parked or stored in an area visible from any Street except passenger automobiles, passenger vans, motorcycles and pick-up trucks that are in operating condition and have current license plates and inspection stickers and are in daily use as motor vehicles on the streets and highways of the State of Texas.

Section 3.20. "Waterway Lots; Construction of Pier or Dock".

(a) No pier, dock, boat slip or other structure shall be constructed on any Lot other than Waterway Lots that adjoin the Waterway, and, on said Waterway Lots, shall not be constructed or project beyond the Lot line or into the water of the Waterway (whether within or outside of the Lot line) more than five (5') feet, provided prior written approval is given, by the Architectural Control Committee and such improvement complies with the specifications set forth by the said Committee. Architectural approval shall be granted or withheld based upon (i) architectural design and character of improvements, (ii) engineering design and specifications of planned structures, and (iii) whether or not proposed improvements conform to the Architectural Control Committee's pre-determined plan for such improvements.

(b) No construction, improvements or modifications of any kind to any approved pier, dock, boat slip, or other improvement constructed by an owner shall be made unless prior written approval is given by the Architectural Control Committee and all such improvements must conform to the Architectural Control Committee's pre-determined plan for such improvements.

Section 3.21. "Hazardous Substances". No Lot shall be used or maintained as a dumping ground for rubbish or trash and no garbage or other waste shall be kept except in sanitary containers. All incinerators or other equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition. Notwithstanding the foregoing, no Hazardous Substance shall be brought onto, installed, used, stored, treated, buried, disposed of or transported over the Lots or the Subdivision, and all activities on the Lots shall, at all times, comply with Applicable Law. The term "Hazardous Substance" shall mean any substance which, as of the date hereof, or from time to time hereafter, shall be listed as "hazardous" or "toxic" under the regulations implementing The Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. SS 9601 et seq., The Resource Conservation and

Recovery Act ("RCRA"), 42 U.S.C. SS 6901 et seq., or listed as such in any applicable state or local law or which has been or shall be determined at any time by an agency or court to be a hazardous or toxic substance regulated under applicable law. The term "Applicable Law" shall include, but shall not be limited to, CERCLA, RCRA, The Federal Water Pollution Control Act, 33 U.S.C. SS 1251 et seq. and any other local, state and/or federal laws or regulations that govern the existence, cleanup and/or remedy of contamination on property, the protection of the environment from spill deposited or otherwise in place contamination, the control of hazardous waste or the use, generation, transport, treatment, removal or recovery of hazardous substances, including building materials.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

Section 4.01. "Basic Control".

(a) No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made in the design or exterior appearance thereof, or any addition or exterior alteration made thereto after original construction, or demolition or destruction by voluntary action made thereto after original construction, on any Lot in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Committee of the construction plans and specifications for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument, quality of materials, drainage, harmony of external design and color with existing and proposed structures and location with respect to topography and finished grade elevation.

(b) Each application made to the Committee shall be accompanied by two sets of plans and specifications for all proposed construction (initial or alterations) to be done on such Lot, including the drainage plan for the Lot, plot plans showing the location and elevation of the improvements on the Lot and dimensions of all proposed walkways, driveways, and all other matters relevant to architectural approval. The address of the Committee shall be the address of the principal office of the Developer or the Association. If approved, one of the two sets of plans submitted shall be returned to the Owner with said approval noted thereon.

Section 4.02. "Architectural Control Committee"

(a) The authority to grant or withhold architectural control approval as referred to above is initially vested in the Developer; provided, however, the authority of the Developer shall cease and terminate upon the election of the Architectural Control Committee of the Association (sometimes herein referred to as the "Committee"), in which event such authority shall be vested in and exercised by the Committee (as provided in (b) below), hereinafter referred to, except as to plans and specifications and plot plans theretofore submitted to the Developer which shall continue to exercise such authority over all such plans, specifications and plot plans. The term "Committee," as used in this Declaration, shall mean or refer to the Developer or to Riverwalk Property Owners Association composed of members of the Association, as applicable.

(b) At such time as ninety percent (90%) of all of the Lots in the Subdivision are conveyed by Developer (from time to time hereafter referred to as the "Control Transfer Date"), the Developer shall cause an instrument transferring control to the Association to be placed of record in the Real Property Records of Montgomery County, Texas (which instrument shall include the Control Transfer Date). Thereupon, the Board of Directors of the Association shall elect a committee of three (3) members to be known as Riverwalk Architectural Control Committee. From and after the Control Transfer Date, each member of the Committee must be an Owner of property in some Section of Riverwalk. Additionally, the Developer shall have the right to discontinue the exercise of architectural control privileges and arrange for the transfer to the Association at any time prior to the Control Transfer Date by filing a statement and instrument to such effect in the Real Property Records of Montgomery County, Texas.

Section 4.03. **"Effect of Inaction"**. Approval or disapproval as to architectural control matters as set forth in the preceding provisions of this Declaration shall be in writing. In the event that the authority exercising the prerogative of approval or disapproval (whether the Developer or the Committee) fails to approve or disapprove in writing any plans and specifications and plot plans received by it in compliance with the preceding provisions within thirty (30) days following such submission, such plans and specifications and plot plan shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plot plan and all of the other terms and provisions hereof.

Section 4.04. **"Effect of Approval"**. The granting of the aforesaid approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the Committee that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plot plan; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and plot plan, but, nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reason of the good faith exercise thereof.

Section 4.05. **"Minimum Construction Standards"**. The Developer or the Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline only and the Developer or Committee shall not be bound thereby. However, unless approved by the Developer or the Committee all residential dwellings shall have an exterior consisting of at least fifty one (51%) percent brick veneer or other approved masonry products.

Section 4.06. **"Variance"**. The Developer or the Committee, as the case may be, may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Developer or the Committee, when circumstances such as topography, natural obstructions, Lot configuration, Lot size, hardship, aesthetic or environmental considerations may require a variance. The Developer and the Committee reserve the right to grant variances as to building set-back lines, minimum square footage of the residence, fences, and other items. Such variances must be evidenced in writing and shall become effective when signed by the Developer or by at least a majority of the members of the Committee. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is 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 provisions hereof covered by the variance, nor shall the granting of any variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned and the Plat.

ARTICLE V

RIVERWALK PROPERTY OWNERS ASSOCIATION

Section 5.01. **"Membership"**. Every person or entity who is a record owner of any Lot which is subject to the Maintenance Charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, including contract sellers, shall be a "Member" of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation of those having only an interest in the mineral estate. No Owner shall have more than one membership for each Lot owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Lots. Regardless of the number of persons who may own a Lot (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Lot; Save and Except that the developer shall have three (3) votes for each lot owned in the Subdivision an original owner or as the owner of any reacquired lot in the Subdivision.

Section 5.02. **"Non-Profit Corporation"**. Riverwalk Property Owners Association, a non-profit corporation, has been organized and it shall be governed by the Articles of Incorporation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

Section 5.03. **"Bylaws"**. The Association has adopted or may adopt whatever Bylaws it may choose to govern the organization or operation of the Subdivision and the use and enjoyment of the Lots and Common Areas, provided that the same are not in conflict with the terms and provisions hereof.

Section 5.04. **"Owner's Right of Enjoyment"**. Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

(a) the right of the Association, with respect to the Common Areas, to limit the number of guests of Owners;

(b) the right of the Association to make rules and regulations regarding use of any Common Area and to charge reasonable admission and other fees for the use of any facility situated upon the Common Areas;

(c) the right of the Association, in accordance with its Articles and Bylaws (and until the Transfer Control Date, subject to the prior written approval of the Developer), to (i) borrow money for the purpose of improving and maintaining the Common Areas and facilities (including borrowing from the Developer or any entity affiliated with the Developer) and (ii) mortgage said property, however, the rights of such mortgagee of said property shall be subordinate to the rights of the Owners hereunder;

(d) the right of the Association to suspend the Member's voting rights and the Member's and "Related Users" (as hereinafter defined) right to use any recreational facilities within the Common Areas during any period in which the Maintenance Charge or any assessment against his Lot remains unpaid;

(e) the right of the Association to suspend the Member's voting rights and the Member's and Related Users' right to use any recreational facilities within the Common Area, after notice and hearing by the Board of Directors, for the infraction or violation by such Member or Related Users of this Declaration or the "Rules and Regulations," defined in Article VIII hereof, which suspension shall continue for the duration of such infraction or violation, plus a period not to exceed sixty (60) days following the cessation or curing of such infraction or violation; and,

(f) the right of the Association, subject, until the Transfer Control Date, to the prior written approval of the Developer, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility, for such purposes and subject to the provisions of this Declaration.

Section 5.05. **"Delegation of Use"**. Any member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the Member's immediate family living in the Member's residence, and his contract purchasers who reside on the Lot (collectively, the "Related Users").

ARTICLE VI

MAINTENANCE FUND

Section 6.01. **"Maintenance Fund Obligation"**. Each Owner of a Lot by acceptance of a deed therefore, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association, in advance, a maintenance assessment payable monthly, quarterly or annually in advance, and any other assessments or charges hereby levied. The Maintenance Assessment and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, including reasonable attorneys' fees, shall be a charge on the Lots and shall be a continuing lien upon the property against which each such Maintenance Assessment and other charges and assessments are made. Until January 1, 2003, the maximum annual Maintenance Assessment shall

be as follows: The sum of \$15.00 per acre or pro-rata portion of an acre per month; (for example if a lot is purchased containing 1.5 acres the maintenance assessment would be the sum of \$22.50 per month or \$270.00 annually). From and after January 1, 2003 the maximum annual Maintenance Assessment may be increased each year (beginning with the year January 1, 2003), by a vote of the Board of Directors of the Association, by an amount not in excess of ten percent (10%) of the maximum annual Maintenance Assessment for the previous year.

The Maintenance Assessment described herein and other charges or assessments described in this Declaration shall not apply to, Developer and/or all Lots owned by Developer, including Lots subsequently reacquired by developer, shall be exempt for the Maintenance Assessment charged to Owners, delinquent Maintenance Assessments charge to prior Owners on any reacquired Lots, and any lien created thereby so long as Developer shall own such Lot, and if Developer reacquires any Lot, any existing Lien, Notice of Lien, Judgment, or Judgment lien for delinquent maintenance, interest, attorney's fees and/or court costs is automatically terminated and null and void at the time of such reacquisition by Developer, by whatever means such reacquisition occurs.

Section 6.02. "Creation of Lien and Personal Obligation". In order to secure the payment of the Maintenance Assessment, and other charges and assessments hereby levied, a vendor's (purchase money)lien for the benefit of the Association, shall be and is hereby reserved in the deed from the Developer 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 Maintenance Assessment and other charges and assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Lot which may be foreclosed on by non-judicial 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.

Section 6.03. "Liens Subordinate to Mortgages". The liens described in this Article VI and the superior title herein reserved shall be deemed subordinate to a first lien or other liens of any bank, insurance company, savings and loan association, university, pension and profit sharing trusts or plans, or other bona fide, third party lender, including Developer, which may have heretofore or may hereafter lend money in good faith for the purchase or improvement of any Lot and any renewal, extension, rearrangement or refinancing thereof.

Section 6.04. "Purpose of the Maintenance Charge". The Maintenance Assessment levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners of the Subdivision and other portions of the Annexable Area which hereafter may become subject to the jurisdiction of the Association. The Maintenance Fund may be expended by the Association, to maintain the property values in the Subdivision, including, but not limited to, providing funds for the actual cost to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Area, etc. as may from time to time be authorized by the Association. Except for the Association's use of the Maintenance Charge to perform its duties described in this Declaration and in the Bylaws, the use of the Maintenance Charge for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Association as to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 6.07. "Exempt property". The following property subject to this Declaration shall be exempt from the Maintenance Charge and all other charges and assessments created herein; (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area, (c) all Waterway Areas, (d) Restricted Reserve "A"; and (d) all properties owned by the Developer or the Association or a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas; however, no land or improvements devoted to dwelling use shall be exempt from said Maintenance Charge.

Section 6.08. "Handling of Maintenance Charges". The collection and management of the Maintenance Assessment or other charge or assessment levied hereunder, shall be performed by the Association.

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ARTICLE VII

DEVELOPER'S RIGHTS AND RESERVATIONS

Section 7.01. "Period of Developer's Rights and Reservations". Prior to a transfer control date, the Developer may file a statement in the real Property records of Montgomery County, Texas, which expressly provides for the Developer's (i) discontinuance of the exercise of any right or prerogative provided for in this Declaration, to be exercised by Developer, or (ii) assignment to any third party one or more of developer's specific rights and prerogatives provided in the declaration to be exercised by Developer.

Section 7.02. "Right to Construct Additional Improvements in Common Area". Developer shall have and hereby reserves the right (without the consent of any other Owner), but shall not be obligated, to construct additional improvements within the Common Area at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in the increase of such Maintenance Charge. Developer shall, upon the Control Transfer Date, convey or transfer such improvements to the Association and the Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in this Declaration.

Section 7.03. "Developer's Rights to Use Common Areas in Promotion and Marketing of the Property and Annexable Area". Developer shall have and hereby reserves the right to reasonable use of the Common Area and of services offered by the Association in connection with the promotion and marketing of land within the boundaries of the Property and Annexable Area. Without limiting the generality of the foregoing, Developer may erect and maintain on any part of the Common Area such signs, temporary buildings and other structures as Developer may reasonably deem necessary or proper in connection with the promotion, development and marketing of land within the Property and Annexable Area; may use vehicles and equipment within the Common Area for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Property and Annexable Area, who are not owners or Members of the Association, to use the Common Area at reasonable times and in reasonable numbers; and may refer to the services offered by the Association in connection with the development, promotion and marketing of the Property and Annexable Area. Further, the Developer may establish Rules and Regulations for the use of the Common Areas in the Subdivision.

Section 7.04. "Effect on Annexable Area". The provisions of this declaration do not impose any restrictions whatsoever or otherwise encumber the Annexable Area, unless and until portions of the Annexable Area are made subject to the jurisdiction of this declaration by a separate instrument executed solely by the Developer or its successors and assigns and any lienholders, which instrument is recorded in the real Property Records of Montgomery County, Texas.

ARTICLE VIII

DUTIES AND POWERS OF THE PROPERTY OWNERS ASSOCIATION

Section 8.01. "General Duties and Powers of the Association". The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the Bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members, to maintain, improve and enhance the Common Areas and to improve and enhance the attractiveness, desirability and safety of the Subdivision and any portion of the Annexable Area which becomes subject to the jurisdiction of the Association. The Association shall have the authority to act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the Association as set forth in this Declaration.

-- Section 8.02. **"Duty to Manage and Care for the Common Area"**. The Association shall manage, operate, care for, maintain and repair all Common Areas and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the Common Areas shall include, but not be limited to the following: establishment, operation and maintenance of a security system, if any, for the Subdivision; landscaping, maintenance, repair and replacement of the Nature Trails; maintenance, repair and replacement of the drainage easements; mowing of street right-of-ways and other portions of the Subdivision; and management, maintenance, repair and upkeep of the Waterways and Common Areas.

Section 8.03. **"Duty to Levy and Collect the Maintenance Charge"**. The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

Section 8.04. **"Power to Adopt Rules and Regulations"**. The Association may adopt, amend, repeal and enforce rules and regulations ("**Rules and Regulations**"), fines, levies and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, Waterways, and the use of any other property, facilities or improvements owned or operated by the Association.

ARTICLE IX

GENERAL PROVISIONS

Section 9.01. **"Term"**. The provisions hereof shall run with all property in the Subdivision and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by not less than one-half (1/2) of the then Owners (including the Developer) of the Lots has been recorded agreeing to cancel, amend or change, in whole or in part, this Declaration.

Section 9.02. **"Amendments"**. This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or signed ballot of Owners (including the Developer) entitled to cast not less than one-half (1/2) of the votes of all of the Owners, in Riverwalk, Section 4. If the Declaration is amended by a written instrument signed by those Owners entitled to cast not less than one-half (1/2) of all of the votes of the Owners, in Riverwalk, Section 4, such amendment must be approved by said owners within three hundred sixty-five (365) days of the date the first Owner executes such amendment. The date an Owner's signature is acknowledged shall constitute prima facie evidence of the date of execution of said amendment by such Owner.

Section 9.03. **"Severability"**. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

Section 9.04. **"Liberal Interpretation"**. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

Section 9.05. **"Successors and Assigns"**. The provisions hereof shall be binding upon and inure to the benefit of the Owners, the Developer and the Association, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

Section 9.06. **"Effect of Violations on Mortgages"**. No violation of the provisions herein contained, or any portion thereof, shall effect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien, or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein

contained.

Section 9.07. "Terminology". All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein," "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear.

Section 9.08. "Effect on Annexable Area". The provisions of this Declaration do not impose any restrictions whatsoever or otherwise encumber the Annexable Area, unless and until portions of the Annexable Area are made subject to the jurisdiction of the Association by a separate instrument executed solely by Developer or its successors and assigns and any lienholder, which instrument is recorded in the Real Property Records of Montgomery County, Texas.

Section 9.09. "Developer's Rights and Prerogatives". Prior to the Control Transfer Date, the Developer may file a statement in the Real Property Records of Montgomery County, Texas, which expressly provides for the Developer's (i) discontinuance of the exercise of any right or prerogative provided for in this Declaration to be exercised by the Developer or (ii) assignment to any third party owning property in the Subdivision or Annexable Area, of one or more of Developer's specific rights and prerogatives provided in this Declaration to be exercised by Developer.

Section 9.10. "Electric Utility Service". Prior to beginning any construction on a Lot, each Lot owner, at his expense, shall be required to install electric service lines from the transformer or source of feed to the meter location on said Lot. Further, each Lot owner may expect to pay a charge for connection to such electric utility service, and the owner is obligated to contact the proper utility company to determine such charge and make arrangements for the installation of said service lines and connection to the electrical distribution system. Owner shall also be responsible for all charges for all utility service furnished to Owner's Lot.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand as of this 9th day of August, 2001.

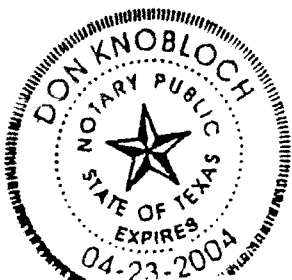
Riverwalk Ventures, Ltd., a Texas Limited Partnership, acting by and through its General Partner, Touriver, Inc., a Texas corporation
By: James L. Bailey
James L. Bailey, President

STATE OF TEXAS X

COUNTY OF HARRIS X

This instrument was acknowledged before me on the 9th day of August, 2001, by James L. Bailey, President of Touriver, Inc., a Texas corporation, General Partner for Riverwalk Ventures, Ltd., a Texas Limited Partnership.

Don Knobloch
Notary Public, State of Texas



After Recording Return To:
Don Knobloch
18 Augusta Pines Drive, Suite 220-C
Spring, Texas 77389

FILED FOR RECORD
01 AUG -9 PM 1:39
MARK TUMBLETT, CLERK
MONTGOMERY COUNTY, TEXAS
[Signature]
DEPUTY

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify that this instrument was filed in
file Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the official Public Records of Real Property of
Montgomery County, Texas

AUG - 9 2001



Mark Tumblett
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS