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DECLARATION OF RESTRICTIONS, COVENANTS, AND CONDITIONS
FOR GEMSTONE ESTATES SUBDIVISION

THE STATE OF TEXAS }
 }
MONTGOMERY COUNTY }

This Declaration of Restrictions, Covenants, and Conditions (sometimes hereinafter referred to as "Restrictions"), is made by Gemstone Estates, L.L.C., d/b/a Gemstone Estates (sometimes hereinafter referred to as "Declarant"), and witnesses that:

Whereas, Declarant is the owner of that certain 37.6570 acres of land situated in Montgomery County, Texas, and described on the Exhibit "A" attached hereto, which land has been subdivided into a subdivision known as Gemstone Estates, according to the map or plat of such subdivision recorded in Cabinet "I", Sheet 122, of the Map Records of Montgomery County, Texas; and

Whereas, it is the desire of Declarant to place certain restrictions, covenants, and conditions upon and against the Lots and Common Area covered by the Subdivision Plat in order to establish a uniform plan for the development, improvement, occupancy and use of the Lots situated in the Subdivision, and to ensure the preservation of such uniform plan for the benefit of the present and future owners of Lots in the Subdivision:

NOW THEREFORE, Declarant hereby declares, adopts, and imposes these Restrictions upon all of the Lots and Common Area situated in the subdivision known as Gemstone Estates, according to the recorded plat of such subdivision plat referenced above, for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision. These Restrictions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in any Lot and shall inure to the benefit of each Owner of any Lot.

These Restrictions do not apply in any manner to any areas designated on the Subdivision Plat as "Reserve" or "Unrestricted Reserve".

Section 1. "Administrator" shall mean Gemstone Estates Owners Association, its successors and assigns, or any substitute entity administering the maintenance fund.

Section 2. "Architectural Control Committee" or "the Committee", shall mean and refer to Gemstone Estates Architectural Control Committee, as provided for in these Restrictions.

Section 3. "Association" shall mean and refer to Gemstone Estates Owners Association, its successors and assigns.

Section 4. "Board of Directors" or "Board" shall mean the incumbent board of directors, from time to time, of Gemstone Estates Owners Association.

Section 5. "Builder-Owner" shall mean the Owner of a Lot who has purchased a Lot for the sole purpose of building Improvements on the Lot for resale to an Owner, and who is designated as a Builder-Owner on the business records of the Association.

Section 6. "Common Area" shall mean the Subdivision entrance improvements, the screening wall along the FM 1097 boundary of the Subdivision, and any landscaped areas within the right-of-way of streets or other areas designated by the Association.

Section 7. "Declarant" shall mean and refer to Gemstone Estates, L.L.C., d/b/a Gemstone Estates, its successors and assigns.

Section 8. "Improvements" shall mean and refer to any residential dwelling, garage, carport, swimming pool, boat slip, boat dock, boat house, pier, wall, fence or other structure or installation placed on or under any Lot or into Lake Conroe adjacent to any Lot.

Section 9. "Interior Lot" shall mean and refer to any of Lots 1 through 4, inclusive, of Block 2 of Gemstone Estates Subdivision.

Section 10. "Lake" shall mean and refer to Lake Conroe.

Section 11. "Lot" or "Lots" shall mean and refer to any lot or lots as shown on the Subdivision Plat.

Section 12. "Member" shall mean and refer to any person or entity holding a membership in the Association according to the Articles of Incorporation or By-Laws of the Association.

Section 13. "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. In the event of a contract for sale covering any Lot, the Owner shall be the purchaser named in the contract. Those persons or entities having a security interest in a Lot, or only an interest in the mineral estate in any Lot, are not an Owner for purposes hereof.

Section 14. "Private Streets" shall mean and refer to all streets situated in Gemstone Estates, as shown on the Subdivision Plat.

Section 15. "Required Subdivision Improvements" means the subdivision improvements which are required under the applicable regulations of Montgomery County, Texas, and are described in Article 2 of these Restrictions.

Section 16. "Reserve" shall mean and refer to any area designated on the Subdivision Plat as a "Reserve" or "Unrestricted Reserve".

Section 17. "Resident" shall mean and refer to any person occupying a Residential Dwelling within the Subdivision.

Section 18. "Residential Dwelling" shall mean and refer to the main residential dwelling on a Lot.

Section 19. "River Authority" or "SJRA" shall mean and refer to the San Jacinto River Authority.

Section 20. "Subdivision" shall mean and refer to the subdivision known as Gemstone Estates, as shown on the map or plat thereof recorded in Cabinet "I", Sheet 122, of the Map Records of Montgomery County, Texas.

Section 21. "Subdivision Plat" shall mean and refer to the map or plat of Gemstone Estates, as recorded in Cabinet "I", Sheet 122, of the Map Records of Montgomery County, Texas.

Section 22. "Water Company" shall mean and refer to Gemstone Estates Water Company, a private water utility system, its successors and assigns.

Section 23. "Waterfront Lot" shall mean and refer to any of Lots 1 through 27, inclusive, of Block 1 of Gemstone Estates Subdivision.

ARTICLE 2Required Subdivision Improvements

Section 1. Private Dedication. Certain subdivision improvements which are required by the subdivision regulations of Montgomery County, Texas ("Required Subdivision Improvements"), have been and are dedicated for the private use and benefit of the Owners of Lots within the Subdivision and the other classes of persons mentioned on the Subdivision Plat. The Association shall be responsible for the maintenance and upkeep of the Required Subdivision Improvements and shall be authorized to assess and collect a maintenance fee against the Lots and to expend funds so collected for such purposes.

Section 2. Private Streets. Streets which have been noted on the Subdivision Plat as "Private" are dedicated for the private use and benefit of, among others, Owners of Lots within the Subdivision and are maintained by the Association. Notwithstanding this private dedication, the dedication includes an easement covering the street area which permits the installation, operation and maintenance of water, sewer, electric, telephone, cable television or other such utilities by Montgomery County or others lawfully entitled to provide such services to the Subdivision property. The dedication also includes a right of access to public agencies engaged in both routine and emergency public services, including law enforcement, fire protection, medical response, inspection and code enforcement. The Association may make an offer of public dedication of the private streets if such dedication is authorized by the affirmative vote of a majority of Owners of Lots within the Subdivision. To be effective, an offered public dedication must be accepted by a formal vote of the governing body of the public entity which has jurisdiction over the streets. Until formally accepted, private streets which are offered for public dedication remain the responsibility of the Association.

Section 3. Open Spaces and Common Areas. The Association shall be responsible for open spaces and Common Areas within the Subdivision, which open spaces and Common Areas are dedicated for the use and benefit of Owners of Lots in the Subdivision

Section 4. Amendment of Article. The provisions of this Article 2 may not be amended without the express written consent of the Planning Commission of Montgomery County, Texas.

Section 5. Exercise of Maintenance and Assessment Powers. In the event the Association shall fail or refuse to adequately maintain the Required Subdivision Improvements described in this Article 2, Montgomery County shall be authorized, but not obligated, to exercise the assessment and maintenance powers provided for hereunder in place of the Association. In such event, Montgomery County may utilize the proceeds of the maintenance funds provided for herein to reimburse itself for funds advanced for the maintenance of the Required Subdivision Improvements.

Dedication of Streets and Easements

The Subdivision Plat dedicates for use the private streets and easements shown thereon and establishes minimum setback lines applicable to Lots in the Subdivision. All dedications, limitations, restrictions, and reservations shown on the Subdivision Plat are incorporated 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 other conveyance of any Lot or any part thereof, whether specifically referred to or not.

Section 1. Utility Easements.

- (a) All Lots are subject to the utility easements shown on the Subdivision Plat or designated in this Declaration.
- (b) No building or other structure shall be located upon any portion of any utility easement. However, the Owner of each Lot shall have the right to construct, use and maintain driveways and similar improvements across the utility easements located on the Lot.
- (c) With the prior approval of the Committee, the Owner of each Lot also shall have the right to construct, locate, keep and maintain driveways, walkways, steps, air conditioner units and equipment over, across or upon any utility easement along the side of the Lot (the 'Side Lot Utility Easement') and shall be entitled, at all times, to cross, have access to and use the improvements located thereon; however, any such improvements placed upon such Side Lot Utility Easement by the Owner shall be constructed, maintained and use at the Owner's risk and the location of such improvements shall not impede the natural flow of water across the Lot.

The Owner of each Lot subject to a utility easement shall be responsible for any and all repairs to the driveways, walkways, steps, air conditioner units and other equipment located upon such utility easement and which is caused by any utility company or cable television company in the course of installing, operating, maintaining, repairing, or removing its facilities located within the utility easement.

- (d) In addition to the utility easements shown on the Subdivision Plat, there is hereby dedicated an easement five feet (5') wide, extending from the surface of the ground downward, said easement being two and one-half feet (2.5') on each side of underground electric service lines as now or hereafter installed by Entergy Utility Company and will extend along the route selected for Entergy Utility Company's distribution facilities to the electric meter when and as located upon Lots and Reserves in the Subdivision. Entergy Utility Company shall have the right to excavate said easement strip and to move objects, structures, growth or protrusions therefrom.

- (e) The Owner of each Lot shall indemnify and hold harmless Declarant, utility companies and cable television companies having facilities located over, across or under utility easements from any loss, expense, suit or demand resulting from injuries to persons or damage to property in any way occurring, incident to, arising out of, or in connection with said Owner's installation, maintenance, repair or removal of any permitted improvements located within utility easements. Neither Declarant, nor any utility company or cable television company using the easements herein referred to, shall be liable for any damages done by them or their assigns, their agents, employees or servants to fences, shrubbery, trees, flowers or any other real or personal property of the Owner situated on the easement.

Section 2. Road and Street Easements. The streets in the Subdivision are not dedicated to the public, but shall be operated as private streets, with easement rights of ingress, egress and passage over and along said streets in favor of the Declarant, the Association, the Owners, the other classes of persons for whose benefit the roads and streets are dedicated in the Subdivision Plat, and their respective legal representatives, successors and assigns, guests, invitees, and the successors-in-title to each Owner of any Lot, but not in favor of the public.

Subject to the provisions of this Section, the private roads and streets in the Subdivision, as shown on the Subdivision Plat, are hereby dedicated as utility easements strictly for the purpose of constructing, operating, maintaining or repairing a system(s) of electric lighting, electric power, telephone lines, sanitary sewers, water lines, storm drainage (surface or underground), cable television, or any other utilities that the Declarant sees fit to install in, across or under said roads or streets. The use of the roads and streets as utility easements shall not be allowed to interfere with normal use of the roads and streets in the Subdivision as private roads and streets, except for temporary interruption for installation or repair of utility facilities in the streets..

Should any utility company or other party furnishing a service under the general easement herein provided request a specific easement by separate recordable document, Declarant, without the joinder of any other Owner, shall have the right to grant such specific easement on any property in the Subdivision which is covered by the general easement.

Declarant reserves the right during paving of the streets, construction of bulkheads, or the installation of utilities, to enter onto any Lot or Lots for the purpose of disposing of excavation material or for the removal of trees, if necessary.

Declarant reserves the right to grant additional ingress and egress easements along the roads and streets in the Subdivision to parties providing services to the Subdivision and to convey the roads and streets to the Association, subject to such restrictions and conditions as may be set forth herein and on the Subdivision Plat..

Notwithstanding the dedication of the roads and streets in the Subdivision as private streets, Declarant hereby grants to all law enforcement agencies having jurisdiction, to fire departments and their personnel, vehicles and equipment, to ambulances, to school buses, to Montgomery County and its official personnel, and to the authorized personnel or agents of the Association, the right of ingress, egress and passage upon the private roads and streets in the Subdivision for purposes of performance of their official functions.

Section 3. Common Areas. Any and all common areas shown on the Subdivision Plat of Gemstone Estates are dedicated for the use and benefit of all Owners of Lots and Reserves in the Subdivision, and in favor of the invitees and designees of each such Owner; subject, however, to such reasonable rules and regulations as may be imposed by the Association relating to the use of such Common Areas.

ARTICLE 4

Use Restrictions.

Section 1. Land Use and Building Type. All Lots shall be restricted in use and shall be used for single-family residential purposes only. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) single-family Residential Dwelling, along with a detached or attached fully enclosed garage for not less than two (2) nor more than four (4) cars, and a carport, swimming pool, boat facilities, or other related structures approved by the Architectural Control Committee. The parking spaces in the garage must be available for parking automobiles at all times, without any other use being made of the interior of said garage that would prevent parking automobiles therein. Such garage shall be constructed at the same time and with the same design, color and materials as the main dwelling must be an integral part of the overall residential structure. Occupancy of the Residential Dwelling shall not be authorized until the garage is complete. The Residential Dwelling shall not exceed a height of thirty-five (35') feet. The height shall be measured from where the highest point of the natural grade of the Lot abuts the structure, except where the slab must be elevated above the natural grade to achieve minimum slab elevation as required by the Architectural Control Committee, in which case the height shall be measured from the minimum slab elevation. A detached garage shall not exceed one story in height. However, if a bona fide servants quarters is constructed above the garage, the total height may not exceed the main Residential Dwelling in height or number of stories. No garage or servant's quarters or other permitted structure shall be erected or built on any Lot until construction of the main Residential Dwelling has begun, which construction must be completed within six (6) months after commencement. All detached garages must be connected to the main Residential Dwelling with a covered walkway having the same type and color of roof as the main Residential Dwelling.

As used herein, the term "residential purposes" shall be construed to prohibit the use of Lots for garage apartments or apartment houses; and no Lot shall be used for business or professional purposes of any kind, except as specified in this Section 1, nor for any commercial or manufacturing purpose. Each Residential Dwelling shall be used only as a single-family residence. The rental of a Residential Dwelling shall not be construed as a business. No building of any kind or character shall be moved onto any Lot within the Subdivision without written permission of the Architectural Control Committee. The use of a tent, house trailer, travel trailer, camper or motor home, for temporary or permanent residential purposes is prohibited, unless approved by the Committee.

Residential Dwellings may have one room designated as a home office. The intent of this provision is to allow for a home operated business that is based upon use of a computer/modem, and is not to be construed to permit a retail/consumer oriented business that would encourage or increase street traffic.

Section 2. Carports. Carports may be utilized and built only in addition to the required garage. The carport must be an integral part of the overall residential complex and must be constructed with the same design, color and materials as the main Residential Dwelling and garage. The parking or storing of vehicles in a carport shall be governed by the provisions of Section 22 hereof.

Section 3. Architectural Control. No improvements shall be erected, placed, installed, repaired or altered on any Lot until a plot plan and a current survey of the Lot showing the location of the improvements and the construction plans and specifications (including designation of exterior materials and colors) have been approved by the Architectural Control Committee. Plans shall be reviewed with respect to the location of Improvements in relation to topography and finished grade elevation and compliance with standards provided for herein. The Committee is authorized to grant variances if the variance is reasonable and if the Improvements are not inconsistent with the general scheme and harmony of the Subdivision development.

Section 4. Dwelling Size. The minimum total living area of the main Residential Dwelling on any Lot, exclusive of open porches, garages, carports, and servants quarters, shall be 2,000 square feet. The Committee shall approve the square footage on the first floor if the main Residential Dwelling is more than one story in height.

Section 5. Construction Materials and Landscaping.

Main Residential Dwellings, garages and carports shall have at least thirty percent (30%) masonry construction, or its equivalent, on the exterior wall area. Masonry includes stucco. The masonry minimum may be waived by the Committee.

No roofing material shall be used on any building in any part of the Subdivision without the written approval of the Committee. All roofing material must be applied in accordance with the manufacturer's specifications.

Any Landscape plans must be approved by the Committee before work commences.

All roof ventilators (other than ridge ventilators) shall be located to the rear of the roof ridge line and/or gable of any structure and shall not extend above the highest point of such structure, so as not to be visible from the street frontage of the Lot. The Committee shall have the right to approve exceptions to the foregoing in cases where energy conservation and heating/cooling efficiency require ventilators that, because of the particular roof design, cannot be hidden from view.

Roof vents, vent stacks, galvanized roof valleys and other roof items must be painted to match the roof material color. Roof items that appear on cedar shingle roofs must be painted in a color tone that matches a weathered cedar shingle. Galvanized roof valleys must be primed before painting to insure the prevention of peeling.

Section 6. Building Location. No main Residential Dwelling, garage or carport, nor any part thereof, shall be located nearer to any Lot line than the minimum building lines as shown on the Subdivision Plat, nor within 75' from the waterfront lot line of any Waterfront Lot, nor within 100' from the street frontage of any Waterfront Lot. However, at such time as plans are submitted to the Committee for approval, the Committee may require that the main Residential Dwelling, garage or carport be located at a greater distance from the rear Lot line than the building line shown on the Subdivision Plat. No main Residential Dwelling, garage or carport, or other out-building of any kind, shall be located nearer than 5 feet from any side Lot line. Eaves, steps and open porches shall be considered as a part of a structure and no portion of any structure shall encroach upon another Lot.

The Committee may approve deviations or grant variances of the building location requirements which are not conditions of the Subdivision Plat; provided, the variance or deviation does not alter the scope and intention of these Restrictions. The Owner shall make a written request to the Committee for a variance or deviation.

On Waterfront Lots, an arbor or other out-building or structure which has been approved by the Committee may be constructed between the waterfront Lot line and the main Residential Dwelling. Said arbor or other out-building or structure shall contain no more than six hundred (600) square feet of area. All materials and colors used in constructing any such out-building or other such structure shall be in harmony with the main Residential Dwelling.

Section 7. Slab Requirements. All building foundations on any Lot shall consist of a concrete slab, unless the Committee approves a different type of foundation when circumstances, such as topography of the Lot make it impractical to use a concrete slab. The finished slab elevation for all structures shall be above the 100-year flood plain as determined by Commissioner's Court of Montgomery County, Texas, the Montgomery County Engineers Office, or other applicable governmental authority. All Waterfront Lots shall have a minimum slab elevation of 207 feet due to the flowage easement around Lake Conroe. The Committee does not determine whether the structural integrity of a slab is adequate. Structural engineering and soil investigation advice should be obtained by Owners of Lots in regard to proper slab design.

Section 8. Annoyances or Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall there be any activity on any Lot which may become an annoyance or nuisance to the residents of the Subdivision. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be used or placed on a Lot. Activities especially prohibited include, but are not limited to, the following:

- (a) The performance of work on automobiles or other vehicles upon a Lot or in driveways or streets abutting Lots, except as permitted in Section 21 of this Article.
- (b) The use or discharge of firearms within the Subdivision.
- (c) Activities which may be offensive by reason of odor, fumes, dust, smoke, or other pollution, or which are hazardous by reason of excessive danger of fire or explosion.

Section 9. Temporary Structures. No structure of a temporary character, whether a motor home, recreational vehicle (RV), travel trailer, mobile home trailer, tent, shed, or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, without approval of the Committee.

Portable toilet facilities shall be placed at the site of all Residential Dwellings during construction. Upon approval of the Committee, a contractor or Builder-Owner building a Residential Dwelling on a Lot may place a temporary construction office on the Lot.

Section 10. Signs and Billboards. No signs, billboards, posters, or advertising devices of any character, shall be placed or maintained on any Lot without the express written consent of the Association. The Declarant, Lot Owners and Builder-Owners may place and maintain such signs as are customary for advertising the sale or rental of property, but such sign shall not be more than two feet by three feet in size. The Association or Declarant, or their agents, shall have the right to remove any sign not complying with the above referenced policy and in so doing, shall not be liable for trespass or other tort in connection with or arising from such removal.

Section 11. Oil and Mining Operations. No water drilling, oil/gas drilling or mining or quarry operations of any kind shall be permitted upon any Lot.

Section 12. Garbage and Waste. No Lot shall be used for the open storage of rubbish, trash, garbage or other waste materials of any kind, except as permitted herein or as may be temporarily permitted by the Committee. All household garbage awaiting collection must be kept in sanitary containers made of metal or plastic, with covers or lids, or in plastic bags with tops tied shut. No Lot shall be used for the open storage of any materials whatsoever, except that new building materials used in the construction of improvements erected upon any Lot will be permitted upon such Lot until the completion of the Improvements, after which these materials shall either be removed from the Lot or stored in a garage or suitable enclosure on the Lot. Neat and orderly accumulation of a reasonable amount of firewood is not prohibited by this Section 12.

Section 13. Electric Distribution System. The type of electric service supplied to Lots will be alternating current at approximately 60 cycles per second, single phase, three wire, 102/240 volts, and will be furnished by Entergy Utility Company from the electric distribution system to be installed by Entergy Utility Company. The locked rotor current of any electric motor connected to this service will be limited in accordance with the standard service practices of Entergy Utility Company.

Only underground electrical service shall be available for Lots and no above ground electric service wire shall be installed to serve any main Residential Dwelling or other structure, except Declarant may allow overhead service lines on the FM 1097 boundary of the Subdivision. It is required that individual underground electrical service drops be installed to each Residential Dwelling and Owners must comply with Entergy Utility Company's policy regarding such underground service installations. Owners shall ascertain the location of electric service drops on their Lot and keep the area over the route of said service drops free of excavations and clear of structures, trees and other obstructions. Entergy Utility Company, its successors and assigns, may install, maintain, repair, replace and remove said underground service drops and perform any work reasonably necessary for such purposes. No payment will be due or made to Lot Owners for such use or activity.

Declarant hereby reserves the right to grant upon, across and over each Lot an easement and license along the street frontage boundary of each Lot, to the width of three feet measured from the street frontage boundary of each Lot, for the purpose of erection, construction, maintenance, repair and the continuous operation of an electrical lighting system to serve the entire Subdivision.. This reserved right is expressly reserved on behalf of and for the benefit of Declarant and any public utility company, including but not limited to Entergy Utility Company. This reserved right includes the right of Declarant and the public utility company to enter upon Lots to clear, grade and remove obstructions, including trees, brush and other growth that the Declarant or the public utility company deems necessary in order to effectuate the construction, erection, maintenance and operation of the overall Subdivision electrical lighting system hereby contemplated.

Declarant or any public utility company entering upon any Lot for the purpose of construction, installation, maintenance, repair and operation of the overall Subdivision electrical lighting system described above shall not be deemed to have trespassed in any respect upon the Lot or the rights of the Owner of the Lot. Each Owner, by acceptance of a deed to a Lot in the Subdivision, acknowledges the existence of this reserved right for the benefit of all Lots in the Subdivision. Neither Declarant nor any utility company acting under the easement license or rights referred to herein shall be liable for any damages done by their agents, employees or servants to any fences, shrubbery, trees, flowers or any other property of a Lot Owner situated on said 3' wide easement.

Section 14. Walls, Fences and Hedges. All walls, fences and hedges on Lots must be approved by the Committee. Except as otherwise provided herein, all walls and fences must be of wood, masonry, or ornamental iron construction, and shall be in color and of a design approved by the Committee. The Committee may grant variances upon written request by the Owner. Pilasters which are in harmony with the main Residential Dwelling shall be used in conjunction with all ornamental iron fences. Patio areas which are connected to the main Residential Dwelling may be enclosed with a fence or wall, and plans and specifications shall be submitted to the Committee as in the case of other structures.

All wooden fences shall be constructed of material to be approved by the Committee, and shall be built so the finished side of the fence faces the street or adjacent Lots. Fences and walls are discouraged where views to Lake Conroe are hindered.

No chain link fences shall be erected, placed or permitted to remain on any Lot. No fence shall be installed which will impede the natural flow of drainage across the Lot. The Declarant may construct fencing ten feet in height at the entrance to the subdivision and along the FM1097 boundary of the Subdivision.

Ownership of any wall, fence or hedge erected as a protective screening on a Lot shall pass with title to the Lot, and it shall be the Owners responsibility to maintain said protective screening. In the event of default on the part of the Owner or occupant of any Lot to maintain said protective screening and such failure continues for ten days after written notice thereof, the Association, at its option, without liability to the Owner or occupant, may enter upon said Lot and cause said protective screening to be repaired or maintained, or do any other thing necessary to secure compliance with these Restrictions so as to place said protective screening in satisfactory condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the Lot to pay for any such work immediately upon receipt of an invoice therefor. Any payments by the Association for any such work shall be secured by a lien for the benefit of the Association in the same manner as the lien for maintenance charges payable in accordance with Article 8 hereof.

Section 15. Mailboxes. The Declarant and/or the Committee shall have the right to approve the design, location and materials for mail boxes within the Subdivision.

Section 16. Utilities. Improvements situated on a Lot shall be connected to the water and sewer lines as soon as practicable after such lines are available to the Lot. The installation and use of any propane, butane, LP gas or other gas tank, bottle or cylinder of any type (excluding those normally associated with outdoor barbecue grills) shall require the prior written approval of the Committee and shall be screened from public view. All telephone, cable TV, or other service lines shall be installed underground.

Section 17. Views, Obstructions and Privacy. In order to promote the aesthetic quality of "view" within the Subdivision, and particularly the views of Lake Conroe, the Committee shall have the right to approve the following items when placed on a Lot :

- (a) Exterior lighting and lighting fixtures;
- (b) Flagpoles, flags, pennants, streamers, wind socks and weather vanes;
- (c) Exterior storage sheds or other out-buildings;
- (d) Fire and burglar alarms which emit lights and sounds;
- (e) Children's outdoor playground or recreational equipment;
- (f) Outdoor ornamental statuary, sculpture and/or yard art.

Section 18. Prohibited Items. In addition to prohibited items otherwise referred to in these Restrictions, the following items are prohibited on any Lot:

- (a) Clotheslines and other exterior clothes drying devices;
- (b) Above ground swimming pools;
- (c) Window unit air conditioners;

Section 19. Lot Maintenance. The Owners or occupants of all Lots shall at all times keep all weeds, grass and other growth thereon cut and trimmed in a reasonably neat 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 the construction of Improvements as permitted by these Restrictions. The accumulation or garbage, trash or rubbish of any kind is prohibited and no burning of trash or rubbish is permitted.

In the event of default on the part of the Owner or occupant of any Lot in observing any of the above requirements, and such default continues after ten (10) days written notice thereof, the Association may, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause such weeds, grass and other growth to be cut or trimmed and remove any accumulated garbage, trash or rubbish or do any other thing necessary to secure compliance with these Restrictions in order to place said Lot in a neat, attractive, healthful and sanitary condition. The Association may charge the Owner or occupant of such Lot for the cost of such work and the Owner or occupant agrees by the purchase or occupancy of the Lot to pay such statement immediately upon receipt thereof, such payments to be made to the Association in the same manner as the maintenance charges under Article 8 hereof.

The digging of dirt or removal of dirt from any Lot is expressly prohibited, except as may be necessary in conjunction with landscaping or construction of Improvements on such Lot. Unless approved by the Committee, no trees larger than six (6) inches in diameter at the base of the tree shall be cut or removed except to provide room for construction of Improvements, to prevent a hazard to the structural integrity of the slab, or to remove dead or unsightly trees. However, all trees within fifty (50) feet of the waterfront shall be trimmed of all limbs within eight (8) feet of ground level at the base of the tree.

During the construction of Improvements, the Owner is required to remove and haul all trees, stumps, limbs, branches, and debris from the Lot. Declarant, during the construction of the water, sewer, drainage facilities and streets, may burn and dispose of by other methods, the trees, stumps, underbrush and other trash cleared during the construction process, and Declarant may enter upon any Lot or Lots for such purposes.

No Owner or contractor may enter upon the Lot adjacent to the Lot on which he is building for the purpose of ingress or egress to his Lot during or after construction unless such adjacent Lot is also owned by such Owner, or such Owner has written approval from the adjacent Lot Owner. Any such approval must be furnished to the Committee. All adjacent Lots shall be kept free of any trees, underbrush, trash, rubbish and/or any other building debris during construction of Improvements on any Lot.

Section 20. Motor Vehicles. No unlicensed motor vehicles shall be allowed in the Subdivision. No motor bikes, motorcycles, motor scooters, "go-carts", or other similar vehicles shall be allowed to be operated in the Subdivision if, in the sole judgment of the Association such operation, by reason of noise, fumes emitted, or manner of use, constitutes a nuisance or jeopardizes the safety of Owners or occupants and their families.

Section 21. Storage and Repair of Automobiles, Boats, and other Vehicles. No motor vehicles shall be parked or stored on any part of any Lot, easement, right-of-way, driveway, or other area, except passenger automobiles, passenger vans, RVs, or pickup trucks that: are in operating condition, have current license plates and inspection sticker; and are in daily use as motor vehicles on the streets and highways of the State of Texas. No non-motorized vehicle, trailer, boat, marine craft, hover craft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, easement, right-of-way, driveway or other area unless approved by the Committee, except boats and boat trailers temporarily parked in connection with contemporaneous use on Lake Conroe..

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 any Lot. If a complaint is received about a violation of this provision, the Association will be the final authority on the matter. This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of Subdivision facilities or Improvements on a Lot. No Owner or occupant of any Lot, or visitor or guest of any Owner or occupant, shall be permitted to perform work on automobiles or other vehicles in driveways or streets other than temporary work of an emergency nature.

Section 22. Antennae and Satellite Dishes. No antenna or device for receiving or transmitting any television or radio signal of any type shall be erected, constructed, placed or permitted to remain on any Lot, Residential Dwelling, garage or other building unless approved by the Committee. Any marine radio antenna must be attached to the main Residential Dwelling and only one such antenna per Lot shall be permitted. In all cases, no antenna shall be erected as a free standing or guyed structure. No antenna of any type shall be permitted on a Lot which extends more than ten (10) feet above the roof of the main Residential Dwelling on said Lot. The Committee's decision shall be final.

Unless approved by the Committee, no satellite dish may be located on any Lot between the main Residence Dwelling and the front of said Lot. A satellite dish may not exceed ten feet in diameter and must be mounted as close to the ground as practical. However, in no event may the top of the satellite dish be higher than six feet from the grade level of the ground. All dishes shall be of one solid color of black or earth tones of brown, grey, or tan. The expanded metal type dish is recommended. No multi-colored dishes shall be permitted. No advertising or the printing of names of any type shall be permitted on dishes and no more than one satellite dish shall be permitted on each Lot. No transmitting device of any type which would cause electrical or electronic interference in the Subdivision shall be permitted. Architectural approval is required prior to the installation of any satellite dish. The Association reserves the right to seek the removal of any satellite dish or related device that was installed without first obtaining approval pursuant to these Restrictions.

Section 23. Solar Panels. Architectural approval is required prior to the installation of any solar panels and the Association reserves the right to require the removal of any solar panel that was installed without first obtaining approval of the Committee.

Section 24. Pets. No horses, cows, hogs, poultry, or livestock of any kind may be kept on any Lot. Usual household pets in a reasonable number are permitted, but should such pets become a nuisance, in the judgment of the Association, they must be removed from the Subdivision. No pets are to run at large and must be kept in a fenced yard, or on a leash when walking with the Owner or occupant of a Lot.

Section 25. Drainage. Each Owner of a Lot agrees that he will not in any way interfere with the established drainage pattern over his Lot from adjoining Lots or other Lots in the Subdivision. Any changes necessary in the established drainage pattern must be included on the Owner's plans and specifications for Improvements when submitted to the Committee for approval. Each Owner or occupant agrees that he will take all necessary steps to provide for additional drainage of his Lot in the event it becomes necessary. Established drainage is defined as drainage that existed at the time the Subdivision Plat was recorded.

In the event of construction of Improvements on any Lot, the Owner must provide a drainage plan to the Committee for approval. No pockets or low areas may be left on the Lot where water will stand following a rain or during normal yard watering.

Section 26. Walkways/Sidewalks No walkways or sidewalks shall be constructed across the front of any Lot nor across the side of any corner lot without approval from the Committee. Walkways may be constructed between the street adjacent to the front of the Lot and the front entrance of the Residential Dwelling constructed on the Lot.

Section 27. Curb and Driveway Maintenance. The Owner or occupant of a Lot shall at all times keep the entrance lip, driveway curbs, curb ties, and curbs along the street adjacent to his Lot in a good state of repair and appearance. In the event of any default by the Owner or other occupant of a Lot in observing the above requirements, and such default continues after thirty (30) days' written notice thereof to the Owner or occupant, the Association or its designated agents may enter upon said Lot, without liability to the Owner or occupant in trespass or otherwise, and make such repairs as are deemed necessary by Declarant or the Association to place such driveway entrance items and street curb in

the required state of repair and appearance. The Association may charge the Owner or occupant of such Lot for the cost of such work and such charge, together with interest thereon at the highest rate permitted by applicable law and all costs of collection, including reasonable attorney's fees, shall be secured by a lien for the benefit of the Association. Said lien shall be deemed subordinate to the lien or liens of any bank, insurance company or other institutional lender, which hereafter lends money for the construction or permanent financing of improvements on the Lot; provided, however, that said lien shall not be extinguished by any foreclosure sale or other extinguishment of a senior lien but shall remain in force and effect until paid or released by the Association.

Concrete curbs that are chipped, cracked or broken during the construction of improvements are to be repaired or replaced by the Builder/Owner or Owner of the Residential Dwelling on each Lot prior to occupancy thereof. Chipped curbs may be repaired with an "epoxy grout" mixture. Where several chipped curbs appear in the same area, the entire section of curb (i.e., driveway to driveway) must be overlaid with the "epoxy grout" mixture. Cracked or broken curbs shall be saw cut on both sides of the crack or break and the cracked or broken area removed, reformed and poured, using five-sack concrete mix to match existing curb.

Section 28. Driveways. Driveways may be built of brick, stone, concrete, asphalt or other materials approved by the Committee. All concrete driveways shall be constructed with quality grade concrete (4.5 sacks cement per cubic yard) and be reinforced with a minimum of #6 (6" X 6") welded wire mesh. Asphalt shall be 1.5" Type "D" modified asphalt with a six inch (6") compacted limestone (or approved equal) base material.

Driveways width shall be a minimum of nine (9) feet. If more than one driveway is constructed on a Lot, such driveways shall be separated by a minimum distance of at least twenty (20) feet. Driveways shall be constructed so as to minimize normal street flooding from entering upon the adjoining Lot accessed by the driveway. The Committee shall have the right to approve the location of driveways on a Lot.

Driveways connecting into the Subdivision streets shall be saw cut when constructing the concrete driveway. An expansion joint shall be installed at each saw cut and at the property line. Any repairs to the curb made necessary because of the driveway shall be made during construction.

ART 4

Section 29. Swimming Pools. No swimming pool may be constructed on any Lot without the prior written consent of the Committee. Two sets of plans and specifications for the proposed pool shall be submitted to the Committee including a plot plat showing the location and dimensions of the pool and related equipment, together with the plumbing and excavation disposal plan. All swimming pools on Waterfront Lots shall be located no nearer to the waters of Lake Conroe than the setback line shown on the Subdivision Plat. Swimming pool drains shall be piped into the Lake or the street in front of the Lot. In no case shall the street curb be broken or cut to facilitate a pool drain without the prior written approval of the Committee. Excavation required for swimming pools shall be hauled from the Lot to a place outside the Subdivision, unless otherwise approved by the Committee.

Section 30. Boat Docks, Piers and Boat Slips. In addition to approval by the Committee, all plans for boat docks, boat sheds, piers and boat slips must be approved in writing by the San Jacinto River Authority and any other governmental agency having jurisdiction.

No boat dock, boat slip, boat shed, pier, bulkhead or other structure may be installed or constructed at the Lake Conroe boundary of a Lot without approval of the Committee. Such structure must conform to the Committee's predetermined plan. Request to construct any such structure shall be in writing to the Committee and must be accompanied with complete plans and specifications. The Committee shall act upon such request as with other structures.

Ownership of any boat dock, boat slip, boat shed, pier, bulkhead or other structure installed on a Lot (including the bulkheading installed by the Declarant) shall pass with title to the Lot, and it shall be the responsibility of the Owner to maintain such waterfront improvement thereafter. In the event of default on the part of the Owner or occupant of any Lot in maintaining said items and such failure continuing after thirty (30) days written notice thereof, the Association may, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause said items to be repaired or otherwise placed in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of a Lot to pay such statement immediately upon receipt thereof and further agrees that any such payments by the Association shall be secured by a lien for the benefit of the Association in the same manner as the maintenance charge payable in accordance with Article 8 hereof.

ARTICLE 5

Special Restrictions for Waterfront Lots

Section 1. Any boat dock, boat slip, boat shed, pier, bulkhead or other structure constructed at the waterfront of a Waterfront Lot shall not extend into Lake Conroe more than twenty-five feet (25') from the Lot line. A boat slip may be constructed at an indentation into a Lot or a bulkhead may be constructed at the water's edge with a boat dock, boat shed, or pier; provided, that the plans and specifications therefor have been approved by the Committee and the requirements of the San Jacinto River Authority have been met and a permit for such construction has been issued by the SJRA.

Section 2. Any cover or roof on a boat slip shall be a low profile cover and shall be earth tone in color.

Section 3. All boat docks or boat sheds shall be built with a flat roof with approved railings, or shall have a roof with a pitch of a ratio of no more than one to four. The roofing material used on the boat dock or boat shed shall be identical to the roofing material used on the main Residential Dwelling. No boat dock or boat shed shall exceed one story in height and all such structures shall be open in appearance. Each Lot shall be permitted only one boat dock or boat shed, and no more than two boat stalls may be located under the roof of the boat dock or boat shed. All boat docks or boat sheds shall be earth tone in color.

ARTICLE 6

Architectural Control Committee

Section 1. Approval of Improvements. No Improvements shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the Improvements have been submitted to and approved in writing by the Architectural Control Committee. A copy of the construction plans and specifications and a plot plan, together with such other information as may be deemed pertinent, shall be submitted to the Committee or its designated representative prior to commencement of construction.

Failure of the Committee to act within thirty (30) days following date of submission of the required plans and specifications shall constitute approval by the Committee. The Committee may charge a reasonable fee to cover the administrative expense of its review and comment, such fee to be payable to the Association. A current Lot survey prepared by a registered public surveyor in the State of Texas shall be submitted to the Committee prior to pouring the foundation of any building or other improvement that is to be erected, placed or altered on any Lot.

Section 2. Committee Membership. The Declarant, in its sole discretion, shall appoint the initial members of the Architectural Control Committee, which will consist of (3) members, none of whom shall be required to be residents of Gemstone Estates. The Architectural Control Committee shall act independently of Gemstone Estates Owners Association.

Section 3. Replacement. In the event of death or resignation of any member of the Committee, the Declarant shall appoint a successor member, and until such successor member shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans submitted to the Committee. In the event the Declarant fails to appoint successor members for any reason, the Association shall make such appointments.

Section 4. Minimum Construction Standards. The Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve only as a minimum guideline and may be amended from time to time.

Section 5. Disclaimer. Committee approval of plans and specifications, or Committee publication or designation of architectural standards shall never be construed as representing or implying that such plans and specifications will result in a properly designed or engineered structure or satisfy any legal requirements.

Section 6. Non-Liability for Committee Action. No member of the Committee or the Association's Board of Directors, or the Declarant, or their successors or assigns, shall be liable for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Committee. The Committee's approval of any improvements shall not be construed as approval of the improvements from the standpoint of safety, whether structural or otherwise, or a determination of compliance with building codes or other governmental laws or regulations.

ARTICLE 7

Owners Association

Section 1. Membership. The Declarant shall cause an Owners Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The purpose of the Association in general shall be to provide for and promote the health, safety, and welfare of the Members, to collect the Subdivision maintenance charges provided for under these Restrictions, to administer the maintenance fund, to provide for the maintenance, repair, preservation, upkeep and protection of the Common Area and the overall facilities serving the Subdivision, and for such other purposes as may be stated in the Articles of Incorporation and By-Laws of the Association which are consistent with the purpose of these Restrictions, including any supplements or amendments hereto.

The Owners Association shall consist of all the Owners of Lots in Gemstone Estates Subdivision. The name of the Association shall be Gemstone Estates Owners Association. Each Owner of a Lot shall be a Member of such Association, but each Lot shall be entitled to only one (1) vote at meetings of Members. The Association shall be governed by a Board of Directors and the Declarant shall name and select the initial members of the Board of Directors. The initial members of the Board of Directors shall serve for a term of three (3) years and thereafter until their successor is duly elected and qualified.

The Association may adopt such By-Laws, rules and regulations as it deems appropriate and which are consistent with these Restrictions.

The Declarant shall be a Member of the Association so long as Declarant owns legal title to any Lot in the Subdivision.

ARTICLE 8Maintenance Fund

Section 1. Use of Maintenance Fund. Each Lot in Gemstone Estates shall be subject to an annual maintenance charge to establish a maintenance fund ("the Fund") to be used for the purposes of maintaining all open space and Common Areas, maintenance of private streets, paths, parks, esplanades, street lights, storm water facilities, vacant lots, fogging, employing policemen and workmen, paying ad valorem taxes on all Common Areas, costs of administration of the Fund and other costs necessary or desirable in the opinion of the Administrator of the Fund, and to otherwise maintain or improve the Subdivision and its facilities in a manner considered to be a general benefit to the Owners or occupants of the Lots covered by these Restrictions. Such Fund may also be used for the purpose of enforcement of all provisions of these Restrictions. The amount of the maintenance charge shall be set by the Administrator of the Fund from time to time, subject to the limitations contained herein. In the event the Association shall fail or refuse to adequately maintain the privately dedicated subdivision improvements described in these Restrictions, Montgomery County shall be authorized, but not obligated, to exercise the assessment and maintenance powers in place of the Association. In such event, the appropriate Montgomery County officials may utilize the proceeds in the Fund to pay for or reimburse itself for the payment of any item of expense contemplated by this Section 1.

Declarant shall collect and maintain control over the Fund and administer same until all of the Lots In Gemstone Estates are sold by Deed or Contract for Sale, or until January 1, 1998, which ever event comes first, unless Declarant at some earlier date elects to assign all of its rights to administer the Fund to the Association. After all Lots have been sold by Declarant, the Association formed pursuant to these Restrictions shall be the only party authorized to collect and administer the maintenance Fund.

The initial maintenance charge shall be \$240.00 per year and the maintenance charge shall be due and payable annually in advance on January 1 of each calendar year. The maintenance charge will not accrue against any Lot in which the legal and/or equitable title is vested in Declarant, notwithstanding that a Lot may have been previously sold by a Deed or Contract and title thereto reverted back to Declarant. During the time that the Fund is administered by the Declarant, the charge may be increased, but no more than once each twelve months, and no annual increase shall be more than five percent (5%) of the amount of the maintenance charge for the immediately preceding calendar year. However, after the Association assumes administration of the Fund, the Association may adjust the annual maintenance charge pursuant to the rules and regulations of the Association. The annual assessment per Lot may be increased by the Association when it assumes administration of the Fund, in accordance with its by-laws. Interest on past due maintenance charges shall accrue at the highest rate allowable by law from date of delinquency and the payment of such maintenance charge shall be secured by a lien in favor of the Association to insure payment of such maintenance charge. In the event it becomes necessary to employ legal counsel to collect past due maintenance charges, such delinquent Lot owners shall be responsible for reasonable attorney's fees and other reasonable costs incurred in such collection efforts, including all costs of court in any legal proceeding. No Owner may waive or otherwise escape liability for the maintenance charge provided for herein by non-use of the Common Area or abandonment of his Lot.

The Administrator of the Fund shall have the sole discretion as to how the money in the Fund is used to comply with the purposes of this Article 8. During all times that Declarant is the Administrator of the Fund, it shall maintain the proceeds in a bank account separate and apart from all other bank accounts of Declarant and shall keep accurate records of all receipts and disbursements. In the event Declarant is compelled to advance its own monies to defray expenses required for maintenance of the facilities and payment of other items contemplated to be paid out of the Fund, Declarant shall be entitled to reimburse itself at any time that the Fund is able to repay.

Section 2. Enforcement of Maintenance Fee Collection. Each assessment for the maintenance fund which is not paid when due shall incur a late fee of Twenty Five Dollars (\$25.00), or ten percent (10%) of the amount due, whichever is greater. Each such assessment and late fee, if not paid when due, plus interest at the highest legal rate permitted by law, together with costs of collection (including reasonable attorneys fees), shall be the personal obligation of the Owner of the Lot at the time the assessment was made and shall be secured by the lien as provided herein.

A lien is hereby reserved against each Lot in the Subdivision to secure payment of the maintenance fund established hereby (whether or not specifically reserved in the deed or contract by which the Declarant shall convey such Lots), for the benefit of the Declarant or Association. Said lien may be enforced through appropriate proceedings at law by the Association; provided, however, that such lien shall be secondary, subordinate, and inferior to all liens, present and future, given, granted and created by or at the instance and request of the Owner of any Lot to secure the payment of monies advanced or to be advanced for the construction of improvements on the Lot, but only to the extent that any such maintenance fund charge is accrued and unpaid prior to foreclosure of any superior lien.

Section 3. Term of Maintenance Fees. The above maintenance charges and assessments will remain effective for the full term of these Restrictions, or any extension thereof.

Section 4. Collection after Default by Purchaser. It is expressly provided that any Lot sold to persons or entities by the Declarant by contract for sale of land, or deed with lien and note, or other instrument, and the purchaser later defaults in the contract or note payments in any manner and said Lot is repossessed, foreclosed or such contract is canceled by Declarant, its successors or assigns, the Association will release its right to collect the past due maintenance charges, assessments and penalties on such Lot from the Declarant. Nothing herein contained shall relieve the party in default from whom the Lot was repossessed from his personal obligation to pay such delinquent charges, assessments and penalties to the Association.

ARTICLE 9

Entry Gate

Section 1. Location. The entrance way to the Subdivision shall have a gate to be installed by Declarant. This gate will be electronically operated and will control access to the Subdivision. The right to determine the location and specifications of the gate shall be within the sole discretion of Declarant.

Section 2. Control. The Declarant, its agents, employees, and invitees, shall always have unimpeded access through such gate and entry way to conduct the business affairs of Declarant. The Association shall control access through such entry way and gate by Owners and occupants, their guests and invitees.

Section 3. Maintenance. Maintenance and operation of the entry gate and entry way shall be an expense to be paid by the Association from the maintenance Fund.

ARTICLE 10

General Provisions

Section 1. Term. These Restrictions shall run with the land and shall be binding upon all parties and persons claiming under them for a period of forty (40) years from the date these Restrictions are recorded, at which expiration date the Restrictions shall be automatically extended for successive periods of ten (10) years each.

Section 2. Amendment. These Restrictions may be amended at any time after the expiration of five (5) years from the date hereof by the vote of seventy-five percent (75%) of the Owners of the Lots. Such amendment shall be evidenced by a document executed and acknowledged by the required seventy-five (75%) percent of Lot Owners and shall be effective when such amendment is duly filed for record.

Section 3. Enforcement. The Declarant, the Association, the Architectural Control Committee, and all Lot Owners are authorized to prosecute proceedings at law or in equity against any person or persons violating or attempting to violate any provision of these Restrictions.

Section 4. Severability. Invalidation of any provision of these Restrictions by judgment or other court order shall in no way affect any of the remaining provisions.

Section 5. Merger and Subdivision of Lots. Upon application in writing by an Owner or Owners of adjoining Lots, the Committee may authorize the consolidation of adjoining Lots into a single building site; provided, however, the single building site resulting from such Lot consolidation shall be subject to these Restrictions to the same extent as any Lot hereunder. No consolidation of Lots shall be allowed unless approved by the Committee, and the Committee's decision shall be final. Such plats and plans as may be necessary to show any consolidation of Lots shall be prepared at the expense of the requesting Owner or Owners, who shall additionally be responsible for all costs, including legal fees, associated with the consolidation of such Lots. In addition, the side Lot utility easement, if any, must be abandoned or released in accordance with applicable law. From and after the time a consolidation of Lots is approved, the resulting single Lot shall, for all purposes, be considered one Lot in accordance with its new boundaries.


Section 6. Corrected Plats. Until the time a Lot within the Subdivision is transferred by the Declarant to a third party (other than a Builder-Owner, an affiliate of the Declarant, or a holder of a first mortgage on the entire Property), no Owner of any Lot shall have any rights whatsoever to the continuation of any covenants, conditions or restrictions on such Lot. Until the time a Lot is transferred by the Declarant as aforementioned, the Declarant may revoke or cancel any plat or other instrument which might be deemed, either expressly or impliedly, to impose any covenants, conditions or restrictions on any portion of the Subdivision.

Section 7. Joinder of Lienholder. The undersigned lienholder on the land covered by the Subdivision joins in the execution of this document for the purpose of evidencing its agreement to the provisions of these Restrictions, and said lienholder further agrees that future amendments of these Restrictions which are accomplished by the procedures set forth herein may be effected without its consent.

Section 8. Amendment By Declarant. Declarant shall have the right to make amendments, modifications or changes to these Restrictions without the joinder of any Owner or any other party, for the purpose of correcting any typographical errors or inconsistencies that may be found herein.


EXECUTED this 13th day of November, 1996.

GEMSTONE ESTATES, L.L.C.
A Texas limited liability company

By: 
Gem B. Childress,
President and General Manager

LIENHOLDER:

Coastal Banc sb

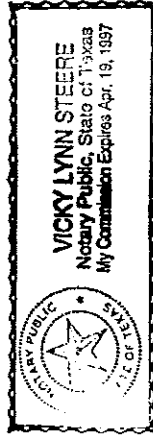
By: 
David R. Graham,
Executive Vice President

STATE OF TEXAS }
 }
COUNTY OF BRAZOS }

SUBSCRIBED AND SWORN TO before me, the undersigned Notary Public, by Gem B. Childress, who stated to me that he is the incumbent President and General Manager of Gemstone Estates, L.L.C., and that he executed the foregoing document in the capacity therein stated and as the act and deed of said business entity.

Vicky Lynn Steere

Notary Public for
the State of Texas

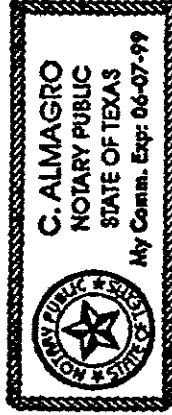


STATE OF TEXAS }
 }
COUNTY OF HARRIS }

SUBSCRIBED AND SWORN TO before me, the undersigned Notary Public, by David R. Graham, who stated to me that he is the incumbent Executive Vice President of Coastal Banc ssb, and that he executed the foregoing document in the capacity therein stated and as the act and deed of said business entity.

C. Almagro

Notary Public for
the State of Texas



212-00-0765

EXHIBIT "A"

BEING a 37.6570 acre tract of land in the Owen Shannon Survey, A-36, Montgomery County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" iron rod found for the Southeast corner of the herein described tract. Same being the Southeast corner of that certain 38.540 acre tract known as Tract Two, recorded in Volume 871, Page 424, Deed Records, Montgomery County, Texas:

THENCE N 89° 33' 19" W, a distance of 2861.18 feet to a 1/2" iron rod set for corner on the east right-of-way (R. O. W.) line of E. M. Highway 1097;

THENCE N 16° 28' 37" E, along said east R. O. W. line, a distance of 212.03 feet to a concrete monument found for corner;

THENCE N 17° 14' 56" E, along said east R. O. W. line, a distance of 112.51 feet to a concrete monument found for corner;

THENCE N 25° 13' 26" E, along said east R. O. W. line, a distance of 153.61 feet to a concrete monument found for corner;

THENCE N 28° 51' 37" E, along said east R. O. W. line, a distance of 321.46 feet to a concrete monument found for corner;

THENCE N 31° 40' 11" E, along said east R. O. W. line, a distance of 333.14 feet to a concrete monument found for corner;

THENCE N 35° 31' 24" E, along said east R. O. W. line, a distance of 323.94 feet to a 5/8" iron rod set for corner;

THENCE N 76° 23' 00" E, leaving said east R. O. W. line of Highway 1097, a distance of 23.95 feet to a point for corner on the 201' contour line;

THENCE with the following meanders of said 201' contour line to points for corner;

S 05° 24' 01" W	-	190.80 feet
S 51° 03' 00" E	-	213.80 feet
S 30° 46' 00" E	-	224.40 feet
N 84° 17' 00" E	-	204.50 feet
S 67° 27' 00" E	-	258.60 feet
S 01° 22' 00" E	-	71.20 feet
N 82° 22' 00" E	-	170.00 feet
S 87° 57' 00" E	-	67.90 feet
S 77° 03' 00" E	-	104.30 feet
S 70° 35' 00" E	-	150.40 feet
S 81° 32' 00" E	-	96.70 feet
S 62° 35' 00" E	-	67.70 feet
S 51° 09' 00" E	-	148.50 feet
S 38° 43' 00" E	-	90.70 feet
S 16° 49' 00" E	-	118.10 feet
S 03° 52' 00" E	-	164.30 feet
S 58° 58' 00" E	-	71.70 feet
S 34° 06' 22" E	-	65.65 feet
N 05° 15' 25" E	-	43.03 feet
N 50° 32' 00" E	-	93.80 feet
S 71° 04' 00" E	-	69.30 feet
S 83° 38' 00" E	-	91.80 feet
S 79° 29' 00" E	-	97.00 feet

THENCE S 70° 48' 00" E, a distance of 183.70 feet to the POINT OF BEGINNING and containing 37.6570 acres of land, more or less.

Return to: ✓

Michael G. Whalen
Attorney at Law
2901 Wilcrest, Suite 105
Houston, TX 77042

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 Record at Real Property of
Montgomery County, Texas.

NOV 20 1996



Mark Turbott
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

FILED FOR RECORD

95 NOV 20 PM 2:45

MARK TURBOTT, CO. CLERK
MONTGOMERY COUNTY, TEXAS

DEPUTY