

ANNEXATION AND SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
for
BALMORAL, SECTION NINETEEN (19)
A SUBDIVISION IN HARRIS COUNTY, TEXAS

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

WHEREAS, Balmoral LT, LLC, a Texas limited liability company ("**Developer**"), caused the instrument entitled "Declaration of Covenants, Conditions and Restrictions for Balmoral" to be recorded in the Official Public Records of Real Property of Harris County, Texas, under Clerk's File No. RP-2017-139910 (the "**Declaration**"), which instrument imposes various covenants, conditions, restrictions and easements on the Property (as defined in the Declaration); and

WHEREAS, additional land was thereafter annexed and made a part of the Property and subjected to the provisions of the Declaration and the jurisdiction of Property Owners Association of Balmoral, Inc. (the "**Association**") by Supplemental Declarations of Covenants, Conditions and Restrictions duly recorded in the Official Public Records of Real Property of Harris County, Texas; and

WHEREAS, the Declaration was amended by instrument entitled "First Amendment to Declaration of Covenants, Conditions and Restrictions for Balmoral" recorded in the Official Public Records of Real Property of Harris County, Texas on July 19, 2017 under Clerk's File No. RP-2017-322534 (the Declaration, as amended, hereinafter still referred to as the "Declaration"); and

WHEREAS, the Declaration was further amended by instrument entitled "Second Amendment to Declaration of Covenants, Conditions and Restrictions for Balmoral" recorded in the Official Public Records of Real Property of Harris County, Texas on January 31, 2018 under Clerk's File No. RP-2018-41325 (the Declaration, as amended, hereinafter still referred to as the "Declaration"); and

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WHEREAS, the Declaration was further amended by instrument entitled "Third Amendment to Declaration of Covenants, Conditions and Restrictions for Balmoral" recorded in the Official Public Records of Real Property of Harris County, Texas on February 26, 2018 under Clerk's File No. RP-2018-78248 (the Declaration, as amended, hereinafter still referred to as the "Declaration"); and

WHEREAS, the Declaration was further amended by instrument entitled "Fourth Amendment to Declaration of Covenants, Conditions and Restrictions for Balmoral" recorded in the Official Public Records of Real Property of Harris County, Texas on November 27, 2018 under Clerk's File No. RP-2018-531446 (the Declaration, as amended, hereinafter still referred to as the "Declaration"); and

WHEREAS, Article IX, Section 9.18, of the Declaration provides that, for a period of twenty (20) years after the date the Declaration is recorded, additional land may be annexed to the Property and subjected to the provisions of the Declaration and the jurisdiction of the Association by Developer, without the consent of the members of the Association; and

WHEREAS, Balmoral LT 168, LLC, a Texas limited liability company, is the owner of the land known as Balmoral, Section Nineteen (19), a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 690621 of the Map Records of Harris County, Texas [**"Balmoral, Section Nineteen (19)"**] and, therefore, Declarant as to Balmoral, Section Nineteen (19); and

WHEREAS, Article IX, Section 9.7, of the Declaration, as amended, provides that the Declaration may be amended by Developer without the joinder or consent of any other party at any time prior to the end of the Developer Control Period, as long as the amendment to the Declaration is not materially inconsistent with the residential character of the Subdivision; and

WHEREAS, the Developer Control Period has not expired; and

WHEREAS, Developer, with the consent of Declarant, desires to annex Balmoral, Section Nineteen (19) and subject Balmoral, Section Nineteen (19), to the provisions of the Declaration and

the jurisdiction of the Association and at the same time amend certain provisions in the Declaration with respect to Balmoral, Section Nineteen (19).

NOW, THEREFORE, Balmoral, Section Nineteen (19), is hereby annexed and subjected to all of the easements, covenants, conditions and restrictions set forth in the Declaration, as amended, and the jurisdiction of the Association by virtue of this "Annexation and Supplemental Declaration of Covenants, Conditions and Restrictions for Balmoral, Section Nineteen (19), a Subdivision in Harris County, Texas" ("**Supplemental Declaration**"), which Declaration and Supplemental Declaration will run with the land comprising Balmoral, Section Nineteen (19), and be binding on all parties who may now or hereafter have or claim any right, title or interest in Balmoral, Section Nineteen (19), or any part thereof, and on the heirs, executors, administrators, successors and assigns of such parties, regardless of the source of or the manner in which any such right, title or interest is or may be acquired.

Provided that, notwithstanding anything in the Declaration to the contrary, the provisions set forth below will be applicable to Balmoral, Section Nineteen (19). In the event of a conflict between a provision in the Declaration and a provision in this instrument relating to Balmoral, Section Nineteen (19), the provision in this instrument will control.

I.

DEFINITIONS

Capitalized terms used in this instrument have the same meanings as that ascribed to them in the Declaration, unless otherwise indicated. Additional capitalized terms used in this instrument have the meanings set forth below:

- A. **Party Wall** - A wall constructed on or adjacent to the common Lot line for two (2) adjacent Townhouse Lots which separates two (2) adjacent Townhouses while, at the same time, serving as a perimeter wall for each Townhouse.
- B. **Perimeter Fence** - Each fence constructed or to be constructed by Declarant in an area along an outer perimeter of Balmoral, Section Nineteen (19). A Perimeter Fence may be constructed in a Reserve or along the outer edge of a Private Alley, all as determined to be appropriate by Declarant. The type

and design of a Perimeter Fence to be constructed in a particular area will be determined by Declarant. All Perimeter Fences constructed by Declarant will be maintained, repaired and replaced by the Association. Provided that, so long as the Developer Control Period exists, a replacement Perimeter Fence must be the same as the Perimeter Fence originally constructed by Declarant at that location in terms of materials, design and height.

- C. **Private Alley** - Each twenty foot (20') Private Alley shown on the plat for Balmoral, Section Nineteen (19).
- D. **Townhouse** - The Townhouse constructed on a Townhouse Lot for single family residential use. A Townhouse will have one (1) or two (2) immediately adjoining Townhouse(s). A Townhouse may not exceed two (2) stories in height. Unless otherwise indicated by context, "Townhouse" includes the Townhouse Lot on which the Townhouse is located.
- E. **Townhouse Assessment** - The assessment payable to the Association by the Owners of each Townhouse Lot as provided in Article VIII of this instrument.
- F. **Townhouse Lot** - Each of the Lots shown on the plat for Balmoral, Section Nineteen (19).

II.

PRIVATE ALLEYS

Within Balmoral, Section Nineteen (19), are numerous twenty foot (20') Private Alleys. All of the Private Alleys will hereafter be conveyed by Declarant to the Association. The future maintenance and repair of the Private Alleys will be the responsibility of the Association and the Association, acting through the Board of Directors, is vested with the authority to determine whether the Private Alleys, or any portion of them, are in need of maintenance and repair and the scope and manner of effecting any maintenance and/or repair work deemed to be necessary. When determining whether the Private Alleys are in need of maintenance and/or repair or the scope and manner of effecting any maintenance and/or repair work deemed to be necessary, the Board of Directors of the Association is obligated to act reasonably and in good faith to the end that the Private Alleys are maintained substantially to the same standard that they existed at the time of original construction. The cost of maintaining and repairing the Private Alleys (other than minor

maintenance and repair work) will be borne by the Owners of the Townhouse Lots through the Townhouse Assessment, as provided in Article VIII of this instrument.

The Private Alleys are restricted for the exclusive purpose of providing vehicle ingress to and egress from the Townhouse Lots. The paved portion of a Private Alley may be less than twenty feet (20'); nevertheless, restrictions on the use of the Private Alleys will be applicable to all paved and unpaved portions of the Private Alleys. Private Alleys may be one-way. Declarant may initially designate the direction in which traffic must flow on Private Alleys. After there ceases to be a Townhouse Lot owned by Declarant or a Builder, the Association will have the authority to determine the direction in which traffic must flow on Private Alleys. No vehicle of any kind may be parked in a Private Alley, or any portion thereof, for any length of time. No Private Alley may be obstructed in any manner, nor may vehicle ingress to or egress from a Townhouse Lot through a Private Alley be wholly or partially impaired. A vehicle parked in a Private Alley may be towed at the direction of the Association in accordance with applicable law. Further, if any object or item of personal property is placed in any portion of a Private Alley, the Association has the authority to remove and dispose of the object or item of personal property without liability to any party.

III.

VEHICLE PARKING

Unless otherwise approved by Declarant at the time of original construction, each Townhouse Lot must have parking spaces for four (4) vehicles, as provided in this Article. Except as otherwise approved by Declarant, each Townhouse will have a garage capable of housing two (2) vehicles and a driveway between the Private Alley and the garage that is sufficient for parking two (2) vehicles. The spaces in the garage on a Townhouse Lot are required to be used for vehicle parking unless the Owner or occupant of the Townhouse Lot has only one (1) vehicle that is regularly parked on the Townhouse Lot, in which event an extra space in the garage may be used for some other purpose, such as storage of personal property. Provided that, a parking space in the garage may not be used for some other purpose, such as storage, if the result is that a vehicle owned or operated by the Owner or occupant of the Townhouse Lot is regularly parked on the driveway. The express objective of this Article is to minimize vehicle parking on driveways to the greatest extent possible through the use of both spaces in the garage for vehicle parking. In no event is it permissible to convert a garage or any portion of a garage on a Townhouse Lot into living space.

A vehicle may not be parked on the driveway of a Townhouse Lot in a manner that results in a portion of the vehicle extending into the Private Alley (whether the paved or unpaved portion of the Private Alley). A vehicle must be parked on the driveway of a Townhouse Lot such that the vehicle is entirely within the boundaries of the Townhouse lot.

NOTICE IS GIVEN THAT THERE MAY NOT BE DESIGNATED GUEST PARKING SPACES WITHIN BALMORAL, SECTION NINETEEN (19), OR THAT, IF THERE ARE DESIGNATED GUEST PARKING SPACES, THE NUMBER OF SPACES MAY BE VERY LIMITED. Consequently, the primary area for a guest to park his/her vehicle is on the driveway of the Townhouse Lot that is owned or occupied by the person the guest is visiting.

IV.

EXTERIOR IMPROVEMENTS

Notwithstanding any provisions in the Declaration or the Design Guidelines to the contrary, the following provisions are applicable to all Townhouse lots in Balmoral, Section Nineteen (19):

- A. Trees. There will be no street trees in Balmoral, Section Nineteen (19). However, each Townhouse Lot is required to at all times have one (1) tree in the front yard of the Townhouse Lot. A front yard tree is required to be planted prior to the first conveyance of the Townhouse Lot subsequent to substantial completion of a Townhouse on the Townhouse Lot. A front yard tree must be a specie that is included in the Preferred Plant List set forth in the Design Guidelines and it must be at least a fifteen (15) gallon tree at the time it is planted. If a front yard tree is subsequently replaced, the replacement tree must comply with the requirements set forth in this section. Tree and plant requirements are further addressed in Section F of this Article, below.
- B. Elevation Repetition. Elevations must be staggered to create diversity. The same front elevation may not be used for adjacent Townhouses or for Townhouses that are across the street from one another.
- C. Fences. A fence on a Townhouse Lot is generally prohibited. In no event is a fence permitted on a Townhouse Lot unless it has been approved in writing by the Committee prior to construction. Provided that, the Committee may refuse to

approve the construction of a fence on a Townhouse Lot for any reason, including purely aesthetic reasons.

- D. Roof Pitch. As approved by Declarant, the pitch for the roof of a Townhouse that faces a street may be a minimum of 5:12.
- E. Masonry. Townhouses on Townhouse Lots that are adjacent to an entrance to Balmoral, Section Nineteen (19), or a major thoroughfare are not required to have a greater percentage of masonry than other Townhouses in Balmoral, Section Nineteen (19).
- F. Landscaping. The plant requirements for the Townhouse Lots are as follows:

building width	66'	88'	110'	132'
	3 pack	4 pack	5 pack	6 pack
1 gallon	25	35	45	55
3 gallon	20	25	30	35
15 gallon (tree)	3	4	5	6

V.

ASSOCIATION MAINTENANCE SERVICES

The Association is required to maintain, repair and replace the roofs, the foundations, and the exterior building surfaces of the Townhouses, and the landscaping in designated areas of the Townhouse Lots, to maintain a uniform appearance, as more particularly set forth in this Article.

- A. Roofing and Roof Systems. The Association will repair, maintain, and replace the roofs within the reasonable discretion of the Association, acting by and through its Board. The "roofs", as used herein, means only the exterior surfaces of the roof constituting the roofing shingles, the underlay beneath the shingles, the decking materials, the flashing and any guttering attached to the roofing eaves. The Association is not required to maintain, repair, or replace any trusses, beams or any portion of the structure supporting the roof. If any part of the roof which is the responsibility of the Owner to repair or replace is not timely and/or properly repaired or replaced by the Owner of the Townhouse, the Association has the right, but not the obligation, to perform the necessary work and 110% of the cost of such repair and/or replacement, plus a reasonable administrative fee, will be charged against the Townhouse for which the work was performed. The amount charged

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will be due upon receipt and, if not paid within ten (10) days, the amount due will be assessed against the Townhouse and the Owner of the Townhouse, which assessment will be secured by the lien against the Townhouse established in Article V of the Declaration. The Association, its Board, officers or agents, are not responsible or liable to any Owner or other occupant for any damage to the interior of the Townhouse or contents thereof (including the attic space) resulting from roof leaks or water penetration unless the damage results from the willful acts or gross negligence of the Association. In no event is the Association liable for repair or replacement of any consequential or incidental damage to the interior of the Townhouse which may result, whether foreseen or unforeseen, from any repair or replacement work performed by the Association or its employees, agents or contractors.

- B. Foundations. The Association will maintain and repair the foundations of all Townhouses as reasonably determined to be necessary and appropriate by the Board of Directors of the Association. The Association, its agents, employees and contractors, will have reasonable access to the interiors of the Townhouses as necessary to investigate and repair foundation problems. The Association, its Board, officers or agents, are not responsible or liable to any Owner or other occupant of a Townhouse for any damage to the interior of a Townhouse or contents thereof resulting from a foundation problem or the repair of a foundation unless the damage results from the willful acts or gross negligence of the Association. Items for which the Association has no responsibility or liability (absent willful acts or gross negligence) include, without limitation, interior cracks in walls, ceilings or floor coverings or the replacement of floor coverings which must be removed to effect necessary foundation repairs.
- C. Exterior Building Surfaces. The Association will repair, maintain and replace the exterior building surfaces as reasonably determined to be necessary and appropriate by the Board of Directors of the Association. Exterior building surfaces include the building components which constitute the most outward portion of the building exterior, whether wood or Hardiplank (or similar material), exterior siding, brick, stucco, and related exterior trim, including the painting (if applicable) of the foregoing materials. The Association does not have any responsibility to maintain, repair, or replace any portion of the structure of the Townhouse (including studs

within the walls), or any insulation materials whatsoever. If any of such items which are the responsibility of the Owner require repair or replacement, and the Owner of the Townhouse fails or refuses to repair or replace same, the Association has the right, but not the obligation, to perform the necessary work and 110% of the cost of such repair and/or replacement, plus a reasonable administrative fee, will be charged against the Townhouse and the Owner of the Townhouse for which the work was performed. The amount charged will be due upon receipt and, if not paid within ten (10) days, the amount due will be assessed against the Townhouse and the Owner of the Townhouse, which assessment will be secured by the lien against the Townhouse established in Article V of the Declaration. The Association, its Board, officers or agents, are not responsible or liable to any Owner or other occupant for any damage to the interior of the Townhouse or contents thereof resulting from any water leaks or penetration unless same has resulted from the willful acts or gross negligence of the Association. In no event is the Association liable for repair or replacement of any consequential or incidental damage to the interior of the Townhouse which may result, whether foreseen or unforeseen, from any repair or replacement work performed by the Association or its employees, agents or contractors.

- D. Exterior Doors, Garage Doors, Windows and Fixtures. The Association will paint the exteriors of the exterior doors and garage doors and exterior window trim in connection with the repainting of the exteriors of the Townhouses. Provided, however, that the Owners will always be responsible for replacing or repairing the exterior doors, garage doors, and windows and window frames (and all related hardware or fixtures relating thereto) at the Owner's sole cost and expense. If, during the performance of its maintenance or repair responsibilities, it becomes apparent to the Board of Directors of the Association that a door, window or garage door is in need of repair or replacement, the Owner will be so notified in writing and the Owner will be required to repair or replace same in a timely fashion so as to allow the Association the ability to complete its exterior maintenance responsibilities and painting. If such Owner fails or refuses to repair or replace same, the Association has the right, but not the obligation, to perform the necessary work and 110% of the cost of such repair and/or replacement, plus a reasonable administrative fee, will be charged against the Townhouse and the Owner of the Townhouse for which work is

performed. The amount charged will be due upon receipt and if not paid within ten (10) days, the amount due will be assessed against the Townhouse and the Owner of the Townhouse, which assessment will be secured by a lien against such Townhouse established in Article V of the Declaration.

- E. Landscaping. The yard area of each Townhouse Lot will be maintained by the Association. As used herein, "yard area" means the area in front of each Townhouse and, in the case of a Townhouse Lot having a side yard between the Townhouse and a Reserve, all or a portion of the side yard, as determined to be appropriate by the Association. The yard area includes trees, landscape beds, and shrubs. Maintenance of the yard area of a Townhouse Lot by the Association may include mowing, trimming, fertilizing, mulching, limited insect and disease control of grass and landscaping, and any other maintenance that the Board of Directors of the Association, in its sole discretion, deems necessary and appropriate. It is the responsibility of the Owner of each Townhouse Lot to regularly water any area of the Owner's Townhouse Lot and any landscaping that is not covered by an irrigation system controlled by the Association. Pedestals, transformers, cable boxes and the like in the yard area will be screened from view by evergreen landscaping maintained by the Association. The cost of maintaining the yard areas of the Townhouse Lots will be borne by the Owners of the Townhouse Lots through the Townhouse Assessment, as provided in Article VIII of this instrument. Declarant reserves for the Association a perpetual easement upon and across each Townhouse Lot for the purpose of maintaining the yard area of each Townhouse Lot as provided in this section. By virtue of these easements, the Association and its agents, employees and contractors, have the right and authority to go upon each Townhouse Lot for the purpose of performing all work related to the maintenance of the yard area of each Townhouse Lot.
- F. Irrigation Systems. The Association will maintain and control all components of irrigation systems for watering the yard areas and landscaping on the Townhouse Lots maintained by the Association, including but not limited to, the timers, to the exclusion of the Owners. Such maintenance may include the repair and/or replacement of any and all components of such irrigation systems, as determined necessary in the sole discretion of the Board. The cost associated with such maintenance, repair and replacement of irrigation systems and related components

will be an expense payable through the Townhouse Assessment. Provided, however, in the event that an Owner or an occupant of a Townhouse Lot for whom the Owner of the Townhouse is responsible causes damage to the irrigation system and related components servicing the Owner or occupant of a Townhouse Lot, any expense incurred by the Association to perform the necessary repair or replacement work will be the responsibility of the Owner of such Townhouse Lot. The cost of such repair and/or replacement will be charged against the Owner and the Townhouse Lot for which work is performed. The amount due will be due upon receipt and if not paid within ten (10) days, the amount due will be assessed against the Townhouse Lot and the Owner of the Townhouse Lot, which assessment shall be secured by a lien against the Townhouse Lot established in Article V of the Declaration. Notwithstanding anything contained herein to the contrary, each Owner has the obligation to pay for all water usage costs which are separately metered for the Owner's Townhouse Lot.

- G. Easement Granted to Association. The Association and its designees are hereby granted a perpetual non-exclusive easement upon and across all of the Townhouse Lots for the purpose of going onto each Townhouse Lot to perform maintenance, repair, replacement, or other work authorized in this Article. Said easement will be over, across, under, and upon all of the Townhouse Lots. If it becomes necessary for the Association or its designees to enter into a Townhouse to perform the services described herein, the Board, except in the case of an emergency and to the extent practicable, must give the affected Owner of the Townhouse fifteen (15) days written notice setting forth the action intended to be taken by the Association. Such entrance by the Association may not be unreasonably withheld by the affected Owner of the Townhouse. In the event of an emergency, the Association has a right of entry without prior notice to the Owner.

VI.

MAINTENANCE OBLIGATIONS OF OWNERS OF TOWNHOUSE LOTS

All maintenance, repair and/or replacement work related to the Townhouse and Townhouse Lot, other than that provided by the Association in the preceding Article, is the sole responsibility of the Owner, as provided in this Article.

- A. Landscaping. All areas of a Townhouse Lot and all landscaping on a Townhouse Lot that are not maintained by the Association, as provided in Article V, Section E, must be regularly maintained by the Owner of the Townhouse Lot.
- B. Structural and Building. The Owner of each Townhouse must maintain in proper working order and on a continuing basis, all structural and building items that are not specifically identified as an Association responsibility. Such structural items include framing, roof structure (except for decking), walkways, driveways, patios and the like.
- C. Townhouse Utilities. The Owner of each Townhouse must maintain in proper working order and on a continuing basis all Townhouse sanitary sewer lines and facilities, water pipelines, Townhouse water meters and related water lines (save and except the irrigation components addressed hereinabove) and facilities, electrical and gas lines, meters and facilities, telephone and any other telecommunication lines, devices or facilities, and all other facilities, utilities and services which exclusively service each Townhouse, regardless of the location thereof. Utilities which provide service to more than one Townhouse must be maintained, repaired and replaced by all of the Owners of the multiple Townhouses served, pro rata, or in such other proportions as determined by the Board upon written request when the circumstances clearly demonstrate that a different manner of allocation is required.
- D. Other items. The Owner of each Townhouse must maintain any other exterior item that is not specifically identified as an Association responsibility, such as the exterior light fixtures and light bulbs, air conditioning of a Townhouse, as well as any lines, pipes, ducts, and wall penetrations. The Owner is also solely responsible for the interior of the Townhouse.
- E. Party Walls.
1. General Rules. Except as otherwise provided in this section, the responsibility for the maintenance and repair of a Party Wall is the joint responsibility of the Owners of the adjacent Townhouses. The cost to maintain and repair a Party Wall must be shared equally by the Owners of the adjacent Townhouses. General rules of law regarding Party Walls and liability for property damage due to negligence and willful acts or omissions will apply.

2. Damage or Destruction. If a Party Wall is damaged or destroyed by fire or other casualty and such damage is covered by the property insurance policy maintained by the Association, the insurance proceeds will be used by the Association to repair or reconstruct the Party Wall. If the insurance proceeds do not cover the entire cost to repair or reconstruct the Party Wall, the cost not covered by insurance proceeds must be shared equally by the Owners of the adjacent Townhouses.
3. Individual Liability. An Owner of a Townhouse who, by his negligence or willful act, causes a Party Wall to be damaged or exposed to the elements must bear the entire cost of performing whatever work is necessary to repair the Party Wall and protect the Party Wall from the elements.
4. Right of Contribution. The right of an Owner of a Townhouse to contribution from the Owner of an adjacent Townhouse relating to the Party Wall separating the two (2) Townhouses is appurtenant to the land and will pass to the Owner's successors in title.
5. Disputes. In the event of a dispute relating to a Party Wall or any provision in this Section E (the "**Dispute**"), the parties must submit the Dispute to mediation. If the parties are unable to agree on a mediator within ten (10) days after written request from the Board to select a mediator, the Board has the authority to select a mediator. If the Dispute is not resolved by mediation, the Dispute will be resolved by binding arbitration. Either party may demand and thereby initiate the arbitration. The parties must agree upon an arbitrator within ten (10) days of the date that a party demands arbitration and notify the Board of the name of the arbitrator. If the parties are unable to agree on an arbitrator within such ten (10) day period, the Board has the authority to select an arbitrator. The decision of the arbitrator will be binding upon the parties and will be in lieu of any right of legal action that either party may have against the other. In the event an Owner fails to properly and on a timely basis (both standards to be determined by the Board in the Board's sole and absolute discretion) implement the decision of the mediator or arbitrator, as applicable, the Board may implement said mediator's or arbitrator's decision, as applicable. If the Board implements

the mediator's or arbitrator's decision on behalf of an Owner, the Owner otherwise responsible therefor will be personally liable to the Association for all costs and expenses incurred by the Association in conjunction therewith. If such Owner fails to pay such costs and expenses upon demand by the Association, such costs and expenses (plus interest from the date of demand until paid at the rate of one and one-half percent (1-1/2%) per month or the maximum non-usurious rate, whichever is less) will be assessed against and chargeable to the Owner's Townhouse Lot. Any such amounts assessed and chargeable against a Townhouse Lot hereunder will be secured by the liens reserved in the Declaration for Assessments and may be collected by any means provided in the Declaration for the collection of Assessments.

Maintenance and repair work must be performed consistent with this instrument and the Declaration and in conformity with the standards of the Subdivision.

VII.

INSURANCE

A. Insurance Maintained by the Association. The Association must at all times maintain property insurance on all of the Townhouses and related improvements, insuring against loss or damage by fire and loss or damage by all risks embraced by standard extended coverage policies in use in the State of Texas in an amount not less than the full insurable replacement cost of all of the Townhouses. The full insurable replacement cost of all of the Townhouses will be determined each year by the Board of Directors of the Association. If an appraisal is necessary to make the determination, the cost of the appraisal will be an expense borne by all of the Owners of the Townhouse Lots through the Townhouse Assessment.

1. Requirements. Property insurance carried by the Association must provide that:
 - a. the insurer waives its right to subrogation under the policy against an Owner of a Townhouse Lot;

- b. no action or omission of an Owner of a Townhouse Lot will void the policy or be a condition to recovery under the policy;
- c. if, at the time of a loss under the policy, there is insurance in the name of an Owner of a Townhouse Lot covering the same property covered by the policy, the Association's policy provides primary insurance; and
- d. the insurer issuing the policy may not cancel or refuse to renew the policy less than thirty (30) days after written notice of the proposed cancellation or non-renewal has been mailed to the Association.

- 2. Claims. A claim for any loss covered by the property insurance policy maintained by the Association must be submitted by and adjusted with the Association. The insurance proceeds for that loss will be payable to an insurance trustee designated by the Association for that purpose, if the designation of an insurance trustee is considered by the Board of Directors of the Association to be necessary or desirable, or otherwise to the Association and not to any Owner of a Townhouse Lot or lienholder. The insurance trustee or the Association will hold insurance proceeds in trust for Owners of Townhouse Lots and lienholders as their interests may appear. The proceeds paid under the policy must be disbursed first for the repair or restoration of the damaged Townhouse(s), and the Owners of Townhouse Lots and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored.
- 3. Costs in Excess of Insurance. If the cost of repair or replacement is in excess of the insurance proceeds, the Association may levy an assessment against each of the Owners of the Townhouses that were damaged or destroyed pro rata on the basis that the cost of repair or replacement of a particular Townhouse bears to the total cost to repair or restore all Townhouses affected by the loss. Any such assessment levied against the Owner of a Townhouse that was damaged or destroyed will be charged against the Owner and the Owner's Townhouse Lot and secured by the lien against the Townhouse established in Article V of the Declaration.

4. Deductible. The amount of the deductible under the Association's property insurance policy may change from time to time, as approved by the Board of Directors of the Association. Payment of costs incurred before insurance proceeds are available will be as follows:

- a. in the event a loss or damage originates from a condition outside a Townhouse, but the loss or damage was not caused by an Owner of the Townhouse or the Association, and the cost to repair the Townhouse is less than the deductible, the party responsible for the repair of the Townhouse will be in accordance with the provisions of this instrument.
- b. in the event a loss or damage covered by the Association's property insurance policy is caused wholly or partly due to an act or omission of an Owner or the guest or invitee of an Owner, including tenants and occupants of the Owner's Townhouse, such Owner will be liable for:
 - (i) the full amount of any deductible on the Association's insurance policy, and
 - (ii) any other expense in excess of insurance proceeds.

The Owner (or tenant) must also submit a claim with his or her individual insurance carrier for any loss resulting from such actions.

Such expenses will be assessed against the Owner and the Owner's Townhouse.

- c. the Owner is liable for the full deductible on the Association's property insurance policy in the event that:
 - (i) the loss originates within the Owner's Townhouse or results from unknown causes within the Townhouse (regardless of fault or negligence); or
 - (ii) the cause of the loss cannot be determined and is only related to the Owner's Townhouse (regardless of fault or negligence).

The deductible will be assessed against the Owner and the Owner's Townhouse.

- d. in the event more than one (1) Townhouse is involved in any insured loss, and the cause of the damage cannot be attributable to any one (1) Townhouse, Owner or tenant, the deductible will be proportionately distributed among all Owners who have experienced the loss. The amounts proportionally distributed will be assessed against each Owner and each Owner's Townhouse.
- e. the Board of Directors of the Association has the authority to determine whether any loss or damage was:
 - (i) caused by or the result of the act (or negligence) of an Owner or the Owner's tenants, invitees or guests;
 - (ii) caused by or the result of a condition that originated in a Townhouse; or
 - (iii) caused by or the result of a condition or event exclusively related to a Townhouse.
- f. the reasonable, good faith determination of the cause of a loss or damage by the Board of Directors of the Association will be conclusive and binding on all parties.

B. Insurance Maintained by Owners of Townhouse Lots. Each Owner of a Townhouse Lot is required to at all times maintain insurance on the contents, furnishings and personal property within the Owner's Townhouse and all parts of the Townhouse not covered by the property insurance policy maintained by the Association. All policies of casualty insurance carried by each Owner will be without contribution with respect to the property insurance policy maintained by the Association for the benefit of all of the Owners of the Townhouse Lots. Owners of Townhouse Lots are also required to at all times maintain individual policies of liability insurance at their own cost and expense. An Owner of a Townhouse Lot must provide to the Association certificates of insurance properly executed by a duly authorized insurance company representative upon reasonable written request.

VIII.

ASSESSMENTS

Each and every Townhouse Lot is hereby severally subjected to and impressed with an

annual Townhouse Assessment payable to the Association, which Townhouse Assessment will run with the land. A Townhouse Assessment is in addition to all Assessments, fees and charges set forth in Article V of the Declaration that are payable to the Association by the Owners of the Townhouse Lots. Townhouse Assessments payable by the Owners of Townhouse Lots are based upon the services provided by the Association for the sole benefit of the Owners and occupants of the Townhouses, such as, by way of example and not in limitation:

- a. maintenance, repair and replacement services provided by the Association as set forth in Article V of this instrument;
- b. utility services which relate exclusively to the Townhouse Lots;
- c. reserve studies relating exclusively to the Townhouses, such as, by way of example and not in limitation, the replacement of the roofs of the Townhouses;
- d. insurance premiums for the property insurance on the Townhouses; and
- e. other services provided exclusively on behalf of the Owner or occupants of the Townhouses.

The amount of the annual Townhouse Assessment to be levied against each Townhouse Lot each year will be based upon a budget adopted by the Association for the services to be provided exclusively to the Townhouse Lots and the Owners of the Townhouse Lots. The annual Townhouse Assessment will be payable in equal monthly installments beginning in January of the applicable Assessment year. Each monthly installment is due on the first day of the month and will become delinquent if payment is not received by the Association on the fifteenth (15th) day of the month in which it became due. The initial amount of the annual Townhouse Assessment applicable to each Townhouse Lot is \$2,160.00, commencing in the year in which this instrument is recorded; provided that, the amount of the annual Townhouse Assessment payable in the year in which this instrument is recorded will be prorated as of the date of recording. Payment of Townhouse Assessments and other sums due hereunder (including, without limitation, interest, late fees, costs, and attorney's fees) are secured by the lien created in Article V, Section 5.3, of the Declaration. The Association will have all remedies for the non-payment of Townhouse Assessments that are available to the Association for the non-payment of all other types of Assessments pursuant to the provisions in Article V of the Declaration.

IX.

ANNEXATION AND AMENDMENT

- A. Annexation. So long as the Developer Control Period exists, additional land may be annexed and subjected to the provisions of this instrument by Developer, with the consent of Declarant but without the consent of any other party, except the owner of the land being annexed, if not owned by Developer. Provided that, any additional land annexed and subjected to the provisions of this instrument must be developed in accordance with the plan and scheme established by this instrument. The annexation of additional land to this instrument will be effective upon filing of record an annexation instrument in the Official Public Records of Real Property of Harris County, Texas. Any such annexation must, at the same time, subject the additional land to the provisions of the Declaration, as then amended and supplemented.
- B. Amendment. So long as the Developer Control Period exists, Developer has the authority to amend this instrument, with the consent of Declarant but without the joinder or consent of any other party, as necessary to properly effect the development of Balmoral, Section Nineteen (19), if an amendment does not materially and adversely affect any substantive rights of the Owners of Townhouse Lots. After the Developer Control Period expires, Developer has the authority to amend this instrument, with the consent of Declarant but without the joinder or consent of any other party, for the purpose of clarifying or resolving ambiguities or conflicts, correcting inadvertent misstatements, errors or omissions, or modifying provisions to comply with the law. In addition, the provisions of this instrument may be amended at any time by an instrument in writing signed by the Secretary of the Association certifying that Owners representing not less than two-thirds (2/3) of the Townhouse Lots have approved such amendment, in writing, setting forth the amendments, and duly recorded in the Official Public Records of Real Property of Harris County, Texas; provided that, during the Developer Control Period, an amendment of this instrument must also be approved in writing by Developer and Declarant and, after the Developer Control Period expires, an amendment of this instrument must also be approved in writing by the Board of Directors of the Association. In the event that there are multiple owners of a Townhouse Lot, the written approval of an amendment to this instrument may be reflected by the signature of a single co-Owner. Any legal challenge to the validity of an amendment to this instrument must be initiated by filing a suit not later than one (1) year after the date the amendment document is recorded in the Official Public Records of Real

Property of Harris County, Texas. In no event may this instrument be amended without the written approval of Developer and Declarant or the Board of Directors of the Association, as applicable, as set forth above, as evidenced by the execution of the amendment document.

X.

DISPUTE RESOLUTION

Notwithstanding any provision in this instrument, the Declaration or the Bylaws or Certificate of Formation of the Association to the contrary, the Association shall not have the power to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings: (i) in the name of or on behalf of any Owner of a Townhouse (whether one or more); or (ii) pertaining to a claim relating to the design or construction of a Townhouse (whether one or more). Additionally, notwithstanding any provision in this instrument, the Declaration or the Bylaws or Certificate of Formation of the Association to the contrary, class action proceedings are prohibited, and no Owner of a Townhouse shall be entitled to prosecute, participate, initiate, or join any litigation, arbitration or other proceedings as a class member or class representative in any such proceedings pertaining to a claim relating to the design or construction of a Townhouse (whether one or more). This Article X may not be amended or modified without (i) the written and acknowledged consent of the Builder(s) that constructed each Townhouse on the Townhouse Lots and (ii) an instrument in writing signed by the Secretary of the Association certifying that the then Owners of all [one hundred percent (100%)] of the Townhouse Lots approved the amendment.

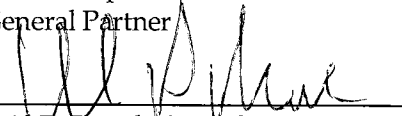
EXECUTED on the date(s) of the acknowledgement(s), to be effective upon recording in the Official Public Records of Real Property of Harris County, Texas.

DEVELOPER

BALMORAL LT, LLC,
a Texas limited liability company

By: L.T. Partnership, Ltd.,
a Texas limited partnership,
its Manager

By: L.T. Management, Inc.,
a Nevada corporation,
its General Partner

By: 
A.P. Brende, President

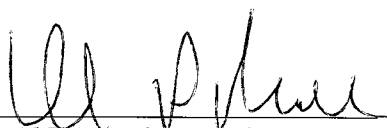
RP-2020-294574

DECLARANT

BALMORAL LT 168, LLC,
a Texas limited liability company

By: L.T. PARTNERSHIP, LTD
a Texas limited partnership,
its Manager

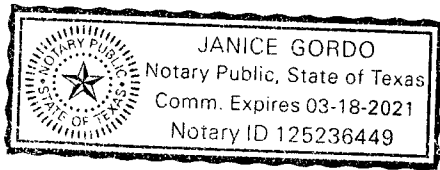
By: L.T. Management, Inc.,
a Nevada corporation,
its General Partner

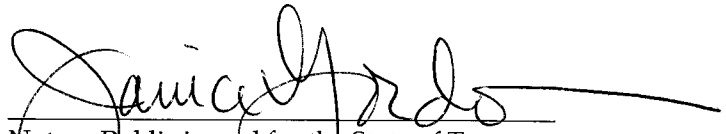
By: 
Al P. Brende, President

RP-2020-294574

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 2nd day of July, 2020 personally appeared Al P. Brende, President of L.T. Management, Inc., a Nevada corporation, General Partner of L.T. Partnership, Ltd., a Texas limited partnership, Manager of Balmoral LT, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

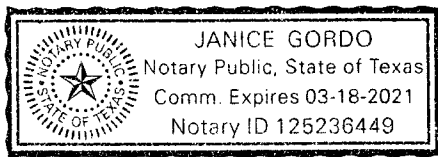




Notary Public in and for the State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 2nd day of July, 2020 personally appeared Al P. Brende, President of L.T. Management, Inc., a Nevada corporation, General Partner of L.T. Partnership, Ltd., a Texas limited partnership, Manager of Balmoral LT 168, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.





Notary Public in and for the State of Texas

RP-2020-294574

CONSENT OF LIENHOLDER
to
ANNEXATION AND SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
for
BALMORAL, SECTION NINETEEN (19)
A SUBDIVISION IN HARRIS COUNTY, TEXAS

The undersigned, being a lienholder against the real property described in this "Annexation and Supplemental Declaration of Covenants, Conditions and Restrictions for Balmoral, Section Nineteen (19), a Subdivision in Harris County, Texas", does hereby consent and agree to the "Annexation and Supplemental Declaration of Covenants, Conditions and Restrictions for Balmoral, Section Nineteen (19), a Subdivision in Harris County, Texas" to which this instrument is attached.

This consent and joinder shall not be construed or operate as a release of the lien owned and held by the undersigned, or any part thereof, but the undersigned agrees that its lien will hereafter be upon and against the real property described in the attached instrument and all appurtenances subject to the provisions of the Annexation and Supplemental Declaration of Covenants, Conditions and Restrictions for Balmoral, Section Nineteen (19), a Subdivision in Harris County, Texas.

FLAGSTAR BANK, FSB,
a federally chartered savings bank

7/1/2020
Date

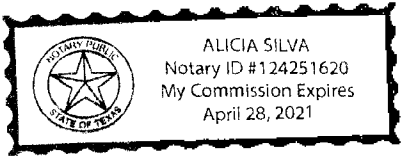
By: [Signature]

Printed: Jerry Schillaci

Its: Vice President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 1 day of July, 2020 personally appeared Jerry Schillaci, Vice President of Flagstar Bank, FSB, a federally chartered savings bank, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purpose and in the capacity therein expressed.



[Signature]
Notary Public in and for the State of Texas

RP-2020-294574

RP-2020-294574
Pages 24
07/06/2020 02:24 PM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
CHRIS HOLLINS
COUNTY CLERK
Fees \$106.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



COUNTY CLERK
HARRIS COUNTY, TEXAS

RP-2020-294574