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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
ATASCOCITA TRACE**

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HOUSTON, TEXAS

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR ATASCOCITA TRACE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration"), made as of the date hereinafter set forth by ELAN DEVELOPMENT, L.P., a Texas limited partnership (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the tract of land which has been platted as Atascocita Trace, Section One (1), a subdivision of land in Harris County, Texas according to the plat thereof recorded in Film Code No. 583211 of the Map Records of Harris County, Texas; and

WHEREAS, it is the desire of the Declarant to provide a common plan as to the use, permissible construction, and common amenities of such subdivision and, to this end to subject the Lots (hereinafter defined) in the Atascocita Trace, Section One (1) subdivision to the covenants, conditions and restrictions hereinafter set forth for the benefit of all present and future owners thereof;

NOW, THEREFORE, Declarant hereby declares that the Lots in the Atascocita Trace, Section One (1) subdivision and in any other property hereafter annexed into the jurisdiction of the Association (as hereinafter defined) in accordance with the provisions hereof and made subject to this Declaration, if any, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with said Lots and shall be binding upon all parties having any right, title or interest in said Lots or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

The following words, when used in this Declaration, shall have the following meanings:

SECTION 1. "Association" shall mean and refer to Atascocita Trace Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns.

SECTION 2. "Builder" shall mean and refer to any person or entity undertaking the construction of a residence on a Lot to be offered for sale.

SECTION 3. "Common Area" shall mean and refer to all properties, real or personal, owned, leased or used by the Association for the common use and enjoyment of the Members (hereinafter defined) of the Association, if any.

SECTION 4. "Declarant" shall mean and refer to ELAN DEVELOPMENT, L.P., its successors or assigns, provided that an assign is designated in writing by the Declarant as an assign of all, or part, of its rights under this Declaration.

SECTION 5. "Lot" shall mean and refer to any of the numbered lots shown on the recorded plats of the subdivisions within the Properties intended for the construction of a residence, excluding all reserve tracts shown on a plat, but including Lots created by a replat of a reserve tract.

SECTION 6. "Member" shall refer to every person or entity which holds a membership in the Association.

SECTION 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation or those owning an easement right, a mineral interest, or a royalty interest.

SECTION 8. "Properties" shall mean and refer to the real property within the jurisdiction of the Association being (i) the property within the Atascocita Trace, Section One (1) subdivision and (ii) any additional property hereafter annexed to the jurisdiction of the Association as provided herein.

SECTION 9. "Street" shall refer to any publicly dedicated street, drive, boulevard, road, alley, lane, avenue, or thoroughfare.

ARTICLE II **ATASCOCITA TRACE ARCHITECTURAL REVIEW COMMITTEES**

SECTION 1. CREATION. There is hereby created the Atascocita Trace New Construction Committee (herein referred to as the "New Construction Committee") which shall have exclusive jurisdiction over all original construction on the Lots in the Properties. There is also hereby created the Atascocita Trace Modifications Committee (herein referred to as the "Modifications Committee") (the New Construction Committee and the Modifications Committee being collectively referred to herein as the "Architectural Review Committees" or the "Committees") which has exclusive jurisdiction over all modifications, additions or alterations made on or to the residences and other improvements on the Lots within the Properties. No person serving on a Committee shall be entitled to compensation from the Association for services performed in such capacity, however, the Committees may employ, at the expense of the Association, one or more architects, engineers, attorneys, or other consultants to assist the Committees in carrying out their respective duties hereunder.

SECTION 2. NUMBER AND APPOINTMENT OF MEMBERS. Each of the Committees shall consist of three (3) members. Declarant shall have the right to

appoint all members of the New Construction Committee as well as the right to remove any member until the Declarant has sold and conveyed all of its Lots in the Properties and is no longer a Member of the Association. Prior to such date, in the event of the death, or removal or resignation of any person serving on such Committee, the Declarant, by recorded written instrument, shall designate a successor, or successors, who shall have all of the authority and power of his or their predecessor(s). Until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to exercise the powers herein granted to such Committee. After the date on which the Declarant has sold and conveyed all of its Lots within the Properties, the Board of Directors of the Association may perform the functions of the New Construction Committee or from time to time, appoint and remove members of such Committee. The initial members and all successor members of the Modifications Committee shall be appointed by the Board of Directors which also shall have the power to remove any member.

SECTION 3. POWERS OF THE COMMITTEES. To preserve the architectural and aesthetic appearance of the Properties, no construction of improvements, or modifications, additions, or alterations to existing improvements, shall be commenced or maintained by an Owner on any Lot, including, without limitation, the construction or installation of sidewalks, driveways, drainage facilities, mail boxes, decks, patios, courtyards, swimming pools, greenhouses, playhouses, playground equipment, awnings, walls, fences, and exterior lights, nor shall any exterior addition to or change or alteration be made to any improvements (including, without limitation, painting or staining of any exterior surface), until the site plan and the final working plans and specifications therefor have been submitted to and approved in writing by majority vote of the applicable Committee as to conformity with the restrictions herein contained and harmony of external design and location in relation to existing structures and topography.

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

The Committees shall have the right, exercisable at their sole discretion, to grant variances to the restrictions of this Declaration in specific instances where the applicable Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Properties. A Committee may

require the submission of such documents and items as it shall deem appropriate in connection with its consideration of a request for a variance. If the Committee shall approve such request for a variance, it shall evidence such approval, and grant its permission for such variance, only by written instrument addressed to the Owner of the property relative to which such variance has been requested, describing the applicable restriction(s) and the particular variance requested, expressing the decision of the Committee to permit the variance, and describing (when applicable) the conditions on which the variance has been approved. Any request for a variance shall be deemed to have been disapproved in the event of either (a) written notice of disapproval from the Committee or (b) failure by the Committee to respond to the request for variance.

SECTION 4. LIMITATION OF LIABILITY. The Committees have no liability or obligation whatsoever in connection with any plans and/or specifications and no responsibility for the adequacy thereof or for the construction of any improvements contemplated by any such plans and/or specifications. The Committees have no duty to inspect any improvements; and, if a Committee should inspect any improvements, it shall have no liability or obligation to any party arising out of such inspection. The Committees expressly shall have no liability or responsibility for defects in or omissions from any plans and/or specifications or for defects in or omissions from the construction of any improvements. Notwithstanding any covenant, condition or term contained in this Declaration or provision of the By-Laws of the Association to the contrary, a Committee shall not have any liability to any Owner arising or resulting from any act or omission of the Committee taken or omitted pursuant to this Declaration or the By-Laws of the Association. Each Owner by accepting a conveyance of any Lot or of any portion of the Properties conclusively shall be deemed to have unconditionally and irrevocably waived all claims against the Committees arising or resulting from acts or omissions pursuant to this Declaration or the By-Laws of the Association.

ARTICLE III
ATASCOCITA TRACE HOMEOWNERS ASSOCIATION, INC.

SECTION 1. ORGANIZATION. The Declarant has caused the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure, and management of the maintenance funds, enforcement of the restrictive covenants contained herein, and architectural control of the Lots in the Properties.

SECTION 2. BOARD OF DIRECTORS. The Association shall act through a Board of Directors (the "Board") consisting of a minimum of three (3) and a maximum of five (5) members. The Board shall manage the affairs of the Association as specified in this Declaration and the By-Laws of the Association.

SECTION 3. MEMBERSHIP. Every Owner of a Lot in the Properties shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

SECTION 4. VOTING RIGHTS. The Association shall initially have two (2) classes of membership as follows:

Class A. Class A Members shall be all persons or entities who own a Lot in the Properties with the exception of the Declarant. After the Conversion Date (as hereinafter defined), the Declarant shall become a Class A Member with respect to the Lots it owns.

Class B. The Class B Member shall be the Declarant. The Class B membership shall cease and become converted to Class A membership on the Conversion Date.

Class A Members shall be entitled to one (1) vote for each Lot owned within the Properties and the Class B Member shall be entitled to three (3) votes for each Lot owned within the Properties. When two or more persons or entities hold undivided interests in any Lot, all such persons or entities shall be Members, and the vote for the Lot owned by such Members shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Lot in which such Members own undivided interests.

SECTION 5. CONVERSION DATE. The Class B Membership in the Association shall terminate on the date (the "Conversion Date") which is the earlier of:

- i. The date the total number of votes of the Class A Members equals the number of votes of the Class B Member; or
- ii. December 31, 2015 or such earlier date as may be established by Declarant in a written instrument recorded by Declarant in the Official Public Records of Real Property of Harris County, Texas.

SECTION 6. TERMINATION OF MEMBERSHIP. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

ARTICLE IV **COVENANT FOR MAINTENANCE ASSESSMENTS**

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. The Declarant, for each Lot within the Properties, hereby covenants

and each Owner of any Lot within the Properties, by acceptance of a deed therefor, whether or not it shall be expressed in the deed or other evidence of the conveyance, is deemed to covenant and agree to pay the Association (i) annual assessments or charges and (ii) special assessments for capital improvements, such assessments or charges to be fixed, established and collected as hereinafter provided. These assessments and charges, together with interest thereon as hereinafter provided, costs of collection, and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing lien upon the property against which such assessments or charges are made. Each such assessment or charge, together with such interest, late charges, costs of collection, and reasonable attorney's fees shall also be and remain the personal obligation of the Owner of the particular Lot at the time the assessment or charge fell due notwithstanding any subsequent transfer of title of such property. The personal obligation for delinquent assessments and charges shall not pass to successors in title unless expressly assumed by them. However, successors in title shall nonetheless acquire title to the land subject to the lien securing the assessments and charges.

SECTION 2. PURPOSE OF ANNUAL ASSESSMENTS. The annual assessments levied by the Association shall be used for carrying out the purposes of the Association as stated in its Articles of Incorporation, this Declaration and all other restrictive covenants instruments administered by the Association. The judgment of the Board of Directors of the Association in determining the functions to be performed by the Association, in determining the amount of annual assessments, and in the expenditure of funds shall be final and conclusive so long as its judgment is exercised in good faith. Such funds may be used to pay costs incurred with respect to all or any of the following:

- i. Operation, maintenance, repair, and improvement of the Common Area as well as fences, entryways, road esplanades, cul de' sacs and easement areas within, adjacent to or in the vicinity of the Properties;
- ii. Payment of taxes and premiums for insurance coverage in connection with the Common Area and for directors and officers liability insurance;
- iii. Paying the cost of labor, equipment (including expense of leasing any equipment), material, and any associated management or supervisory services and fees required for management and supervision of the Common Area;
- iv. Paying the cost and fees of a manager or firm retained to carry out the duties of the Association or to manage the affairs and property of the Association;
- v. Maintaining or replacing any landscaping in the Common Area;

- vi. Designing, purchasing and installing any improvements to the Common Area;
- vii. Mowing and routine maintenance of the Common Area;
- viii. Removing debris from the Common Area;
- ix. Contracting for street lights in the Properties;
- x. Collecting and disposing of trash, garbage, ashes, rubbish and other similar materials;
- xi. Payment of legal fees and expenses incurred to collect assessments and enforce this Declaration;
- xii. Employing policemen or watchmen and/or a security service;
- xiii. Contracting for insect and pest control such as mosquito fogging;
- xiv. Carrying out the duties of the Board of Directors of the Association;
- xv. Creation and funding of such reserve funds as the Board of Directors of the Association deems necessary; and
- xvi. Carrying out such purposes of the Association as generally benefit the Members of the Association.

As stated hereinabove, the Association shall not be obligated to perform all of the foregoing functions or any particular function. The judgment of the Board of Directors of the Association in establishing annual assessments and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

SECTION 3. MAXIMUM LEVEL OF ANNUAL ASSESSMENTS. The annual assessment by the Association for 2005, the initial year of assessment, shall be \$_____ per Lot. The annual assessment for any year after 2005 may be increased by the Board of Directors of the Association, at its sole discretion, by an amount equal to a ten percent (10%) increase over the assessment for the previous year without a vote of the Members of the Association. The annual assessment in any year may be increased above ten percent (10%) of the annual assessment for the previous year only with the approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy, at a meeting duly called for this purpose. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at any amount not in excess of the maximum.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any year, a special assessment against the Lots applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or repair or replacement of a capital improvement located upon the Common Area, including fixtures and personal property related thereto; provided, however, any special assessment must be approved by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments may be collected on a monthly basis at the Board's election.

SECTION 5. NOTICE AND QUORUM. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 above shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast ten percent (10%) of the votes of the Association's membership shall constitute a quorum. If the required quorum is not present or represented, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meetings. No subsequent meeting shall be held more than 60 days following the preceding meeting.

SECTION 6. RATES OF ASSESSMENT. Both annual and special assessments on all Lots shall be fixed at uniform rates and all Lots in the Properties shall commence to bear their assessment simultaneously; provided, however, Lots owned by the Declarant shall be assessed at the rate of fifty percent (50%) of the assessment on all other Lots. The assessment for an individual Lot, within a calendar year, shall change as the ownership of such Lot passes from the Declarant, and the assessment for such Lot shall be prorated according to the applicable rate during each type of ownership. There shall also be no assessments on any portion of the Properties which has not been platted into Lots.

SECTION 7. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENT. The annual assessment provided for herein shall commence as to all Lots in the Properties on the first day of the month following the conveyance of the first Lot in the Properties by the Declarant or on such later date as the Board determines. The assessment for such year shall be adjusted according to the number of months remaining in the calendar year and shall be due and payable thirty (30) days after notice of the assessment is sent to every Owner whose Lot is subject to assessment. On or before the 30th day of November in each year, the Board of Directors of the Association shall fix the amount of the annual assessment to be levied against each Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the annual assessment shall be sent to every Owner whose Lot is subject to the payment thereof. Each annual assessment shall be due and payable in advance on the first day of January of each calendar year; provided, however, assessments on Lots owned by the Declarant and Builders may be accrued and paid upon conveyance to an individual Owner. The Association shall, upon demand, and for

reasonable charge, furnish a certificate signed by an officer or authorized representative of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a particular Lot is binding upon the Association as of the date of its issuance.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES.

Any assessments or charges which are not paid when due shall be delinquent. If an assessment or charge is not paid within thirty (30) days after the due date, it shall bear interest at the rate of eighteen percent (18%) per annum or such other rate as the Board may establish from the due date until the date paid. The Association may bring an action at law against the Owner personally obligated to pay the assessment, or to foreclose the lien herein retained against the property. Interest as above specified, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge.

The lien in favor of the Association is created by the recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien shall be or is required. By acquiring a Lot, an Owner grants to the Association a power of sale in connection with the Association's lien. By written resolution, the Board of Directors of the Association may appoint, from time to time, an officer, agent, trustee, or attorney of the Association to exercise the power of sale on behalf of the Association. The Association shall exercise its power of sale pursuant to Section 51.002 of the Texas Property Code, and any applicable revision(s), amendment(s), or recodifications thereof in effect at the time of the exercise of such power of sale. The Association has the right to foreclose its lien judicially or by nonjudicial foreclosure pursuant to the power of sale created hereby. Costs of foreclosure may be added to the amount owed by the Owner to the Association. An Owner may not petition a court to set aside a sale solely because the purchase price at the foreclosure sale was insufficient to fully satisfy the Owner's debt. The Association may bid for and purchase the Lot at the foreclosure sale utilizing funds of the Association. The Association may own, lease, encumber, exchange, sell, or convey a Lot. The purchaser at any such foreclosure sale shall be entitled to sue for recovery of possession of the Lot by an action of forcible detainer without the necessity of giving any notice to the former owner or owners of the Lot sold at foreclosure. Nothing herein shall prohibit the Association from taking a deed in lieu of foreclosure or from filing suit to recover a money judgment for sums that may be secured by the lien. At any time before a nonjudicial foreclosure sale, an Owner of a Lot may avoid foreclosure by paying all amounts due the Association. Foreclosure of a tax lien attaching against a Lot under Chapter 32, Tax Code, shall not discharge the Association's lien under this paragraph for amounts becoming due to the Association after the date of foreclosure of the tax lien. No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Area or abandonment of his Lot.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. As herein above provided, the title to each Lot shall be subject to a lien securing the payment of all assessments and charges due the Association, but the lien shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the lien in favor of the Association provided, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien securing such assessment or charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided for hereinabove, the Association, in the sole discretion of its Board of Directors, may subordinate the lien securing any assessment provided for herein to any other mortgage lien or encumbrance, subject to such limitations, if any, as the Board of Directors may determine.

SECTION 10. EXEMPT PROPERTY. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments and charges created herein. Notwithstanding the foregoing, no Lot which is used as a residence shall be exempt from said assessments and charges.

ARTICLE V COMMON AREA

SECTION 1. OWNER'S RIGHT OF ENJOYMENT. Subject to the provisions herein stated, every Member shall have a right of enjoyment in the Common Area, and such right shall be appurtenant to and shall pass with the title to every Lot, subject the following rights of the Association:

- (a) The Association shall have the right to charge reasonable admission and other fees for the use of any facility situated upon the Common Area.
- (b) The Association shall have the right, with the approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose, to borrow money and to mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred.
- (c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any such mortgage.
- (d) The Association shall have the right to suspend the voting rights and enjoyment rights of any Members for any period during which any assessment or other amount owed by such Member to the Association remains unpaid in excess of thirty (30) days.

- (e) The Association shall have the right to establish reasonable rules and regulations governing the Members' use and enjoyment of the Common Area, and to suspend the enjoyment rights of any Member for any period not to exceed sixty (60) days for any infraction of such rules and regulations.
- (f) The Association shall have the right, with the approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose, to sell or convey all or any part of the Common Area and the right, without the approval of the Members, to grant or dedicate easements in portions of the Common Area to public or private utility companies.
- (g) The Association shall have the right to enter into agreements pursuant to which individuals who are not Members of the Association are granted the right to use the Common Area and the facilities located thereupon.

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend his right of enjoyment to the Common Area to the members of his family and to such other persons as may be permitted by the Association.

SECTION 3. INSURANCE. The Association's Board of Directors shall, as an expense of all Members payable from annual assessments, obtain blanket all-risk casualty insurance for all insurable improvements on the Common Area for the full replacement cost thereof, or if blanket all-risk coverage is not reasonably available, an insurance policy providing fire and extended coverage. The Board may also obtain (i) worker's compensation insurance, and the Board shall obtain such insurance if and to the extent required by law, (ii) directors' and officers' liability coverage, (iii) a fidelity bond or fidelity insurance on directors, officers, employees, and other persons handling or responsible for the Association's funds, and (iv) a public liability policy covering the Common Area, insuring the Association and its Members for all damages or injury caused by the negligence of the Association.

SECTION 4. DAMAGE AND DESTRUCTION. Immediately after damage or destruction by fire or other casualty of all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and the repair or reconstruction of the damaged or destroyed property, to the extent insurance proceeds are available for such purpose. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition which existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. If insurance proceeds are insufficient to cover a repair or reconstruction, the Board may levy a special assessment to cover the shortfall, subject

to the requirements of Section 4 of Article IV above. In the event that insurance proceeds are unavailable to repair or reconstruct the Common Area, the damaged or destroyed property shall be restored to its natural state.

SECTION 5. ANNUAL REVIEW OF POLICIES. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE VI **USE RESTRICTIONS**

SECTION 1. RESIDENTIAL USE. Each and every Lot in the Properties is hereby restricted to residential dwellings for single family residential use only. No business, professional, commercial or manufacturing use shall be made of any Lot; provided, however, the foregoing shall not be construed to prohibit the use of a residence for a home occupation incidental to the principal residential use. No structure other than one single family residence and its approved outbuildings shall be constructed, placed on, or permitted to remain on any Lot in the Properties. The use of any Lot for duplex houses, garage apartments for rental purposes, apartment houses, or mobile homes is specifically prohibited.

SECTION 2. ANIMALS AND LIVESTOCK. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot. Consistent with its use as a residence, dogs, cats, or other household pets not to exceed two (2) in number may be kept on a Lot, provided that they are not kept, bred, or maintained for any business purposes. Household pets must be confined to a fenced backyard or within the residence.

SECTION 3. NUISANCES. No noxious or offensive trade or activity shall be carried on within the Properties nor shall anything be done thereon which may be or become an annoyance or nuisance to residents of the Properties. Unless a nuisance is determined by the Board to have an impact on or to affect a significant number of Owners (as determined by the Board), enforcement of this provision shall be solely a matter to be resolved between the affected Owner or Owners and the Owner alleged to have caused the nuisance without the involvement of the Association.

SECTION 4. STORAGE OF VEHICLES. Unless otherwise approved by the Board of Directors, no boat, water craft, boat trailer, boat rigging, motor home, trailer, or inoperable motor vehicle shall be parked or kept in a Street or on any Lot unless such vehicle is stored within a garage or otherwise screened from public view. No Owner of any Lot or any visitor or guest of any Owner shall be permitted to perform repair work on automobiles or other vehicles in driveways or Streets.

SECTION 5. PERMITTED HOURS FOR CONSTRUCTION ACTIVITY. Except in an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the Association, after the initial construction of residences by the Builders, outside construction work or noisy interior construction work shall be permitted only on weekdays and Saturdays between the hours of 7:00 A.M. and 7:00 P.M.

SECTION 6. DISPOSAL OF TRASH. No trash, rubbish, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot be used or maintained as a dumping ground for such materials. All such matter shall be placed in sanitary refuse containers constructed of metal, plastic or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened by planting or fencing. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense.

SECTION 7. DISPOSAL OF HAZARDOUS SUBSTANCES. No gasoline, motor oil, paint, paint thinner, pesticide, or other product considered to be a contaminant or a hazardous substance under applicable federal or state laws and regulations shall be disposed of on any Lot nor shall any such material be deposited into a storm sewer, sanitary sewer manhole, drainage channel or detention pond within the Properties, but rather all such materials shall be handled and disposed of in compliance with all applicable laws and regulations and the recommendations of the manufacturer of the applicable product or a governmental entity with jurisdiction.

SECTION 8. BUILDING MATERIALS. Unless otherwise approved by the applicable Committee, no Lot shall be used for the storage of any materials whatsoever, except that material used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced. During initial construction of residences by Builders in the Properties, building materials may be placed or stored outside the property lines. Building materials may remain on Lots for a reasonable time, so long as the construction progresses without undue delay after which time these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. Under no circumstances shall building materials be placed or stored on the Streets.

SECTION 9. MINERAL PRODUCTION. No oil drilling, oil development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

SECTION 10. RIGHTS OF DECLARANT. Notwithstanding any provisions contained in this Declaration to the contrary, until the Builder(s) have sold all of the residences and Lots within the Properties, it shall be expressly permissible for Declarant and any other Builders approved by Declarant to maintain and carry on, upon such portion of the Properties as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such Builder's development, construction, and sales activities related to their properties, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Properties; the right to carry on sales and promotional activities in the Properties; the right to place signs in the Common Area and in road rights-of-way within the Properties; and the right to construct and operate business offices, model residences and sales offices.

ARTICLE VII
ARCHITECTURAL RESTRICTIONS

SECTION 1. TYPE OF RESIDENCE. Only one detached single family residence not more than two (2) stories in height shall be built or permitted on each Lot. A minimum of fifty-one percent (51%) of the exterior of the residence on each Lot shall be brick, brick veneer, stone veneer, concrete or other masonry type construction which for purposes hereof includes the product known as "Hardi-plank" and similar products. All structures shall be of new construction and no structure shall be moved from another location onto any Lot. All residences must be kept in good repair and must be painted when necessary to preserve their attractiveness.

SECTION 2. LIVING AREA REQUIREMENTS. The total living area of each single family dwelling, exclusive of open porches, garages, and carports or parking spaces shall be not less than nine hundred (900) square feet.

SECTION 3. LOCATION OF RESIDENCE ON LOT. No residence or garage on a Lot shall be located on any Lot nearer to a Street than the minimum building setback lines shown on the plat containing such Lot and no building shall be located on any utility easement. Unless otherwise approved by the New Construction Committee, no building shall be located nearer than twenty (20) feet from the front lot line or nearer than five (5) feet to an interior lot line, except a detached garage or other permitted accessory building located sixty (60) feet or more from the front lot line may be located within three (3) feet of an interior lot line. Notwithstanding the foregoing, the New Construction Committee shall have the right to grant a variance and permit a residence to be located on a Lot not less than four (4) feet from an interior Lot line if the residence on the adjacent Lot is or will be located so that there is a minimum of nine (9) feet between the residences on such adjacent Lots. Unless otherwise approved by the New Construction Committee, no residence, garage or other permitted accessory building shall be located nearer than ten (10) feet from the rear lot line. For the purposes of this section, roof overhangs, steps, patios and driveways shall not be considered as a part of a building.

Subject to the approval by the New Construction Committee, an Owner of one or more adjoining Lots or portions thereof may consolidate or resubdivide such Lots or portions into one or more building sites with the privilege of placing or constructing improvements on such resulting building sites, in which case the side setback lines shall be measured from the resulting side property lines rather than from the Lot lines indicated on the plat. Any such resulting building site must have a width at the front building setback line of not less than the minimum width of the Lots in the same block.

SECTION 4. TEMPORARY BUILDINGS. Temporary buildings or structures shall not be permitted on any Lot. However, the Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used by Builders in connection with the construction and sale of residences. With the Declarant's approval, Builders may use garages as sales offices for the time during which such Builders are marketing homes. At the time of the sale of a residence by a Builder, any garage appurtenant to such residence used for sales purposes must be reconverted to a garage or a garage must be added to such residence.

SECTION 5. DRIVEWAYS. On each Lot the Builder shall construct and the Owner shall maintain at his expense the driveway from the Street to the garage or other parking area on the Lot and the Builder shall repair at his expense any damage to the Street occasioned by connecting the driveway thereto.

SECTION 6. ROOF PITCH; ROOF MATERIAL/ROOF STACKS. The roof pitch of each residence shall have a minimum of five (5) feet of vertical rise for each twelve (12) feet of horizontal length except that a roof over a porch can have a minimum rise of four (4) feet of vertical rise for each twelve (12) feet of horizontal length. The roofs of all buildings shall be constructed or covered with fiberglass or dimensional shingles of a color approved by the New Construction Committee. Any other type of roofing material shall be permitted only at the discretion of the New Construction Committee. Unless otherwise approved by the New Construction Committee, all roof stacks must be painted to match the roof color.

SECTION 7. FENCES. No fence or wall shall be erected on any Lot nearer to the Street than the minimum building setback lines from the Street shown on the plat containing such Lot. The erection of chain link fences on any Lot is prohibited. Wooden fencing shall be installed by the Builder or Owner along the rear Lot line and sides (wings) of each Lot. Each Owner shall, at his expense, maintain the fence on his Lot.

SECTION 8. GRASS AND SHRUBBERY. Builders shall sod the area between the front of the residence and the curb line of the abutting Street prior to the closing of the sale of the residence. Thereafter the Owner of each Lot shall keep his Lot mowed to prevent unsightly appearance. Dead or damaged trees, which might create a hazard to property or persons, shall be promptly removed or repaired, and if not removed by the Owner upon request, then the Association may remove or cause to be removed

such trees at the Owner's expense and shall not be liable for damage caused by such removal. Vacant Lots shall not be used as dumping grounds for rubbish, trash, rubble, or soil, except that the Declarant may designate fill areas into which materials specified by Declarant may be placed.

SECTION 9. SIGNS. Except for one (1) sign of not more than five (5) square feet advertising a residence on a Lot for sale or rent, no signs, billboards, posters, or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Board. The right is reserved by the Declarant to construct and maintain, or to allow Builders within the Properties to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed residential dwellings, regardless of the number or size of such signs. In addition, the Declarant and the Association shall have the right to erect identifying signs at each entrance to the subdivisions within the Properties.

SECTION 10. TRAFFIC SIGHT AREAS. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two and six feet above the Street shall be permitted to remain on any corner Lot within fifteen (15) feet of the point formed by the intersection of the building set back lines of such Lot.

SECTION 11. EXTERIOR ANTENNAE. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by the regulations promulgated under the Telecommunications Act of 1996, as amended from time to time. The Board is empowered to adopt rules governing the types of antennae that are permissible in the Properties and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that receipt of an acceptable signal would not be impaired, an antenna permissible pursuant to the rules of the Board may only be installed in a side or rear yard location, not visible from a Street, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

SECTION 12. PLAYGROUND AND SPORTS EQUIPMENT. All playground equipment such as play houses and swing sets shall be situated, concealed and shielded so as not to be visible from any Street. Basketball goals attached to the residence or mounted on a pole in the ground shall not be located on a Lot so as to be visible from the street in front of the residence or from the side street on corner Lots. Basketball goals mounted on moveable platforms may be temporarily located in the front of a residence while in use as long as they are moved to the garage or rear of the residence when not in use.

SECTION 13. DECORATIONS AND LIGHTING. No decorative appurtenances such as sculptures, birdbaths and birdhouses, fountains, or other decorative embellishments shall be placed on the residence or on the front yard or on any other portion of a Lot which is visible from any Street, unless such specific items have been approved in writing by the Modifications Committee. Customary seasonal decorations for holidays are permitted without approval by the Modifications Committee. Outside lighting fixtures shall be placed so as to illuminate only the yard of the applicable Lot and so as not to affect or reflect into surrounding residences or yards. No mercury vapor, sodium or halogen light shall be installed on any Lot which is visible from any Street unless otherwise approved by the Modifications Committee.

SECTION 14. AIR CONDITIONERS. No window or wall type air conditioners shall be permitted in any improvements within the Properties, but the Declarant and Builders may install and use such air conditioners in sales offices and construction offices within the Properties, provided such air conditioners are removed when such facilities cease to be used.

SECTION 15. PRIVATE UTILITY LINES. All electrical, telephone, and other utility lines and facilities which are installed on a Lot by an Owner to serve the residence thereon shall be installed underground unless otherwise approved in writing by the New Construction Committee.

SECTION 16. ENFORCEMENT OF LOT MAINTENANCE. Each Owner of a Lot shall at all times be obligated to maintain his property and all improvements thereupon (and the area between the boundary lines of adjacent property and adjacent Streets if such area is not otherwise maintained), so as to keep same in a clean, sightly and safe condition and to conform with any specific standards which the Board of Directors may adopt by resolution for the Properties. An Owner's maintenance obligation shall include, but not be limited to: the maintenance of all visible exterior surfaces of all buildings and other improvements; the prompt removal of all paper, debris, and refuse; the removal and replacement of dead and diseased trees and plantings; the removal of all snow and ice from paved areas; the repair, replacement, cleaning and relamping of all signs and lighting fixtures; the mowing, watering, fertilizing, weeding, replanting and replacing of all approved landscaping; and, during construction, the cleaning of dirt, construction debris and other construction-related refuse from Streets and storm drains and inlets.

In the event of the violation of any covenant herein by any Owner or occupant of any Lot and the continuance of such violation after five (5) days written notice thereof, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate repairs and maintenance after such notice, the Association shall have the right (but not the obligation), through its agents or employees, to enter upon such Lot and to secure compliance with these restrictions and restore such Lot to a neat, attractive, healthful and sanitary condition. The Association may render a statement of charge to the Owner or occupant of such Lot for the cost of such work. The Owner or occupant agrees by the purchase or occupation of the Lot to pay such statement

immediately upon receipt. In the event of the failure to pay for such work, the amount of such statement may be added to the annual maintenance charge provided for herein and shall be secured by a lien on the Lot in the same manner as such annual charge. The Association, or its agents and employees shall not be liable, and are hereby expressly relieved from any liability, for trespass or other tort in connection with the performance of the maintenance and other work authorized herein.

SECTION 17. DAMAGE AND DESTRUCTION OF IMPROVEMENTS. Any buildings or improvements within the Properties which are damaged or partially destroyed by fire, storm or any other means shall be repaired within a reasonable period of time not to exceed sixty (60) days from the occurrence of such damage and the Lot restored to a clean, orderly and attractive condition. Any buildings or improvements which are damaged or destroyed to the extent that repairs are not practicable, shall be demolished and removed within a reasonable period of time not to exceed ninety days from the occurrence of such damage and the Lot restored to a clean and attractive condition.

ARTICLE VIII EASEMENTS

SECTION 1. GENERAL. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the plats or as dedicated by separate instruments. No utility company or authorized political subdivision using the easements referred to herein shall be liable for any damages done by them or their assigns, agents, employees or servants, to fences, shrubbery, trees, flowers, improvements or other property of the Owner situated on the land covered by such easements as a result of construction, maintenance or repair work conducted by such parties or their assigns, agents, employees or servants.

SECTION 2. EASEMENTS FOR ASSOCIATION. There is hereby granted a general right and easement to the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours.

SECTION 3. MAINTENANCE EASEMENT. There is granted to the Association, its successors and assigns, a five-foot wide construction and maintenance easement adjacent and parallel to each of the rear and side lot lines of all Lots that abut a landscape reserve, perimeter boundary of the Properties or Street where the Declarant has constructed or intends to construct a fence or wall, together with the right of ingress and egress for the purposes, without liability to the Owner for damages arising from the use of the easement, of constructing, repairing, and/or reconstructing the fence or wall. The easement area shall remain unobstructed of any structures or plantings that would prohibit access to the fence or wall for construction and maintenance purposes.

ARTICLE IX
ENFORCEMENT

The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, the covenants, conditions, restrictions, and liens contained herein. Failure of the Association or any Owner to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE X
GENERAL PROVISIONS

SECTION 1. TERM. These covenants shall run with the land and shall be binding upon all parties and all persons claiming under until December 31, 2045, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the Owners of a majority of the Lots covered by this Declaration has been recorded, agreeing to change or terminate the covenants herein, in whole or in part.

SECTION 2. AMENDMENT.

A. **By Declarant.** This Declaration may be amended unilaterally at any time and from time to time by the Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration; or (c) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration.

B. **By Owners.** This Declaration may be amended at any time by an instrument executed by the Owners of a majority of the Lots covered by this Declaration. Any such amendment shall become effective when an instrument is filed for record in the real property records of the county where the Properties are located, with the signatures of the requisite number of the Owners of the Lots.

SECTION 3. SEVERABILITY. Invalidation of any one of these covenants by judgment or other court order shall in no wise affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

SECTION 4. GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary

grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

SECTION 5. TITLES. The titles of this Declaration of Articles and Sections contained herein are included for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

SECTION 6. REPLATTING. The Declarant shall have the right to subdivide any reserve tracts contained within the Properties into single family residential lots, by recorded plat or in any lawful manner. Lots created by the subdivision of a reserve tract shall be subject to these restrictions as if such Lots were originally platted as lots.

SECTION 7. ANNEXATION.

A. **By Declarant.** The Declarant shall have the unilateral right, privilege, and option at any time to annex additional property to the jurisdiction of the Association by filing for record a declaration of annexation in respect to the property being annexed which subjects such property to all of the provisions of this Declaration. Any such annexation by the Declarant shall not require approval by the Association or the Members and shall be effective upon the filing for record of such declaration. The rights reserved by Declarant herein to annex additional land shall not and shall not be implied or construed so as to impose any obligation upon a Declarant to annex additional land it owns or acquires in the future.

B. **By Other Owners.** Upon request by an owner of land other than the Declarant, the Association may annex real property to its jurisdiction. Any such annexation shall require the affirmative vote of Members representing a majority of the Association's votes present at a meeting duly called for such purpose and, as long as the Declarant owns any portion of the Properties, the written consent of such Declarant. Annexation of land not owned by a Declarant shall be accomplished by filing of record in the real property records of the county where the Properties are located, an annexation agreement describing the property being annexed. Such annexation agreement shall be signed by the President and the Secretary of the Association, by the owner of the property being annexed, and, as long as a Declarant owns any portion of the Properties, by the Declarant.

C. **Effect of Annexation.** The Owners of Lots in property annexed into the jurisdiction of the Association shall be entitled to the use and benefit of all Common Area of the Association, provided that the annexed property shall be impressed with and subject to an annual maintenance assessment imposed by the Association on a uniform, per Lot basis with the annual assessment on all other property within the jurisdiction of the Association.

SECTION 8. MERGER; DISSOLUTION. The Association may be merged with another non-profit corporation or dissolved only with (i) the assent given in writing by not less than two-thirds (2/3's) of the Class A Members and (ii) the Declarant, as long as it owns any Lots within the Properties. In the event of a merger of the Association with another non-profit corporation organized for the same purposes, the Association's properties, rights, and obligations may be transferred to the surviving association, or alternatively, the properties, rights and obligations of the other association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties of the other association as one scheme. In the event of the dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

IN WITNESS WHEREOF, this Declaration is executed effective as of the 13th day of July, 2005.

ELAN DEVELOPMENT, L.P.,
a Texas limited partnership

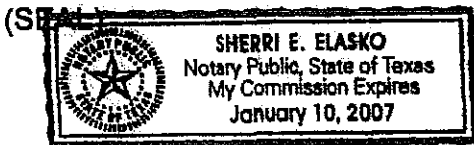
By: Elan L.C., general partner

By: 

Its: Managing Member

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on July 13th, 2005 by M.G. Manners Managing Member of Elan L.C., a Texas limited liability company which is the sole general partner of Elan Development, L.P., a Texas limited partnership, on behalf of said limited partnership.



Sherri E. Elasko
Notary Public in and for
the State of Texas

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 on

4201.01651599.1 RROSE

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JUL 19 2005

When Recorded Return to:
Elan Development, L.P.
211 Highland Cross Dr., Suite 101
Houston TX 77073



Dorothy B. Kayman
COUNTY CLERK
HARRIS COUNTY, TEXAS