

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BAYOU PARK SUBDIVISION, SECTION III
A SUBDIVISION IN DICKINSON, GALVESTON COUNTY, TEXAS**

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This Declaration is made by Devland, Inc., a Texas Corporation, whose mailing address is P.O. Box 2653, Texas City, Texas 77592 (hereinafter called “Declarant”).

W I T N E S S E T H:

WHEREAS, Declarant is the owner of that certain real property known as Bayou Park, Section Three, a subdivision in Dickinson, Galveston County, Texas, according to the map or plat thereof recorded under Film Code No. 2004A/Map204 of the Map Records of Galveston County, Texas, and under Clerk’s file No. 2004085864 of the Real Property Records of Galveston County, Texas; and

WHEREAS, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against all of Bayou Park, Section Three, in order to establish a uniform plan for the development, improvement and sale of such property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of lots in said subdivision;

NOW, THEREFORE, Declarant hereby adopts, establishes, imposes and declares the following reservations, easements, restrictions, covenants and conditions applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the land, which reservations, easements, covenants, restrictions and conditions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof, their heirs, successors and assigns.

ARTICLE I
DEFINITIONS

Section 1.1. “Annual Assessment” shall mean and refer to those charges assessed the Owners by the Association, which charges shall be used for the purposes outlined in Section 8.2 of Article VIII.

Section 1.2. “Architectural Control Committee” shall mean and refer to the Architectural Control Committee provided for in Article V hereof.

Section 1.3. “Assessment” shall mean and refer to the Annual Assessments, Special Assessments, and or any other amounts or sums due by any Owner to the Association pursuant to the provisions of this Declaration, or any combination thereof.

Section 1.4. “Association” shall mean and refer to Bayou Park Subdivision Section 3 Homeowners Association, a non-profit corporation incorporated under the laws of the State of Texas its successors and assigns, as provided for in Article VII hereof.

Section 1.5. “Board of Trustees” or “Board” shall mean and refer to the governing body of the Association.

Section 1.6. “Common Area” shall mean and refer to any property conveyed to the Association or expressly designated as Common Area by Declarant, and any and all improvements including, but not limited to green belt areas, private streets, entrances and entrance gates, and other recreational facilities that may be constructed thereon.

Section 1.7. “Declarant” shall mean and refer to Devland, Inc., its successors and assigns, provided such successors and assigns (i) acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the Subdivision subject to this Declaration, and (ii) are designated as the Declarant by an instrument in writing executed by Devland, Inc. and filed of record in the Real Property Records of Galveston County, Texas. Upon such designation of such successor Declarant, all rights of the former Declarant in and to such status as Declarant hereunder shall cease, it being understood that there shall be only one entity entitled to exercise the rights and powers of the Declarant hereunder at any one point in time.

Section 1.8. “Declaration” shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Bayou Park, Section Three, as may be amended from time to time.

Section 1.9. “Lot” shall mean and refer to each of the numbered Lots shown on the Subdivision Plat.

Section 1.10. “Member” shall mean and refer to every person entitled to membership in the Association, as provided in Section 6.3 of Article VI.

Section 1.11. “Notice” shall mean and refer to (i) written notice delivered personally or mailed to the last known address of the intended recipient, or (ii) notice published at least once each week for two consecutive weeks in a newspaper having general circulation in Galveston County, Texas.

Section 1.12. “Owner” shall mean and refer to the Owner of record, whether one or more persons or entities, of fee simple title to any Lot which is part of the Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those owning only an easement right, a mineral interest, or a royalty interest.

Section 1.13. “Special Assessment” shall mean and refer to those charges periodically assessed the Owners by the Association, which charges shall be used for the purposes outlined in Section 7.4 of Article VII.

Section 1.14. “Subdivision” shall mean and refer to the real property contained within Bayou Park, Section Three, as more fully described on the plat thereof recorded for Section Three under Film Code No. 2004A/Map204 of the Map Records of Galveston County, Texas, and under Clerk’s File No. 2004085864 of the Real Property Records of Galveston County, Texas, and any amendments thereto or replats thereof.

Section 1.15. “Subdivision Plat” shall mean and refer to the recorded map or plat of the Subdivision recorded under Film Code No 2004A/Map204 of the Map Records of Galveston County, Texas, and under Clerk’s File No. 2004085864 of the Real Property Records of Galveston County, Texas, and any amendments thereto or replats thereof, and including plats and any replats of additional property as may be brought within the jurisdiction of the Association in accordance with this Declaration.

Section 1.16. “Supplemental Declaration” shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions bringing additional property within the scheme of this Declaration under the authority provided in Article X herein.

ARTICLE II RESERVATIONS, EXCEPTIONS AND DEDICATIONS

Section 2.1. Dedications and Restrictions in Subdivision Plat. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof, as if fully set forth herein, and are enforceable by the Declarant, the Association, and the Owners, and their successors and assigns.

Section 2.2. Reservation of Easements. Declarant hereby reserves, and shall have the right to grant, convey and dedicate easements over, on or under any part of the land in the Subdivision reasonably required for streets and/or for electric light and power, telephone, natural gas, water, sanitary sewer, storm sewer, cable television, installation of security equipment and other utility or technology infrastructure, so long as such easements do not materially impair the use of the Lots for single family residential use as set forth herein, regardless of whether at such time Declarant has title to the land within the easement(s). Thereafter, the Declarant shall have the power and authority to grant such easements only upon the approval and at the direction of the Board of Trustees of the Association. In addition, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company duly selected by the Association, to enter in or cross over the Common Area and or any Lot to perform the duties of maintenance and repair as provided for herein. The easements provided for in this Article shall in no way affect any other recorded easements covering any portion of the Subdivision.

Section 2.3. Waiver. Neither Declarant nor any utility company using the easements herein referred to shall be liable for any damages done by them or their agents, employees, servants, or assigns, to fences, shrubbery, trees or flowers or other property of the Owner situated on the land covered by said easements.

Section 2.4. Communications, Security and Other Technology. Telephone service shall be available to each Lot and the Common Area by way of underground cable or fiber optic connection, which shall be installed and maintained by the telephone company or service provider. The Association shall be authorized and empowered to grant such specific easements in, under, on or above the Common Area as the telephone company or service provider may require in order to provide such service.

Declarant and/or Association reserve the right to hereafter enter into a franchise or similar type agreement with one or more cable television companies on behalf of the Association and Declarant shall have the right and power in such agreement or agreements to grant such cable television company or companies the uninterrupted right to install and maintain communications cable and related ancillary equipment and appurtenances within the utility easements or rights-of-way reserved and dedicated herein and in the Subdivision Plat. Declarant does hereby reserve unto the Association, its successors and assigns, the sole and exclusive right to obtain and retain all income, revenue and other things of value paid or to be paid by such cable television companies.

Declarant and/or Association reserve the right to enter into an agreement with one or more companies to provide security services, including, but not limited to, security cameras and entrance gates to the Subdivision. However, Declarant and/or Association are under no obligation to provide such services or guarantee their operating condition, and Owners hereby indemnify and hold Declarant and/or Association harmless for any breach of security or malfunction of equipment which may occur. Additionally, Declarant and/or Association will not be held liable in trespass or otherwise for installation and/or maintenance of said security equipment.

Section 2.5. Easements for Surface Drainage. No wall, fence, hedge, or other obstacle shall be constructed so as to prevent natural surface drainage across adjoining Lots.

Section 2.6. Changes and Additions. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements.

Section 2.7. Title to Easements Not Conveyed. It is expressly agreed and understood that the title conveyed by Declarant to any Lot within the Subdivision by contract, deed or other conveyance shall not in any event be held or constructed to convey title to any roadways or any drainage, water, gas, sanitary sewer, storm sewer, electric lights, electric power, telegraph or telephone lines, poles or conduits or any utility or appurtenance thereto constructed by or on behalf of Declarant or any easement owner (or their agents), or by any public utility companies, through, along, or upon said easements or any part thereof to serve said Lot or any other portions of the Subdivision, and the right to maintain, repair, sell or lease such lines, utilities and appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved by Declarant.

Section 2.8. Non-dedication to Public Uses. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to or for any public use or purpose whatsoever.

Section 2.9. Easements for Entrance Signs, Gates and Perimeter Fence. Declarant hereby reserves easements for the benefit of itself and the Association over portions of Lots for the purpose of erecting, maintaining and replacing entrance signs, gates and perimeter fence/walls for the Subdivision. The entrance signs, gates and perimeter fence/wall shall be a part of the Common Area and, notwithstanding anything to the contrary contained herein, shall be maintained, repaired, replaced or altered by the Association at the Association's discretion.

ARTICLE III RIGHTS IN THE COMMON AREA

Section 3.1. Owner's Easement for Access and Enjoyment. Every Owner shall have an easement of access and a right and easement of enjoyment in the Common Area, and such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The Association shall have the right to establish reasonable rules and regulations governing the Owner's use and enjoyment of the Common Area and to suspend the enjoyment rights and the voting rights of any Owner for any infraction of such rules and regulations. The Association shall also have the right to delegate such rules and regulations.
- (b) The Association shall have the right to establish rules and regulations governing the admission and parking of vehicles within the Common Area, including the assessment of charges to Owners who violate, or whose invitees violate, such rules.
- (d) Declarant shall have the right to add or remove property from the Common Area.
- (e) Upon approval by two-thirds (2/3) of each class of Members, the Association shall have the right to transfer or convey all or any part of the Common Area, or interests therein, to any public authority for such purposes and subject to such conditions as may be approved by said two-thirds (2/3) of each class of Members; however, this provision shall not be construed to limit the right of the Association to grant or dedicate public or private easements of any type in portions of the Common Area.
- (f) All of the other covenants, conditions, restrictions, and easements provided for in this Declaration are applicable to the Common Area.

Section 3.2. Delegation of Use. Each Owner shall have the right to extend his rights and easements of enjoyment to the Common Area to the members of his immediate family and to such other persons as may be permitted by the Association. An Owner may also extend his rights and easements of enjoyment to a tenant who resides on his Lot, if the Owner provides the Association with a letter authorizing such use by his tenant.

The Board may also, by agreement with other non-profit corporations, acquire property and facilities from such other non-profit corporations which shall become a part of the Common Area. As consideration for the acquisition of property and or facilities, the Board may grant members of other non-profit corporations a perpetual or limited right to use the Common Areas which are owned by the Association, with or without payment of a user fee. The Board may also enter into agreements with other non-profit corporations pursuant to which the Members of the Association are granted the right to use the facilities owned by another non-profit corporation and the members of such other non-profit corporation are granted the right to use the Common Area owned by the Association.

Section 3.3. Title to Common Area or Reserves. The Declarant will convey title to the Common Area or reserves in the Subdivision prior to completion of the first residence. Until such time as title to the Common Area or reserves may be conveyed to the Association by Declarant, Declarant shall be entitled to exercise all rights and privileges relating to such Common Area or reserves granted to the Association in this Declaration.

ARTICLE IV PROTECTIVE COVENANTS

Section 4.1. Single Family Residential Use Only. No Lot shall be used for any purpose except for single family residential purposes.

Section 4.2. Types of Structures. No structures shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family dwelling not to exceed two and one-half (2 and 1/2) stories in height, together with a private garage for not less than two (2) nor more than three (3) standard sized automobiles, unless one bay of the garage is constructed for the purpose of accommodating a motor home or other utility vehicle of the like. Said structure may include: (i) servant's type quarter, occupied by an integral part of the family occupying the main residence or by servants employed on the premises, and (ii) permitted accessory buildings (as described in Section 4.5 herein). Garages may be either attached or detached from the main residential structure, as may be approved by the Architectural Control Committee. Nothing herein shall be construed to permit or allow the use of any garage for other than, primarily, the housing of vehicles, and any enclosure of the garage which prevents its use for such purpose is specifically prohibited. Except as provided in Section 4.5, all buildings shall be of new construction, and no buildings shall be moved from another location onto any Lot.

Section 4.3. Dwelling Size and Construction. No main one-story residential structure shall be placed on any Lot unless its living area has a minimum of three-thousand (3,000) square feet of floor area, exclusive of porches and garages. The total living area,

exclusive of porches and garages, of the one and one-half (1-1/2), two (2) and two and one-half (2-1/2) story residences shall not be less than three-thousand six-hundred (3,600) square feet and the ground floor areas of such one and one-half (1-1/2), two (2) and two and one-half (2-1/2) story residences, including porches and garages shall not be less than two-thousand (2,000) square feet.

All residential structures shall be constructed on a concrete slab. The surface area of the exterior walls of all residential structures (excluding in the computation of such area, windows, doors, and garage doors) shall consist of at least ninety percent (90%) brick, stucco or rock materials, except that the Architectural Control Committee has the authority to approve residential construction utilizing other building materials.

All roofs of any permitted structures of whatever type shall be constructed of asphalt composition shingles, fiberglass composition shingles, slate, tile or other type approved by the Architectural Control Committee, with a rated life of twenty-five (25) years or better, or comparable to minimum specifications as defined by the Federal Housing Authority and all applicable building codes and ordinances. No exterior roofing material less than 235# composition, shall be used on any building. All types of roofing material must be approved in writing by the Architectural Control Committee prior to installation.

Section 4.4. Temporary Structures. No structure of a temporary character, whether trailer, basement, tent, shack, barn or other accessory building shall be occupied, maintained or used on any Lot at any time as a residence, or for any other purpose, with the exception of children's playhouses and storage buildings, which may be used for the purposes commonly attendant thereto. Provided, however, that Declarant reserves the exclusive right to erect, place or maintain such facilities in or upon any portion of the Property as in its sole discretion it determines may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Property. Such facilities may include, but are not necessarily limited to, sales and construction offices, storage areas, model units, signs and portable toilet facilities.

Section 4.5. Accessory Buildings. Accessory buildings shall include garages, and children's playhouses. In no event shall accessory buildings be used or occupied as a residence or living quarters. A children's playhouse type of accessory building for the use and exclusive benefit of the Owner may be placed on a Lot. Provided the express written consent of the Architectural Control Committee is secured prior to installation and placement, one (1) children's playhouse may be placed on a Lot. A children's playhouse is limited to a maximum height of eight feet (8').

Section 4.6. Garages. Garages must be provided for all residences and in no case shall a carport act as or be substituted for a garage. No garage shall be built or placed on any Lot unless it is approved by the Architectural Control Committee to include the placement of such structure on the Lot. No garage shall be placed or maintained on any side or rear easement.

Section 4.7. Pools. The design and location of outdoor swimming pools, hot tubs, and spas must be approved by the Architectural Control Committee and must also comply with all

applicable building codes. No above ground pools are permitted on any Lot either permanently or temporarily. An above ground pool shall be defined as a pool which is capable of holding a water surface twelve inches (12") or more above the finished ground elevation of a Lot.

Section 4.8. Driveways, Sidewalks, Pathways, Patios and Decks. No sidewalk, walkway, improved pathway, deck, patio, or driveway or other improvement shall be constructed on any Lot unless and until the Plans and Specifications (as hereafter defined) are submitted to and approved by the Architectural Control Committee as provided in Article V below. A concrete sidewalk forty-eight (48) inches wide shall be constructed parallel to the curb and thirty-six (36) inches from the back of the curb along entire fronts of all Lots. In addition thereto, forty-eight (48) inch wide sidewalks shall be constructed parallel to the curb and thirty-six (36) inches from the back of the curb along the entire side of all corner Lots.

No driveway shall be of a design and/or constructed in such a way where installation requires the saw-through, or cut-out of the curb at driveway's intersection with curb. All driveways and sidewalks shall be repaired and maintained at the sole cost and expense of the Owner of the Lot to which such driveway and any such sidewalks are appurtenant, including the portion of the driveway in the street easement. Sidewalks at any corner shall be designed to service the handicapped. At a minimum, all the driveways shall be constructed of pavers, concrete, patterned concrete or peagravel, commencing from where the driveway intersects the front building line for all Lots other than corner Lots, and for corner Lots from the side building line to the point where the driveway attaches to the street. All walkways shall be constructed of pavers, concrete, patterned concrete or peagravel or such other material as may be approved by the Architectural Control Committee.

The sidewalks and driveways shall be constructed and completed by the builder of the residence thereon before such residence may be occupied.

Section 4.9. Location of Improvements Upon the Lot. The minimum setback lines shown on the Subdivision Plat or stated in applicable ordinances are incorporated herein by reference and are enforceable by the Declarant, the Association, and the Owners. In addition to those minimum setback lines set forth in the Subdivision Plat or stated in the applicable ordinance, the distances set forth in this Section 4.9 shall apply. No building shall be located on any Lot nearer to the front line or nearer to the side street line than the minimum building setback line for such Lot shown on the Subdivision Plat. Notwithstanding the foregoing, however, no building shall be located on any Lot nearer than ten feet (10') to any side street line or twenty-five feet (25') to the front Lot line. The main residence (exclusive of detached garages and permitted outbuildings) shall be located no less than ten feet (10') from the rear property line of the Lot. No part of any residence shall be located nearer than five feet (5') to the interior Lot line of the Lot. For the purposes of this covenant, eaves, steps and unroofed terraces shall not be considered as part of any building, provided, however, that this shall not be construed to permit any portion of any building on a Lot to encroach upon another Lot.

Section 4.10. Fences, Walls and Hedges. No wall, fence, planter or hedge in excess of three feet (3') in height shall be erected or maintained on any Lot nearer to the front property line

of said Lot than the front line of the residence. No side or rear fence, wall or hedge shall be more than six feet (6') in height. Side yard fences on corner Lots shall not be located nearer to the property line of such Lot than the building setback line shown on the recorded Subdivision Plat. Fences of wire or chain link construction are strictly prohibited. No fence shall be attached to the brick perimeter fence that is parallel with Pabst Road. No trees shall be planted within fifteen feet (15') of said perimeter brick fence.

Section 4.11. Visual Obstruction at the Intersection of Public Streets. Except for such objects or things that may be placed or planted by Declarant, no object or thing that obstructs site lines at elevations between two feet (2') and eight feet (8') above the roadways within the triangular area formed by the intersecting center lines of the intersecting roadways, and a line connecting them at points twenty-five feet (25') from their point of intersection shall be placed or planted on any corner lot.

Section 4.12. Antennae. No electronic antennae or device of any type other than one antennae for receiving television signals, FM signals and or citizen's band signals shall be erected, constructed, placed or permitted to remain on any Lots, residences thereon or other permitted buildings constructed in the Subdivision. The foregoing restriction also applies to "dish-type" antennae and specifically limits the diameter of such antennae to not more than one meter. The permitted antennae may be attached to the residential structure; however, the antennae's location shall be restricted to the rear of the roof ridge line, gable or center line of the residential structure so as to be hidden from sight, to the extent practicable, when viewed from the front and side of the Lot.

Section 4.13. Sign, Advertisements, and Billboards. No signs, billboards, posters or advertising devices of any kind shall be erected on any Lot except one sign of not more than five (5) square feet, which sign may be used by the Declarant to advertise a Lot (or portions thereof) for sale during the construction and sale period, or to identify the entity responsible for any construction or remodeling of a structure on a Lot during the period of actual construction thereon. Declarant or the Association shall have the right to remove any non-conforming sign, advertisement, billboard or structure which is placed on a Lot, and in so doing shall not be subject to any liability or damages for trespass or other tort in connection with or arising out of such removal.

Section 4.14. Mineral Operations. No oil drilling, oil development operations or refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon or in any Lot.

Section 4.15. Animals and Livestock. No animals, livestock, poultry, reptiles or insects of any kind shall be raised, bred or kept on any Lot. Consistent with its use as a residence, dogs, cats and other household pets may be kept on a Lot, provided that they are not kept, bred or maintained for any commercial purposes, but only for the use and pleasure of the Owner of such Lot. For purposes of this Section, the term "household pets" shall mean domestic animals commonly and traditionally kept in homes as pets, and shall not include any wild, semi-

wild, or semi-domesticated animal. The Association may establish other rules and regulations concerning animals and livestock, which rules may specifically exclude certain animals for the Subdivision. The Association may also establish rules and regulations which limit the number of household pets that may be kept on a Lot.

Section 4.16. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste materials and such refuse shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. Equipment for the storage or disposal of such waste materials shall be kept in a clean and sanitary condition. Garbage, trash, rubbish, debris and other waste matter may not be burned on any Lot or on the Common Area. The Association shall determine whether the public authority or a private garbage disposal service will be used to dispose of garbage within the Subdivision.

No Lot shall be used for the open storage of any materials whatsoever if visible from the street, except that new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced. Builders or Owners may place or store building materials outside the property lines during the initial construction or remodeling phase; however, in no event shall building materials be placed or stored on the street paving. Building materials (and the waste materials resulting from the construction) may be maintained on a Lot for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which time these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. All waste materials shall be kept in a neat manner inside the property lines and all paper trash shall be placed in a screened container.

Section 4.17. Automobiles, Boats, Trailers and Other Vehicles. Except as permitted in the next sentence of this Section 4.17., no automobile, truck, recreational vehicle, motorcycle, trailer, boat, marine craft, hovercraft, aircraft, machinery, or equipment of any kind, whether with or without a motor (hereinafter referred to as "vehicles"), may be parked or stored on any part of any Lot, easement, right-of-way, or on the Common Area, and such vehicles shall at all times be concealed from public view inside a garage. Passenger automobiles, passenger vans and pick-up trucks in operating condition, evidenced by current, unexpired license plates and inspection stickers, which are in regular use as motor vehicles on the streets and highways of the State of Texas, may be parked in the driveway on such Lot; however, all Owners and their families shall, to the greatest extent practicable, use such garages for the garaging of vehicles belonging to them.

No Owner or any visitor or guest of any Owner shall be permitted to park any vehicles on Lots, or on streets of the Subdivision in excess of forty-eight (48) hours.

No Owner or any visitor or guest of any Owner shall be permitted to perform repair work, or to assemble or disassemble automobiles or any other vehicles on Lots, in driveways, or on streets in the Subdivision other than work on the Owner's or resident's vehicles of a temporary nature. For the purposes of this Section, "temporary" shall mean that the vehicle shall not remain on Lots, in driveways, or on streets in excess of forty-eight (48) hours and that no compensation

is received for such work. No dirt bikes, motor scooters, "go-carts" or other similar vehicles shall be permitted to be operated in the Subdivision, if, in the sole judgement of the Board of Trustees of the Association, such operation, by reason of noise, fumes emitted, or manner of use shall constitute a nuisance or jeopardize the safety of any Owner, tenant or resident of any Lot, or their families. Nothing in this Section shall be construed to prohibit the temporary parking or placement of any vehicle, machinery, or maintenance equipment which is being used for or in connection with the construction, repair, or maintenance of the Common Area, Lots or improvements on Lots within the Subdivision. If a complaint is received about a violation of any part of this Section, the Board of Trustees of the Association will be the final authority on the matter.

Section 4.18. Removal of Dirt and Trees. The digging of dirt or the removal of dirt from any Lot is expressly prohibited, except when necessary in conjunction with construction being done on such Lot. No tree shall be cut on any Lot that is equal to or over six inches (6") in diameter at base of tree trunk, except to provide room for construction of buildings, or to remove diseased, damaged, dead or unsightly trees, and except with prior written approval of the Architectural Control Committee. Prior written approval is not necessary if the tree or dirt is being removed for safety or emergency reasons.

Owners may not change the grade height of any Lot without the approval of the Architectural Control Committee. Owners may change the height of the grade if, in the opinion of the Architectural Control Committee, it will not be detrimental to the neighbors and/or the neighborhood.

Section 4.19. Water and Sewage Disposal Systems. No water well or septic tank shall be used or maintained on any Lot in the Subdivision. No water system or drainpipe for pools, hot tubs, spas or other such improvement shall drain directly into the street.

Section 4.20. Nuisances. No noxious or offensive activity shall be carried on or permitted in the Subdivision, nor shall anything be done therein which may be or become any annoyance or nuisance to the Owners. Nothing shall be done or kept on any Lot or in the Common Area or on any part thereof which would increase the rate of insurance on the Common Area or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept on any Lot or in the Common Area or on any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof or of the exterior of any structure located thereon shall be committed by any Owner, tenant of any Owner, or any invitee of any Owner, and each Owner shall indemnify and hold the Declarant, the Association, and the other Owners harmless against all loss resulting from any such damage or waste caused by him, his tenants, or his invitees.

Section 4.21. Lot Maintenance. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner. In no event shall an Owner use any Lot for storage of materials and equipment (except for normal residential requirements or incidental to construction of improvements thereon as herein

permitted) or permit the accumulation of garbage, trash or rubbish of any kind thereon. The drying of clothes in full public view is prohibited. The Owners or occupants of any Lots at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard or portion of the Lot is visible to full public view shall construct and maintain a suitable enclosure to screen the following from public view: yard equipment, wood piles and storage piles that are incidental to the normal residential requirements of a typical family. All Lots owned by Declarant shall be maintained by Declarant in accordance with the terms and provisions set forth herein.

Section 4.22. Exterior Paint. Colors selected to paint the wood, trim, shutters and gutter areas of homes and garages will be limited by the Architectural Control Committee. If the Owner wishes to change the color, approval by the Architectural Control Committee will be required. Owners may change the paint used on their home if, in the opinion of the Architectural Control Committee, the new color is compatible with both the individual home and the neighborhood.

Section 4.23. Duty to Restore. In the event that a building is damaged or destroyed by fire or other natural causes, the Owner shall completely restore the building to its original condition as it existed before the damage or destruction occurred, or else the Owner must completely remove the building and its foundation and plumbing from the Lot and return the Lot to an attractive and safe condition. Construction activity to repair or remove said building must be initiated within three (3) months and be completed within one (1) year of the date of such damage or destruction. Plans and Specifications for any such construction activity shall be submitted to the Architectural Control Committee in accordance with Article V herein.

Section 4.24. Building Foundations. Due to the amount of fill dirt that may be placed on any or all Lots to raise Lots to the required elevation, or in the event of unstable ground conditions existing within the boundary of any Lot, and since Declarant will not be responsible for soil or sub soil conditions, it is required of each Lot Owner to have their building foundations engineered to determine what requirements, if any, that are necessary to support such building foundations.

Section 4.25. Permitted Hours for Construction Activity. Except in an emergency or when unusual circumstances exist (as determined by the Board of Trustees), outside construction work or noisy interior construction work shall be permitted only after 7:00 a.m. and before 9:00 p.m.

Section 4.26. Remedies in the Event of Default. In the event any Owner or occupant of any Lot fails to observe any covenant, condition or restriction contained in the Declaration, or fails to maintain or repair the Lot and the improvements situated thereon (i) in accordance with the provisions of this Article IV, or (ii) in a manner satisfactory to the Board of Trustees of the Association, and such default continues unresolved for ten (10) days after written notice thereof is mailed to the last known address of the Owner involved (without the requirement of certification), the Association shall have the right (but not obligation), through its agents or employees, to repair, maintain and restore the Lot and the exterior of the residence, which restoration may include the repair of gutter, siding, broken windows, fencing, as well as any

other needed repairs to existing improvements located on the Lot. To the extent necessary to prevent rat infestation, diminish fire hazards, protect property values and accomplish any of the above needed repairs, maintenance and restoration, the Association shall have the right, through its agents and employees, to enter any residence or improvements located upon such Lot. The Declarant or any employee, agent or contractor of the Association may also enter upon said Lot and cause to be cut any such weeds and grass, or remove or cause to be removed such garbage, trash and rubbish, or may do any other reasonable thing necessary to maintain compliance with these restrictions so as to place said Lot in 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 and occupant agree by the purchase and occupation of the Lot to pay such statement immediately upon receipt. The cost of such work, plus interest thereon at the maximum rate permitted under the laws of the State of Texas, shall become a part of the Assessment payable by said Owners and payment thereof shall be secured by the lien created pursuant to this Declaration. The Association, 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 exterior maintenance and other work authorized herein.

Section 4.27. Mailboxes. One or more central mailboxes will be constructed by Declarant and maintained by the Association in the Subdivision. Such mailboxes shall be constructed according to a design approved by the Architectural Control Committee. All mailboxes shall comply with any applicable federal, state and local laws.

Section 4.28. Lot Landscaping and Lawn Irrigation. Each Lot (or composite building site) in the Subdivision shall have installed grass, sod, plants, shrubs in accordance with a detailed Landscape Plan for the Lot. Additionally, each Lot shall have installed an irrigation system to sufficiently care for all vegetation on the Lot, and which shall be shown on the Landscape Plan. The Landscape Plan shall be a part of and provided with the Plans and Specifications for the structure to be constructed on the Lot. Approval by the Architectural Control Committee of and adherence to the Lot Landscape Plan is a fundamental part of the Process described in Section 5.7., following.

Section 4.29. Approved Builders. To assure a general level of conformity with respect to the construction quality, all structures must be constructed by a builder which has been approved by Declarant. Among other criteria, the Approved Builders must demonstrate evidence of financial stability, business longevity, and high quality of work. At least five (5) builders shall be in the pool of Approved Builders at all times so as to provide Owners with an adequate selection to choose from. Declarant retains the right to modify the list of Approved Builders through build out of the Subdivision.

Section 4.30. Agreement to Build. It is expressly agreed that Owner shall cause construction of the main residence to commence no later than fifteen (15) months after closing on the purchase of the Lot. For the purpose herein contemplated, construction shall be deemed to have "commenced" when the foundation forms have been set. The Declarant in its sole and absolute discretion, may extend the time for commencement of construction for good cause shown. Declarant may delegate or assign this right to the Board of Trustees of the Association at any time by so designating in writing. All construction will be completed within twelve (12)

months of the commencement thereof. Completion shall refer to the finished product as described in Section 5.9 of Article V herein. The Declarant may consider, among other things, the existence of the following circumstances in determining whether or not good cause exists for extending the completion date: strikes, fires, national emergencies, critical materials shortages, or other intervening forces beyond the control of the Owner or his agents.

ARTICLE V ARCHITECTURAL CONTROL

Section 5.1. Architectural Control Committee. The Architectural Control Committee shall consist of three (3) members who shall be appointed by the Declarant, each of whom shall serve until his successor is appointed. After such time as Declarant sells its last Lot in the Subdivision, the Architectural Control Committee members shall be appointed by the Board of Trustees of the Association. Any member of the Architectural Control Committee may be removed, with or without cause, by the Declarant for so long as Declarant owns property in the Subdivision. When Declarant ceases to own property in the Subdivision, any member of the Architectural Control Committee may be removed, with or without cause, by the Board of Trustees of the Association. In the event of the death, resignation or removal of any member of the Architectural Control Committee, the Declarant (or the Board of Trustees of the Association) shall have the authority to designate successor member(s) to the Architectural Control Committee. A majority of the Architectural Control Committee may designate one or more representatives to act for it and such representative(s) shall have the full right, authority, and power to carry out the functions of the Architectural Control Committee.

No person serving on the Architectural Control Committee shall be entitled to compensation for services performed; however, the Architectural Control Committee may employ one or more architects, engineers, attorneys or other consultants to assist the Architectural Control Committee in carrying out its duties hereunder, and the Association shall pay such consultants for services rendered to the Architectural Control Committee.

Section 5.2. Purpose. The purposes of the Architectural Control Committee are to protect the environmental and architectural integrity of the Subdivision, to establish and preserve a harmonious and aesthetically pleasing design, and to protect and promote the value of the Lots, the residences thereon, and the Common Area. In order to accomplish these objectives, the design, execution and construction of any and all improvements located or proposed to be located on the land in the Subdivision must be subject to the control and review of the Architectural Control Committee as provided in this Article V herein.

Section 5.3. Design Guidelines. The Architectural Control Committee shall have the authority to promulgate design guidelines ("Design Guidelines") which shall generally consist of requirements and standards for design, architecture, and materials. The Design Guidelines may include requirements for technology infrastructure to be incorporated at the time of construction. Said infrastructure requirements may include security system wiring, computer networking, system automation and other items as the Architectural Control Committee shall see fit. The Architectural Control Committee may from time to time publish and promulgate additional,

supplemental or revised Design Guidelines, which may be of a general or specific nature. The Design Guidelines may establish and prescribe architectural design and construction restrictions, limitations, standards, and guidelines pertaining to any and all aspects of design, style, architecture, construction specifications, and construction execution. The Design Guidelines may also, among other things, prescribe the size of homes and home interiors, exterior lighting, exterior materials and the location and placement of homes and improvements thereon. The Design Guidelines promulgated by the Architectural Control Committee, if any, will serve only as minimum guidelines and the Architectural Control Committee shall not be bound thereby nor prohibited from imposing additional and even more stringent requirements or guidelines from time to time.

Section 5.4. Architectural Control Committee Approval Required. No improvement shall be erected, placed, or constructed on any Lot, nor shall any exterior addition to or change or alternation thereon be made, until the Plans and Specifications (as hereinafter defined) for the same shall have been submitted to and approved in writing by the Architectural Control Committee (i) as to harmony of exterior design and color with existing structures, (ii) as to location with respect to topography and finished ground elevation, (iii) as to location of the improvements upon the Lot, and (iv) as to compliance with any Design Guidelines promulgated by the Architectural Control Committee. The Owner shall submit detailed architectural drawings of the elevations and shall further specify, in such form and detail as the Architectural Control Committee may reasonably require, the location upon the Lot where the improvements are to be placed and the dimensions thereof (a plot plan), as well as appropriate information concerning the structural, mechanical, electrical, and plumbing details, and the nature, kind, shape, height, color scheme, and materials of the proposed improvements or alterations (the "Plans and Specifications").

Section 5.5. Remodeling, Renovation and Redecorating of Exterior Walls. No remodeling, renovation or redecoration of any exterior wall of any building on a Lot which in any manner changes the visual appearance of such exterior wall, including, but not limited to, changing the color, appearance, texture or reflective character of any exterior surface, the addition or alteration of shutters, awnings or other window coverings; or the addition of wall applications, shall be allowed until the Remodeling Plans and Specifications describing the work to be performed have been approved in writing by the Architectural Control committee. No fee will be charged by the Architectural Review Committee for review of Remodeling Plans and Specifications. Such remodeling, renovation or redecoration shall, for the purposes hereof, be deemed to constitute an alteration of the building.

Notwithstanding the foregoing, no permission or approval shall be required to rebuild in accordance with originally or subsequently approved Plans and Specifications. In addition, nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his dwelling or to paint the interior of his dwelling any color desired.

Section 5.6. Approval Required in Other Circumstances. Architectural Control Committee approval may also be required in other circumstances as outlined in this Declaration. Any such approvals must be obtained in accordance with the provisions of this Article V.

Section 5.7. Process. The Owner shall submit two (2) copies of the Plans and Specifications and related data to the Architectural Control Committee for the review and approval process. In addition to submitting the Plans and Specifications, a plot plan, a landscape plan, and other information to the Architectural Control Committee for approval, specifications for the actual building materials to be used must be submitted as part of the approval process (if requested by the Architectural control Committee). One copy of such Plans and Specifications so submitted shall be retained in the records of the Architectural Control Committee. The remaining copy shall be returned to the Owner with a letter of approval.

The Architectural Control Committee shall have the sole discretion to determine whether the Plans and Specifications submitted for approval are acceptable to the Association. Disapproval of Plans and Specifications may be based upon any ground which is consistent with the objective and purposes of this Declaration, including purely aesthetic considerations. The Architectural Control Committee also has the right to disapprove any such Plans and Specifications submitted based upon the failure of the Plans and Specifications to comply with any Design Guidelines set forth by the Architectural Control Committee.

Section 5.8. Review of Plans and Specifications. The Architectural Control Committee shall, within thirty (30) days after receipt of the Plans and Specifications, and Submission Fee, advise the submitting party of its approval or disapproval of same. In the event the Architectural Control Committee does not advise the party submitting the Plans and Specifications by written notice within such thirty (30) day period, then such Plans and Specifications shall be deemed to have been approved. The aforesaid thirty (30) day period for the Architectural Control Committee's review of the Plans and Specifications shall not commence to run until all of the described drawings, plans, and specifications comprising the Plans and Specifications have been received by the Architectural Control Committee in final form. In the event the Architectural Control Committee shall object to or disapprove all or any portion of the Plans and Specifications, the party submitting the same shall cause the Plans and Specifications to be modified to the extent required by the Architectural Control Committee and shall resubmit the revised Plans and Specifications as set forth above.

Section 5.9. Commencement of Construction. If relief provided for under Section 4.30, is specifically granted by Declarant, in writing, and construction does not commence on a project for which Plans and Specifications have been approved within fifteen (15) months from date Owner purchased such Lot, the Owner shall resubmit the Plans and Specifications to the Architectural Control Committee for a renewal of its approval. All exterior work (including all landscaping as shown in the Landscape Plan submitted to the Architectural Control Committee) and interior work (including, but not limited to, all electrical outlets in place and functional, all plumbing fixtures installed and operational, all cabinet work completed, all interior walls, ceilings, and doors completed and covered by paint, wallpaper, paneling or the like, and all floors covered by wood, carpet, tile or other similar floor covering) shall be completed within twelve (12) months of the commencement thereof, unless the Architectural Control Committee extends the time for completion for good cause shown. The Architectural Control Committee may consider, among other things, the existence of the following circumstances in determining whether or not good cause exists for extending the completion date: strikes, fires, national emergencies, critical materials shortages, or other intervening forces beyond the control of the

Owner or his agent. For the purposes of this Section, construction shall be deemed to have "commenced" when the foundation forms have been set.

Section 5.10. Appeal to the Board of Trustees. In the event that Plans and Specifications concerning the remodeling, renovating, or redecorating of exterior walls, submitted for approval in accordance with Section 5.5 hereof, are disapproved by the Architectural Control Committee, the Owner shall have the right to appeal the decision to the Board of Trustees by delivering a written notice of appeal to the manager of the Association or the Secretary of the Board within thirty (30) days after the date of disapproval. Procedures for such appeal shall be determined by the Board of Trustees.

Section 5.11. Compliance with Plans and Specifications. All buildings or other structures built on a Lot shall be constructed in strict accordance with the approved Plans and Specifications and with all applicable building codes. No construction or use that is inconsistent with, in addition to, or different from the approved Plans and Specifications shall be commenced or permitted until Plans and Specifications reflecting such changes or additions have been submitted to and approved by the Architectural Control Committee in accordance with this Article. The decision of the Architectural Control Committee with respect to whether the construction is in compliance with the Plans and Specifications shall be conclusive.

Section 5.12. Right to Inspect. Any member of the Board of Trustees, the Architectural Control Committee, or their representatives shall have the right but not the obligation during reasonable hours to enter upon and inspect any Lot with respect to which construction is under way to determine whether or not the Plans and Specifications therefore have been approved and are being complied with, the Architectural Control Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in progress which does not comply with the approved Plans and Specifications.

Section 5.13. No Implied Waiver or Estoppel. No action or failure to act by the Architectural Control Committee or the Board shall constitute a waiver or estoppel with respect to future action by the Architectural Control Committee or Board with respect to the construction of any improvements within the Subdivision. The approval by the Architectural Control Committee of any Plans and Specifications for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Architectural Control Committee, shall not be deemed to constitute a waiver of any right or an estoppel to withhold approval or consent as to any similar residential construction or any similar plans, specifications, drawings, or other materials subsequently or additionally submitted for approval or consent.

Section 5.14. Variances. The Architectural Control Committee shall have the right, exercisable at its discretion, to grant variances to the architectural restrictions in specific instances where the Architectural Control Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Subdivision or the common scheme of the development. The Architectural Control Committee may require the submission to it of such documents and items as it shall deem appropriate in connection with its consideration of a variance. If the Architectural Control Committee shall approve such request for a variance, the Architectural Control Committee may evidence such approval and grant its

permission for such variance, only by written instrument, addressed to the Owner of the Lot relative to which such variance has been requested, describing the applicable restrictive covenants(s) and the particular variance requested, expressing the decision of the Architectural Control Committee to permit the variance, describing (when applicable) the conditions on which the variance has been approved (including, as examples but without limitation, the type of alternative materials to be used or the alternate fence height approved), and signed by a majority of the then members of the Architectural Control Committee (or by the Architectural Control Committee's designated representative if one has been designated under the authority contained in Section 5.1 above).

If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Lots. Any request for a variance shall be deemed to have been disapproved for the purposes hereof in the event of either (i) written notice of disapproval from the Architectural Control Committee; or (ii) failure by the Architectural Control Committee to respond to the request for a variance within thirty (30) days of such request.

In the event the Architectural Control Committee or any successor to the authority thereof shall not then be functioning, and/or the term of the Architectural Control Committee shall have expired and the Board of Trustees of the Association shall not have succeeded to the authority thereof as herein provided, no variances from the covenants of this Declaration shall be permitted, it being the intention of Declarant that no variances be available except in the discretion of the Architectural Control Committee or the Board of Trustees of the Association in the manner provided herein. The Architectural Control Committee shall have no authority to approve any variance except as expressly provided in this Declaration.

For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 5.15. Failure to Use Approval Process. Should any Owner or occupant proceed with any construction, alterations or exterior changes without first applying for the written approval of the Architectural Control Committee as provided in this Article, such Owner or occupant will be in violation of the Declaration and will be required to submit Plans and Specifications, together with such other documents or materials as the Architectural Control Committee deems appropriate, even after construction has commenced. The Architectural Control Committee will have one hundred and twenty (120) days from receipt of the last of any required documentation (submitted after commencement of construction, alteration, or exterior changes without prior written approval) to respond by approval, disapproval, or with modification requirements. The Association shall have the right to obtain restraining orders and or temporary or permanent injunctions to terminate or halt construction which has not been reviewed and approved by the Architectural Control Committee in accordance herewith. All

reasonable enforcement costs and attorney's fees incurred by the Association in connection with the Association's exercise of the right to obtain restraining orders and or temporary or permanent injunctions under this Section 5.15 shall be recoverable against the Owner in violation of this Declaration and the provisions hereof. The Owner agrees by the purchase of a residence on a Lot to pay all such reasonable costs of enforcement and attorney's fees immediately upon receipt of a statement therefor. In the event of the failure to pay such statement, the amount thereof may be added to the Assessment against such Lot and shall become a charge thereon which shall be collectible and secured in the same manner as the Assessments provided for herein.

Section 5.16. No Liability. The approval by the Architectural Control Committee (or Declarant, prior to appointment of the Architectural Control Committee) of any Plans and Specifications, and any requirement by the Architectural Control Committee (or Declarant, prior to appointment of the Architectural Control Committee) that the Plans and Specifications be modified, shall not constitute a warranty or representation by the Architectural Control Committee (or Declarant) of habitability, or of compliance with any other applicable building codes or ordinances.

ARTICLE VI

BAYOU PARK SUBDIVISION SECTION 3 HOMEOWNERS ASSOCIATION

Section 6.1 Organization. Declarant has caused or will cause 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 collections, expenditure and management of the maintenance charge funds, enforcement of the Declaration, providing for the maintenance, preservations and architectural control (when the powers of the Committee terminate and the Committee's powers vest in the Association) within the Subdivision, the general overall supervision of all of the affairs and well-being of the Subdivision and any further property hereafter brought within its jurisdiction, and the promotion of the health, safety and welfare of the residents within the Subdivision.

Section 6.2 Board of Trustees. The Association acts through a Board of Trustees which manages the affairs of the Association as specified by the by-laws of the Association.

Section 6.3 Membership. Every Owner of a Lot shall be a member of the Association. Lot ownership is the sole requirement for membership and no Owner shall have more than one membership even though the Owner's building site may consist of more than one Lot. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association and shall automatically pass with the title to the Lot.

Section 6.4 Voting. The Association shall have two (2) classes of voting membership with respect to the Subdivision covered by this Declaration:

Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. If a Building Site consists of more than one Lot, the

Owner of that Building Site shall be entitled to only one vote for that Building Site. When more than one individual or entity holds an ownership interest in a Lot, all such persons shall be Members, but in no event shall they be entitled to more than one vote with respect to that particular Lot. Holders of future interests shall not be considered as Owners for the purposes of voting hereunder.

Class B members shall be the Declarant. Class B members shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (i) when seventy five percent (75%) of the Lots are deeded to homeowners, or (ii) on January 1, 2010.

ARTICLE VII COVENANT FOR MAINTENANCE ASSESSMENTS

Section 7.1 Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot within the subdivision which shall be or thereafter become subject to the assessments hereinafter provided for, hereby covenants, and each Owner of any Lot which shall be or thereafter become assessable, 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 to the Association the following: annual assessments or charges and special assessments for capital improvements.

Such assessments or charges are to be fixed, established and collected as hereinafter provided. These charges and assessment, together with interest, late fees, costs of collection, and reasonable attorney's fees shall be a charge on the land and shall be secured by a continuing Vendor's Lien upon the Lot against which such assessments or charges are made. Each such assessment or charge, together with such interest, late fees, costs and reasonable attorney's fees shall also be and remain the personal obligation of the individual or individuals who owned the particular Lot at the time the assessment or charge fell due notwithstanding any subsequent transfer of title to such Lot. Upon a transfer of a Lot, the assessments accrued to the date of transfer must be paid in full.

Section 7.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Subdivision. Without limiting the foregoing, the total assessments accumulated by the Association, insofar as the same may be sufficient, shall be applied toward the payment of all taxes, insurance premiums and repair, maintenance and acquisition expenses incurred by the Association, and, at the option of the Board of Trustees of the Association, for any or all of the following purposes: lighting, improving and maintaining the private streets and detention ponds in the Subdivision; collecting and disposing of garbage, ashes, rubbish and materials of a similar nature; employment of a professional management service; purchase, installation, repair and maintenance of security equipment and entrance gates; payment of legal and all other expenses incurred in connection with the collection, enforcement and administration of all assessments and charges and in connection with the enforcement of this Declaration; payment for accounting services; employing policemen or watchmen and/or a security service; fogging and furnishing other general insecticide services; providing for the planting and upkeep of trees, grass and shrubbery on the Common Area; acquiring and maintaining any amenities or recreational

facilities that are or will be operated in whole or in part for the benefit of the Owners; and doing any other thing necessary or desirable in the opinion of the Board of Trustees of the Association to keep and maintain the property in the Subdivision in neat and good order, or which they consider of general benefit to the Owners or occupants of the Subdivision, including the establishment and maintenance of a reserve for repair, maintenance, taxes, insurance and other charges as specified herein. The judgment of the Board of Trustees of the Association in establishing annual assessments, special assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

Section 7.3 Basis and Maximum Level of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the initial annual assessment shall be \$50 per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment referenced above may be increased each year by an amount equal to not more than ten percent (10%) above the previous years' assessment, without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment may be increased to an amount in excess of ten percent (10%) of the assessment for the previous year by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for such purpose.

Section 7.4 Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may from time to time levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto provided that any such assessment shall have the assent of two-thirds (2/3) of the votes in each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. If a Building Site consists of more than one Lot, that Building Site shall be subject to the same amount of assessment as one single Lot.

Section 7.5 Quorum for Any Action Under Section 7.3 and 7.4 Herein. Written notice of any meeting called for the purpose of taking any action authorized under Sections 7.3 and 7.4 shall be mailed (by U. S. first class mail) to all members no less than thirty (30) days nor more than sixty (60) days in advance of the meeting. Notice shall be deemed given on the date it is deposited in the U.S. mail. At the first such meeting called, the presence of members or of proxies entitled to cast a minimum of ten percent (10%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any such meeting, the meeting shall be adjourned but another meeting may be called subject to the same notice requirements, but the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum applicable in the case of the preceding meeting to each class of membership. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7.6 Rates of Assessment. All Lots shall commence to bear their applicable maintenance fund assessment simultaneously and Lots owned by Declarant are not exempt from

assessment. Lots which are occupied by residents shall be subject to the annual assessment determined by the Board of Trustees in accordance with provisions of Sections 7.3 and 7.7 hereof. Lots which are not occupied by a resident and which are owned by Declarant, a builder, or a building company, shall be assessed at the rate of one-half (1/2) of the full annual assessment. The rate of assessment for an individual Lot, within a calendar year, shall change as the character of ownership and occupancy changes and the applicable assessment for such Lot shall be prorated according to the applicable rate for each type of ownership and occupancy.

Section 7.7 Date of Commencement and Determination of Annual Assessment. The annual assessments provided for herein shall commence as to all Lots on a date fixed by the Board of Trustees of the Association. The first annual assessment shall be adjusted according to the number of months remaining in the then current calendar year. The Board of Trustees shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed (by U.S. first class mail) to every Owner subject thereto. The payment dates shall be established by the Board of Trustees. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who, in the Association's judgment, has a legitimate reason for requesting same.

Section 7.8 Effect of Nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. If any assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the Vendor's Lien herein retained against the Lot. Interest, late fees, costs of collection, costs of court, and reasonable attorney's fees (when placed with an attorney for collection, whether with or without suit) incurred in any such action shall be added to the amount of such assessment or charge. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association or its representative the right and power to institute and maintain an action against such Owner personally for the collection of such assessments and charges as a debt and to enforce the Vendor's Lien by any methods available for the enforcement of such liens at law and in equity. No Owner may waive or otherwise escape said Vendor's Lien and liability for the assessments provided for herein by non-use of any Common Areas. If an Owner abandons or divests himself or herself of ownership of a Lot, he or she is still responsible for any annual or special assessment which become due and payable during the time when such Owner owned the Lot.

Section 7.9 Subordination of the Lien to Mortgages. As hereinabove provided, the title to each Lot shall be subject to the Vendor's Lien securing the payment of all assessments and charges due the Association, but the Vendor's Lien shall be subordinate to any valid purchase money lien or valid lien securing the cost of construction of home improvements. Sale or transfer of any Lot shall not affect the Vendor's Lien provided, however, the sale or transfer of any Lot pursuant to a judicial or non-judicial foreclosure under the aforesaid superior liens shall extinguish the Vendor's 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 discretion of its Board of Trustees, may subordinate the Vendor's Lien herein retained to any other mortgage, lien or encumbrance, subject to such limitations, if any, as the Board of Trustees may determine.

Section 7.10 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 VIII ENFORCEMENT

The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, the covenants and restrictions 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. Costs and reasonable attorney's fees incurred by the Association in any such enforcement action shall be reimbursed to it from any Owner found to be in violation of the covenants and restrictions, and such charge when unpaid for thirty days after being billed to the Owner shall become a part of the lien on the property and collectable as allowed by Article VII, Section 7.8 hereinabove. Each Owner, by his acceptance of a Deed to a Lot, hereby expressly vests in the Association or its agent, the right and power to bring all actions against such Owner personally for the collection of such charges. No Owner may waive or otherwise escape liability for the charges provided for herein by non-use of the Community Properties or abandonment of his Lot.

ARTICLE IX GENERAL PROVISIONS

Section 9.1 Term. These covenants and restrictions shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said covenants and restrictions shall be automatically extended for successive period of ten (10) years each, unless an instrument signed by the Owners of seventy-five percent (75%) of the Lots has been recorded agreeing to terminate the covenants and restrictions in whole or in part.

Section 9.2 Severability. Invalidation of any one of these covenants and restrictions by judgment or other court order shall in no way affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

Section 9.3 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 corporation (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

Section 9.4 Titles. The titles of this Declaration contained herein are 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 9.5 Interpretation. If this Declaration or any work, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

Section 9.6 Omissions. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other word, clause, sentence or provision appearing in this Declaration is omitted, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

Section 9.7 Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 9.8 Replatting. Declarant shall have the right, but shall never be obligated, to resubdivide into Lots, by recorded Plat or in any other lawful manner, all or any part of the property contained within the outer boundaries of the Subdivision Plat and such Lots as replatted shall be subject to these restrictions as if such Lots were originally included herein. Any such replat must comply with all local and state replatting ordinances, statutes, regulations and requirements.

Section 9.9 Amendment. This Declaration may be amended at any time by an instrument executed by the Owners of two thirds (2/3) of the Lots in the Subdivision.

The Declarant shall have and reserve the right at any time and from time to time, without the joinder or consent of any other party to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by the Declaration and any Supplemental Declarations taken collectively, and shall not impair or affect the vested property rights of any Owner or his mortgagee.

DEVLAND, INC.

BY: _____
Michael W. Speights, President

THE STATE OF TEXAS §

COUNTY OF GALVESTON §

This instrument was acknowledged before me on this the _____ day of _____, 2005, by MICHAEL W. SPEIGHTS, President of Devland, Inc., a Texas corporation, on behalf of said corporation.

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

(Stamp or Print Name of Notary)