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**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
ALIANA SINGLE FAMILY RESIDENTIAL AREAS**

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**AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR ALIANA SINGLE FAMILY RESIDENTIAL AREAS**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ALIANA SINGLE FAMILY RESIDENTIAL AREAS (this "Declaration"), made as of the date hereinafter set forth by ALIANA DEVELOPMENT COMPANY, a Texas corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant executed that certain Declaration of Covenants, Conditions and Restrictions for Aliana Single Family Residential Areas dated August 1, 2007 which was filed under Clerk's File No. 2007097598 and recorded in the Official Public Records of Real Property of Fort Bend County, Texas (the "Official Records"), and that certain Amendment to Declaration of Covenants, Conditions and Restrictions for Aliana Single Family Residential Areas dated February 26, 2008 which was filed under Clerk's File No. 2008022614 and recorded in the Official Records (collectively, the "Original Declaration"), and by such instrument imposed the restrictions specified therein on the Lots (as hereinafter defined) within the tracts of land encumbered by the Original Declaration as described on Exhibit "A" attached thereto; and

WHEREAS, by one or more instruments executed by Declarant and recorded in the Official Records, additional tracts of land and/or Lots have been annexed into the jurisdiction of the Association (as hereinafter defined) and made subject to the Original Declaration; and

WHEREAS, Declarant wishes to amend and restate the Original Declaration pursuant to Section 5 of Article X thereof.

NOW, THEREFORE, the Declarant hereby declares that the Lots now subject to the Original Declaration and all Lots hereafter made subject to this Declaration shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens hereinafter set forth, which are for the purpose of protecting the desirability of, and which shall run with the title to, the real property subject to this Declaration, and shall be binding on all persons having any right, title, or interest in all or any portion of such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof.

**ARTICLE I
DEFINITIONS**

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

SECTION 1. "Area of Common Responsibility" shall mean the Common Area, together with those areas, if any, which by contract or agreement become the responsibility of the Association or which the Board determines should be maintained by the Association. Road rights-of-ways within or adjacent to the Properties and Lakes may be part of the Area of Common Responsibility.

SECTION 2. "Assessment" shall mean the Residential Assessments, Neighborhood Assessments, Waterfront Lot Assessments, Special Assessments and Specific Assessments levied by the Association pursuant to Article III hereof, the Reserve Fund Payments payable to the Association pursuant to Section 2(d) of Article III hereof upon the initial sale of each Single Family Residence by a Builder and upon each resale of a Single Family Residence, and any other amounts or sums due by any Owner to the Association pursuant to the provisions of this Declaration or a Supplemental Declaration.

SECTION 3. "Association" shall mean and refer to Aliana Homeowners Association, Inc., a non-profit, non-stock, membership corporation incorporated under the laws of the State of Texas, its successors and assigns.

SECTION 4. "Association Expenses" shall mean and include the actual and estimated expenses of operating the Association, both for general and Neighborhood purposes, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board of Directors of the Association pursuant to this Declaration and the Association's By-Laws and Certificate of Formation.

SECTION 5. "Board of Directors" or "Board" shall mean the governing body of the Association.

SECTION 6. "Builder" shall mean and refer to any Person undertaking the construction of a Single Family Residence on a Lot within the Properties for the purpose of selling same.

SECTION 7. "Builder Guidelines" shall mean and refer to written guidelines, as amended from time to time, for the construction of residences and other improvements on the Lots within the jurisdiction of the Association, which are adopted by the Declarant or by the Design Review Committee pursuant to this Declaration. The Builder Guidelines may impose different requirements for different portions of the Properties or different requirements for Single Family Residences which are constructed on Lots of different sizes.

SECTION 8. "By-Laws" shall mean the By-Laws of the Association, as amended from time to time.

SECTION 9. "Certificate of Formation" means certificate of formation for the Aliana Homeowners Association, Inc. and any amendments thereto, as filed with the Secretary of State of the State of Texas.

SECTION 10. "Class B Control Period" shall mean the period during which there is a Class B membership in the Association and during which the Declarant is entitled to appoint and remove any or all of the members of the Board of Directors and disapprove any action, policy or program of the Association, the Board or any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or Builders or interfere with the development, construction or marketing of any portion of the Properties, or diminish the level of services being provided by the Association.

SECTION 11. "Common Area" shall mean and refer to any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners and Occupants within the Properties.

SECTION 12. "Common Household Group" shall mean one or more natural Persons, each related to the other by blood, marriage or legal adoption, or a group of no more than four (4) such persons not all so related, together with his, her or their domestic servants, all of whom maintain a common household in a Single Family Residence on a Lot within the Properties.

SECTION 13. "Community Council" shall mean the non-profit corporation previously or hereafter incorporated under the laws of the State of Texas by the Declarant for the purpose of administering the Community Covenant, and to the successors and assigns of such non-profit corporation. The Community Council shall have the name "Aliana Community Council, Inc." or such other name as Declarant selects.

SECTION 14. "Community Covenant" means that certain Community Covenant for Aliana executed by the Declarant as the "Founder" therein and recorded or to hereafter be recorded in the Official Records.

SECTION 15. "Community Enhancement Fee" shall mean the amount payable to the Community Council pursuant to Section 6 of Article III hereof upon each sale of a Single Family Residence which is not an Exempt Transfer. The Community Enhancement Fee is the same thing as the Foundation Payment referred to in the Original Declaration.

SECTION 16. "Community-Wide Standard" means the standard to be applied and is the highest of (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in the Properties, or (b) the minimum standards required by this Declaration, the Builder Guidelines, the Rules, and Board resolutions. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the

discretion of the Board or the Reviewer. The Community-Wide Standard may or may not be set out in writing. The Declarant initially shall establish such standard; however, the Community-Wide Standard may evolve as development of the Properties progresses.

SECTION 17. "Declarant" shall mean and refer to Aliana Development Company or to such successor Declarant as may hereafter be designated in an instrument placed of record in the real property records of Fort Bend County, Texas as the Declarant by the Declarant hereunder at such time. Upon such designation of a successor Declarant, all rights of the former Declarant hereunder shall cease. The Declarant is granted the right during the Class B Control Period pursuant to certain provisions of this Declaration and the By-Laws to appoint and remove the members of the Board and the right to disapprove any actions, policies and programs of the Board and/or its committees.

SECTION 18. "Declaration" shall mean this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Aliana Single Family Residential Areas, as it may hereafter be amended in accordance with the provisions hereof.

SECTION 19. "Design Review Committee" refers to the Aliana Design Review Committee created by Section 2 of Article VI hereof to perform the architectural review functions specified in such Article VI to the extent the Declarant does not elect to perform such functions.

SECTION 20. "Exclusive Common Area" shall mean and refer to the property and facilities which by plat or otherwise are restricted solely for use by the Owners and Occupants of a certain Neighborhood, which property and facilities may be maintained by the Association at the expense of such Neighborhood from Neighborhood Assessments.

SECTION 21. "Exempt Transfer" shall mean a transfer of title to a Lot:

- (i) by the Declarant or by a Builder or any other Person if a Single Family Residence has not been constructed on such Lot and the Builder or other seller is not contractually obligated to the purchaser at the time of sale to construct a residential dwelling thereupon;
- (ii) by a co-owner to any person or entity who was a co-owner immediately prior to such transfer;
- (iii) to the Lot owner's estate, surviving spouse, or heirs at law upon the death of the Lot owner, or to a family trust created by the grantor for the benefit of grantor, his or her spouse, and/or heirs at law;

- (iv) to an entity wholly owned by the grantor; provided, upon any subsequent transfer of an ownership or beneficial interest in such entity, the Community Enhancement Fee shall become due;
- (v) by a Builder if the Lot being sold or transferred was owned by the Builder on the date of this Declaration; or
- (vi) under circumstances which the Board, in its discretion, deems to warrant classification as an exempt transfer (e.g., a transfer made solely for estate planning purposes may be, but is not required to be, deemed exempt from payment of the Community Enhancement Fee).

In addition, the Declarant and/or the Community Council may grant exemptions for transfers of Lots to entities qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code provided that for a period of at least two years from the date of such transfer the property is used for exempt purposes listed in Section 501(c).;

SECTION 22. "Gross Selling Price" shall mean the total cost to the purchaser of a Lot on the improvements thereupon as indicated on the title company's closing statement or other similar document.

SECTION 23. "Lake" shall mean and refer to any body of water within or adjacent to the Properties.

SECTION 24. "Landscaping Guidelines" shall mean and refer to landscape design, installation and maintenance criteria for the Lots which are adopted by the Declarant or the Design Review Committee. The Landscaping Guidelines may be included within and be a part of the Builder Guidelines and different Landscaping Guidelines may be adopted for different portions of the Properties or different requirements may be adopted for Lots of different sizes.

SECTION 25. "Lot" shall mean and refer to any portion of the Properties, whether developed or undeveloped, upon which a Single Family Residence has been constructed or it is intended by the Declarant that a Single Family Residence be constructed, excluding reserve tracts, but including lots created by the platting or replatting of a reserve tract. "Lots" shall mean and refer to each Lot and all of them. In the case of a parcel of land planned for single family residential development by the Declarant which has not yet been platted into Lots, the parcel shall be deemed to contain the number of Lots designated by the Declarant on the development plan for such parcel of land unless or until a different number of Lots is platted.

SECTION 26. "Member" shall refer to every Person entitled to membership in the Association, as provided herein.

SECTION 27. "Mortgage" shall mean and refer to a deed of trust, mortgage or other similar security instrument granting, creating, or conveying a lien or security interest upon a Lot.

SECTION 28. "Mortgagee" shall mean a beneficiary or holder of a Mortgage.

SECTION 29. "Neighborhood" shall mean and refer to (i) a portion of the land within the Properties which has been platted as a single subdivision, (ii) a portion of a platted subdivision or two (2) or more platted subdivisions within the Properties which the Declarant, by recorded instrument, designates as a single Neighborhood during the Class B Control Period or, (iii) a portion of a platted subdivision or multiple platted subdivisions which the Board designates as or consolidates into a single Neighborhood after the expiration of the Class B Control Period.

SECTION 30. "Neighborhood Assessments" shall mean assessments levied by the Board of Directors for payment of the Neighborhood Expenses of a particular Neighborhood.

SECTION 31. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association solely for the benefit of the Owners and Occupants of the Lots within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized hereby.

SECTION 32. "Occupant" shall mean any person occupying all or any portion of a residence within the Properties for any period of time, regardless of whether such person is a tenant or the Owner of such property.

SECTION 33. "Owner" shall mean and refer to the record owner, whether one or more Persons of the fee simple title to a Lot within the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation or those owning an interest in the mineral estate.

SECTION 34. "Person" shall mean any natural person, corporation, joint venture, partnership, association, trust or other legal entity.

SECTION 35. "Properties" shall mean and refer to (i) the real property described in Exhibit "A" attached to the Original Declaration, (ii) such other real property as has been brought within the jurisdiction of the Association and made subject to the Original Declaration in accordance with the provisions thereof, and (iii) such other real property as may hereafter be brought within the jurisdiction of the Association and made subject to this Declaration in accordance with the provisions of Article VIII of this Declaration.

SECTION 36. "Reserve Fund Payment" shall mean the amount payable to the Association pursuant to Section 2(d) of Article III hereof upon the initial sale of a Single Family Residence by a Builder or upon the resale of a Single Family Residence.

SECTION 37. "Residential Assessments" shall mean assessments levied by the Board of Directors pursuant to Section 2(a) of Article III hereof.

SECTION 38. "Reviewer" has the meaning specified in Section 2 of Article VI hereof.

SECTION 39. "Rules" has the meaning specified in Section 5 of Article II hereof.

SECTION 40. "Single Family Residence" shall mean and refer to a residence constructed on a single Lot whether attached or detached.

SECTION 41. "Street" shall refer to any street, boulevard, road, alley, lane, avenue, or thoroughfare within or adjacent to the Properties.

SECTION 42. "Supplemental Declaration" shall refer to (i) a separate declaration of covenants, conditions and restrictions which is imposed on property within the jurisdiction of the Association and which may be enforced by the Association, or (ii) an instrument which imposes additional restrictions on a portion of the Properties which may be enforced by the Association.

SECTION 43. "Voting Delegate" shall have the meaning specified in Section 3 of Article II hereof.

SECTION 44. "Waterfront Lot" shall mean and refer to a Lot which is contiguous to property containing a Lake, pond, detention basin, drainage channel or other waterway.

SECTION 45. "Waterfront Lot Assessment" shall mean the assessments levied by the Board of Directors against the Waterfront Lots in the Properties pursuant to Section 2(e) of Article III hereof.

ARTICLE II
ALIANA HOMEOWNERS ASSOCIATION, INC.

SECTION 1. ORGANIZATION. The Association has been 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, administration of the business of the Association, and providing for the maintenance and preservation of the Area of Common Responsibility and the facilities of the Association and architectural control of the Lots within the Properties.

SECTION 2. MEMBERSHIP. Every Owner 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. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot

owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership in the Association may be exercised by each Member, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Board, subject to the provisions of this Declaration and the By-Laws.

SECTION 3. VOTING. The Association shall have two classes of membership, Class "A" and Class "B", as follows:

- (a) CLASS A. Class "A" Members shall be all Owners with the exception of the Class "B" Members. Class "A" Members shall, subject to the further provisions hereof, be entitled to one (1) vote for each Lot of which they are the Owner. If more than one Person holds the interest in a Lot required for membership in the Association, any of such Persons may exercise the vote for such Lot; provided, however, the vote for such Lot shall be suspended in the event more than one Person seeks to exercise it. The right of a Class "A" Member to vote on any matter which is put to a vote of the Class "A" Members shall be suspended during any period in which such member is delinquent in payment of Assessments to the Association for more than thirty (30) days.
- (b) CLASS B. The Class "B" Members shall be the Declarant who shall have five (5) votes for each Lot it owns in the Properties. The Class "B" Membership shall cease and be converted to Class "A" Membership upon the earlier of (i) the date on which the Declarant has sold and conveyed all of the Lots it owns in the Properties, or (ii) on such earlier date that the Declarant, in its discretion, so determines and records an instrument to such effect in the real property records of Fort Bend County, Texas. From and after the termination of the Class "B" Membership, the Declarant shall be deemed to be Class "A" Members with respect to the Lots owned, if any.
- (c) Special Rights of Declarant. As long as there is a Class "B" Membership in the Association, the Declarant shall have the power to appoint and remove the members of the Board of Directors as well as the right to disapprove any action, policy or program of the Association, the Board or any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or Builders or interfere with the development, construction or marketing of any portion of the Properties, or diminish the level of services being provided by the Association.
- (d) Voting Delegates. Due to the number of Lots that may be developed within the Properties, a representative system of voting is established for the Class "A" Members. The Class "A" Members of the Lots in each

Neighborhood shall elect a "Voting Delegate" and an alternative Voting Delegate, in the manner provided in the By-Laws, to cast the votes of all Lots in the Neighborhood which are owned by Class "A" Members on matters requiring a vote of the Class "A" Members, except where the By-Laws specifically require a vote of the Owners. However, until such time as the Board first calls for election of a Voting Delegate for a particular Neighborhood, each Owner of a Lot in such Neighborhood shall be considered a "Voting Delegate" and may personally cast the vote allocated to such Owner's Lot on any issue requiring a vote of the Voting Delegates.

The Voting Delegate, or, in his or her absence, the alternative Voting Delegate, shall attend Association meetings and cast all votes allocated to the Lots that he or she represents on any matters as to which such Voting Delegate is entitled to vote. A Voting Delegate may vote all votes it is entitled to cast in its discretion and may, but need not, poll the Owners of other Lots which he or she represents prior to voting. On any matter, other than election of directors, for which a Voting Delegate is entitled to cast more than one vote, the Voting Delegate may cast all such votes as a block or split them but shall not be entitled to fractionalize any single vote.

Voting Delegates are subordinate to the Board, and their responsibility and authority does not extend to policymaking, supervising, or otherwise being involved in Association governance beyond voting on matters put to a vote of the Class "A" Members.

SECTION 4. NEIGHBORHOODS. During the Class B Control Period, the Declarant shall have the right to designate and denominate a platted subdivision, a portion of a platted subdivision, or two (2) or more platted subdivisions within the Properties as a Neighborhood by a recorded instrument. Thereafter, the Board of Directors shall have the power to designate a Neighborhood as well as the power to divide the property comprising a Neighborhood into two (2) or more Neighborhoods, or to combine two or more Neighborhoods into a single Neighborhood.

SECTION 5. RULE MAKING AUTHORITY. This Declaration establishes, as part of the general plan of development for the Properties, a framework of covenants, conditions and restrictions which govern the Properties. Within that framework, the Board must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends and technology which inevitably will affect the Properties, its Owners and Occupants. This Section establishes procedures for the adoption and modification of rules by the Board.

Subject to the terms hereof and the Board's duty to exercise business judgment and reasonableness on behalf of the Association, the Board may adopt, amend, repeal and enforce rules and regulations ("Rules"), fines and levies as may be deemed necessary or desirable with respect to the implementation of this Declaration and the Builder Guidelines, the operation of the Association, the use and enjoyment of the

Common Area and the Exclusive Common Area, and the use of any other property, facilities or improvements owned or operated by the Association. At least thirty (30) days prior to the effective date of any Rule, the Board shall cause a copy of the new rule or explanation of any changes to a Rule, specifying the effective date, to be posted at a prominent place within the Properties or made available on the Association's website, if any. The Association shall record its Rules in the real property records of Fort Bend County as required by law and shall provide, without cost, a copy of the Rules then in effect to any requesting Owner or Mortgagee.

All Owners are given notice that use of their respective Lots is limited by the use restrictions set forth in this Declaration and the Rules adopted by the Board, as they may be amended, expanded and otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of their Lot can be affected by this provision and that the initial use restrictions and Rules may change from time to time.

No Rule shall be adopted by the Association in violation of the following provisions:

- (i) Similar Treatment. Similarly situated Owners shall be treated similarly; provided, Rules may differ between and among different portions of the Properties, based on type of development, use, density or physical characteristics of the property;
- (ii) Allocation of Burdens and Benefits. No Rule shall alter the allocation of financial burdens among the various Lots as specified herein or rights to use the Common Area. Nothing in this provision shall prevent the Board from changing the Common Area available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who abuse the Common Area, are delinquent in payment of Assessments or violate the Rules established by the Board for the use thereof. This provision does not affect the Board's right to establish or increase user fees or to increase the amount of Assessments;
- (iii) Abridging Existing Rights. No Rule shall require Owners to dispose of personal property which was kept in or on a Lot prior to the adoption of such Rule and which was in compliance with all Rules in force previous to such time, unless otherwise required to be removed by law; provided, the above shall apply to any Owner only for so long as he or she remains the Owner of the affected personal property or Lot. The rights granted under this subsection shall not run with title to any Lot;
- (iv) Reasonable Basis. No Rule may prohibit any activity, condition, or conduct unless the Board, in its sole discretion, determines that a reasonable basis exists for the enactment of such Rule. For purposes of this subsection, reasonable basis may include, but not be limited to,

restrictions as to time, place, and manner of activity or conduct, or concerns relating to fair use of Common Area, cost, aesthetics, or the goals of the comprehensive plan for the benefit of the Properties.

ARTICLE III
COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. PURPOSE OF ASSESSMENT. The assessments provided for in this Declaration shall be used by the Association to maintain and keep in good repair the Area of Common Responsibility and for the general purposes of promoting the common benefit of the Owners and Occupants in the Properties. The judgment of the Board of Directors as to the expenditure of Assessments shall be final and conclusive so long as its judgment is exercised in good faith. Funds obtained by the Association from Assessments may be used to finance all or any of the following:

- (i) Operation, mowing, maintenance, repair, and improvement of the Area of Common Responsibility, including road rights-of-way, drainage and detention areas, and Lakes, including bulkheading along Lakes;
- (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;
- (iv) Paying the cost and fees of a manager or management company retained to carry out the duties of the Association or to manage the affairs and property of the Association;
- (v) Installing, maintaining and replacing landscaping in the Area of Common Responsibility;
- (vi) Designing, purchasing and installing any improvements to the Area of Common Responsibility;
- (vii) Removing debris from the Area of Common Responsibility;
- (viii) Payment of legal fees and expenses incurred to collect assessments and enforce this Declaration;
- (ix) Employing entry personnel and watchmen;
- (x) Contracting for insect and pest control such as mosquito fogging;
- (xi) Carrying out the duties of the Board of Directors of the Association;

- (xii) Creation and funding of such reserve funds as the Board of Directors of the Association deems necessary; and
- (xiii) Carrying out such purposes of the Association as generally benefit the Members of the Association, as determined by the Board of Directors.

SECTION 2. TYPES OF ASSESSMENTS. Each Owner by acceptance of a deed to any Lot in the Properties, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (i) Residential Assessments as provided in subsection (a) of this Section 2; (ii) Neighborhood Assessments, if applicable, as provided in subsection (b) of this Section 2; (iii) Specific Assessments as provided in subsection (c) of this Section 2; (iv) Reserve Fund Payments as provided in subsection (d) of this Section 2; (v) Waterfront Lot Assessments as provided in subsection (e) of this Section 2; and (vi) Special Assessments to be established and collected as hereinafter provided in Section 5 of this Article III.

(a) **Residential Assessments.** Residential Assessments shall be levied annually to enable the Association to pay Association Expenses which are determined by the Board to benefit all Members. Such expenses benefiting all Members shall be all Association Expenses except (i) the expenses which are determined by the Board to benefit a particular Neighborhood or Neighborhoods and (ii) expenses for which the Board makes a Specific Assessment. The good faith determination by the Board of which Association Expenses constitute Neighborhood Expenses shall be final. Residential Assessments on all Lots shall be fixed at uniform rates; provided, however, there shall be no Residential Assessments against unplatted Lots and, subject to the provisions of Section 10 of this Article, Lots owned by the Declarant (other than unplatted Lots which shall not be assessed) and Lots owned by Builders shall be assessed at fifty percent (50%) of the amount assessed against the Lots owned by other Owners. Annual Residential Assessments shall be levied for each calendar year in advance and shall be due and payable on January 1 unless a different due date is specified by the Board. The initial annual Residential Assessment shall commence as to all Lots (other than unplatted Lots) within a platted subdivision or tract of land hereafter annexed into the jurisdiction of the Association and made subject to this Declaration on the date that the first Lot therein is conveyed by the Declarant or on such later date as the Board determines, and shall be due and payable thirty (30) days thereafter. If such Assessment commences on a date other than January 1, such Assessment shall be adjusted according to the number of months remaining in the calendar year.

(b) **Neighborhood Assessments.** Neighborhood Assessments shall be levied against the Lots in a particular Neighborhood (other than the Lots owned by the Declarant) to enable the Association to pay the Neighborhood Expenses which benefit only that Neighborhood. Neighborhood Expenses which benefit a particular Neighborhood may include, without limitation, costs incurred for maintenance and repair of the following items and provision of the following services within the particular

Neighborhood: private streets, trash and garbage door pick-up service as opposed to curb side service, operation and maintenance of Exclusive Common Areas, landscaping, fencing, gates, fountains, lighting and signs and monuments within a particular Neighborhood and other services which the Board of Directors elects to provide to the particular Neighborhood. The Neighborhood Assessment applicable to a particular Neighborhood shall be divided by the number of Lots in such Neighborhood (exclusive of any Lots owned by the Declarant), and each Owner of a Lot contained within the applicable Neighborhood shall be assessed an amount equal to the quotient so obtained.

(c) Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Lot as follows:

- (i) to cover the costs, including overhead and administrative costs, of providing benefits, items or services not provided to all Lots upon request by the Owner pursuant to any menu of special services which may be offered by the Association. Specific Assessments for special services may be levied in advance of the provision of the requested benefit, item or service;
- (ii) to cover costs incurred in bringing a Lot into compliance with this Declaration (including, without limitation costs incurred in performing an Owner's maintenance obligation under Section 25 of Article VII hereof), the Builder Guidelines or the Landscaping Guidelines, or costs incurred as a consequence of the conduct of the Owner or Occupants of a Lot, their agents, contractors, employees, licensees, invitees, or guests; and
- (iii) for fines levied pursuant to this Declaration or the Rules; and
- (iv) for any other cost or expense authorized by this Declaration to be levied against an Owner and his or her Lot.

(d) Reserve Fund Payments. Upon the acquisition of record title to a Lot by the first Owner thereof from a Builder and upon each resale or transfer of such Lot, a payment shall be made by or on behalf of the purchaser to the Association in an amount equal to one hundred percent (100%) of the Residential Assessment for the year in which the sale or transfer occurs, or such lesser amount as may be specified by the Board from time to time. This amount shall be in addition to, not in lieu of, the Residential Assessments and shall not be considered an advance payment of Residential Assessments. This amount shall be paid to the Association at the closing of the purchase of the Lot with a Single Family Residence and may be deposited by the Association into the Association's general account for payment of Association Expenses or into an account maintained by the Association as a reserve fund for the repair, reconstruction or replacement of improvements on the Common Area.

(e) Waterfront Lot Assessments. Waterfront Lot Assessments shall be levied against the Waterfront Lots in the Properties to provide funds to the Association for payment of the costs of maintaining bulkheads along the various Lakes within or adjacent to the Properties. Waterfront Lot Assessments shall be fixed at uniform rates on all Waterfront Lots; provided, however, there shall be no Waterfront Lot Assessments on Waterfront Lots owned by the Declarant and Waterfront Lots owned by Builder shall be assessed at fifty percent (50%) of the amount assessed against the Waterfront Lots owned by other Owners. The initial Waterfront Lot Assessment shall commence as to all Waterfront Lots within a particular platted subdivision on the date the first Lot therein is conveyed by the Declarant or on such later date as the Board determines, and shall be due and payable thirty (30) days thereafter. If such Assessment commences on a date other than January 1, such Assessment shall be adjusted according to the number of months remaining in the calendar year. Thereafter, annual Waterfront Lot Assessments shall be levied for each calendar year in advance and shall be due and payable on January 1 unless a different due date is specified by the Board.

SECTION 3. CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. All Assessments, together with a late charge in an amount determined by the Board from time to time to cover the administrative costs of late payment, interest commencing on the due date at the rate of eighteen percent (18%) per annum or such other rate of interest as may be established from time to time by the Board of Directors not in excess of the maximum lawful rate, costs incurred by the Association in collecting delinquent Assessments (specifically including, but not limited to, any flat charges or percentage fees charged by any third party collection agencies used by the Association if the Association elects to use a collection agency), and reasonable attorney's fees and court costs actually incurred, shall be a charge on the land and shall be secured by a continuing lien upon the land against which each Assessment is made. Each such Assessment, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall also be the personal obligation of the Person who was the Owner of such land at the time the Assessment fell due. Each such Owner shall be personally liable for his or her portion of each Assessment coming due while he or she is the Owner of the land, and each Assessment thereafter coming due unless and until such Owner notifies the Association of the sale or conveyance of the Lot against which the Assessment is made as hereinafter provided in this Section 3.

In order to extinguish any Person's personal liability with regard to Assessments coming due following the sale or conveyance of the Lot owned by such Person, such Person shall be obligated to notify the Association of such Person's sale or conveyance of the Lot against which Assessments may be levied. In that regard, each Person who at any time owned any Lot in the Properties against which Assessments may be levied shall no longer be liable or responsible for payment of Assessments coming due after the date upon which such Person furnishes to the Association a copy of the executed instrument of conveyance by which fee title to the Lot previously owned by such Person was conveyed or transferred to another Person, and the mailing address of the Person

to whom such Lot was conveyed or transferred. Upon receipt of such information, the Association shall cause the name and address of the new Owner to be substituted for that of the prior Owner on the records of the Association, and the prior Owner shall no longer be liable or responsible for Assessments subsequently coming due. Each Person owning a Lot against which Assessments may be made shall have the obligation to notify the Association of any change in its address, and notice of any such change shall become effective five (5) days after written notice thereof has been provided to the Association. With regard to mailing notices of Assessments payable by any Person to the Association, the Association shall be deemed to have satisfied any obligation that it might have to provide written notices or bills if the same are mailed or delivered to the Owner at the address of such Owner as reflected on the records of the Association, and no such Owner or other Person liable for the payment of any Assessment shall escape such liability or be entitled to any deferral or abatement of interest or any late charges or collection costs with regard to delinquent Assessments on the basis of such Person's failure to receive notice thereof if the Association sent such notice by regular U.S. Mail to the most recent address of the Person according to the records of the Association.

Residential Assessments and Neighborhood Assessments shall be payable annually on a date specified by the Board of Directors; provided, however, the Board may, at its option, require payment of such Assessments in monthly or quarterly installments. Special Assessments shall be paid in such manner and on such date or dates as may be fixed by the Board.

SECTION 4. COMPUTATION. It shall be the duty of the Board to adopt a budget covering the estimated costs of operating the Association during each calendar year, taking into consideration any subsidy payments to be received from the Declarant and any additional property to be annexed into the jurisdiction of the Association in the forthcoming year. Such budget may include a capital contribution or reserve in accordance with a capital budget separately prepared and separate line items for expenses benefiting each Neighborhood which will be paid with a Neighborhood Assessment. In the event that the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been adopted, the budget in effect for the then current year shall continue for the succeeding year. The Association Expenses shall be allocated as follows:

- (i) The amount of all estimated expenses to be incurred for the sole benefit of a particular Neighborhood or Neighborhoods shall be determined for such Neighborhood or Neighborhoods, and that portion of the total estimated Association Expenses attributable to a particular Neighborhood or Neighborhoods shall be allocated among the Owners (except the Declarant) of the Lots in the Neighborhood or Neighborhoods as provided in Section 2(b) of this Article III, and shall be levied as Neighborhood Assessments; and

- (ii) The remaining Association Expenses (less the amounts to be collected by the Association from Waterfront Lot Assessments) shall be levied as Residential Assessments against the Lots in the Properties as provided in Section 2(a) of this Article III. The annual per Lot Residential Assessment by the Association for the initial year of assessment shall be such amount as shall be determined by the Board. The annual Residential Assessment in any year after the initial year of assessment may be increased by the Board of Directors of the Association, at its sole discretion, by an amount equal to a fifteen percent (15%) increase over the Residential Assessment for the previous year. The annual Residential Assessment in any year may be increased above such amount only with the approval by a two-thirds (2/3rds) vote of the eligible Class "A" Members who are present in person or by proxy at a meeting called for such purposes and, during the Class B Control Period, the Declarant.

The Board shall in good faith attempt to cause notice of the Assessments to be levied against each Owner for the following year to be delivered to each Member at least thirty (30) days prior to the end of the current year.

SECTION 5. SPECIAL ASSESSMENTS. In addition to the other Assessments authorized herein, the Board may levy one or more special assessments in any year 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, during the Class B Control Period any special assessment must have the written consent of the Declarant. In addition, if the amount of the special assessment is greater than twenty percent (20%) of the Residential Assessment per Lot for such year, the special assessment must be approved by a two-thirds (2/3rds) vote of the eligible Class "A" Members who are present in person or by proxy at a meeting of the Members called for such purposes.

The Board may also levy one or more special assessments in any fiscal year for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, or repair or replacement of a capital improvement located upon Exclusive Common Area, including fixtures and personal property related thereto; provided, however, that any such special assessment shall have the affirmative vote or written consent of the Owners of a majority of the Lots in the Neighborhood or Neighborhoods entitled to exclusive use of such Exclusive Common Area.

If a special assessment is approved as herein required and levied, it shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed. Special assessments shall be allocated among all Owners in the same manner as Residential Assessments unless the purpose of the special assessment is to provide funds to be used for Exclusive Common Area facilities, in which event the special assessment shall be allocated solely among the Owners of the property in the

Neighborhood or Neighborhoods entitled to use the applicable Exclusive Common Area in the same manner as a Neighborhood Assessment.

SECTION 6. COMMUNITY COUNCIL

(a) Authority. The Board shall collect on behalf of the Community Council a community enhancement fee ("Community Enhancement Fee") from the transferring Owner upon each transfer of title to a Lot within the Properties which is not an Exempt Transfer. The Community Enhancement Fee shall be payable to the Association at the closing of the transfer of the Lot and shall be secured by the Association's lien for Assessments under Section 3 of this Article III against the applicable Lot and the improvements thereupon. The transferring Owner shall (i) notify the Association of a pending title transfer prior to the transfer. Such notice shall include the name of the buyer, the expected date of title transfer, and such other information as the Board may require from time to time, and (ii) instruct the escrow agent handling the transfer to make payment of the Community Enhancement Fee to the Association.

(b) Community Enhancement Fee Limit. The Association's Board from time to time shall determine the amount of the Community Enhancement Fee after consultation with the board of trustees of the Community Council. The Community Enhancement Fee may be calculated based on the Gross Selling Price of the applicable property or as otherwise determined by the Association's Board; provided, however the Community Enhancement Fee shall not exceed 0.50% of the Gross Selling Price of the applicable Lot and improvements thereupon or 0.25% of the Gross Selling Price of the applicable Lot and Improvements in the case of the sale of a Lot by a Builder.

(c) Purpose. All Community Enhancement Fees which the Association collects on behalf of the Community Council shall be paid or transferred to the Community Council and deposited into a separate account in the name of the Community Council and shall be used for such purposes as the Community Council, acting through its board of trustees, deems beneficial to the general good and welfare of the Aliana community. By way of example and not limitation, Community Enhancement Fees may be used to assist the Association or one or more tax-exempt entities in funding:

- (i) preservation and maintenance of natural areas, wildlife preserves, archaeological sites, areas of historical or cultural significance or similar conservation areas, and sponsorship of educational programs and activities which contribute to the overall understanding, appreciation and preservation of the natural environment at Aliana;
- (ii) programs and activities which serve to promote a sense of community within Aliana, such as recreational leagues, cultural programs, educational programs, scholarship programs, festivals and holiday celebrations and activities, a community computer network, and recycling programs;

- (iii) social services, community outreach programs and other charitable causes including educational scholarships; and
- (iv) enhancement and/or improvement of amenities and other facilities within the Properties.

(d) Exempt Transfers. Notwithstanding the above, no Community Enhancement Fee shall be levied upon transfer of title to a Lot which is an Exempt Transfer as defined in Section 17 of Article I hereof. In addition, no Community Enhancement Fee shall be levied on the sale of Lots by the Declarant.

(e) Payment by Builders. In order to facilitate the collection of Community Enhancement Fees which will be payable on the initial sale of Lots with Single Family Residences by Builders, the Declarant may cause the Community Enhancement Fee with respect to a particular Lot or Lots to be paid at the time such Lot(s) are conveyed by Declarant to the Builder calculated on the basis of an estimated Gross Selling Price or the estimated average Gross Selling Price for a group of Lots with Single Family Residences to be constructed. If the Declarant causes payment of the Community Enhancement Fee for the initial sale of a Lot and Single Family Residence to be made by a Builder at the time it purchases a Lot, there shall be no adjustment when the actual Gross Selling Price is determined.

SECTION 7. LIEN FOR ASSESSMENTS. All sums assessed against any property subject to this Declaration pursuant to this Declaration, together with late charges, interest, collection and other costs, and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a lien on the property owned by each Owner in favor of the Association. All Persons acquiring liens or encumbrances on any property subject to this Declaration after this Declaration shall have been recorded in the real property records of Fort Bend County, Texas shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for Assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

SECTION 8. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien securing the Assessments provided for herein shall be subordinate to (i) liens of ad valorem taxes and (ii) the lien of any Mortgage which has been recorded in the real property records of Fort Bend County, Texas. Sale or transfer of any Lot subject to this Declaration shall not affect the lien hereby created. However, the sale or transfer of any Lot pursuant to foreclosure of a first Mortgage or any conveyance in lieu thereof, shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

SECTION 9. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any Assessments which are not paid in full by the date specified by the Board shall be delinquent. Any delinquent Assessment shall commence to bear

interest on the due date at the rate of eighteen percent (18%) per annum or such other interest rate as the Board may from time to time determine or the maximum lawful rate of interest. If the Assessment is not paid when due, the lien herein retained and created against the affected Lot shall secure the Assessment due, late charges, interest thereon from the date due and payable, all costs of collection, court costs, reasonable attorney's fees actually incurred, and any other amount provided or permitted by law. In the event that the Assessment remains unpaid after ninety (90) days, the Association may, as the Board shall determine, institute suit for collection against the Owner personally obligated to pay the Assessment or foreclose the lien created and reserved hereby against the Lot of such Owner.

The Association's lien is created by 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 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. Unless otherwise provided by law, the Owner shall have no right of redemption after or resulting from a foreclosure sale of the Association's lien. 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 exempt himself from liability for the Assessments provided for herein, by non-use of Common Area or abandonment of the Lot owned by such Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental

authority, the obligation to pay Assessments being a separate and independent covenant on the part of Declarant and each other Owner.

All payments shall be applied first to costs and attorney's fees, then to interest, and then to delinquent Assessments, or as otherwise required by law.

SECTION 10. ASSESSMENT OBLIGATION OF DECLARANT. Subject to the further provisions hereof, Declarant, on behalf of itself and its successors and assigns to whom its rights as Declarant are expressly assigned, covenants and agrees to pay Assessments as provided herein for the Lots (other than unplatted Lots) that it owns. However, as long as the Class "B" membership exists in the Association, the Declarant may annually elect either to pay Residential Assessments on the Lots (other than unplatted Lots) it owns as herein provided or to pay the Association the difference between the amount of Residential Assessments collected on all other Lots subject to assessment and the amount of the actual expenditures incurred to operate the Association during such calendar year (the "subsidy"). The payment by Declarant of a subsidy in any year in lieu of Residential Assessments shall under no circumstances obligate the Declarant to pay a subsidy in a future year or years even if the subsidy is less than the Residential Assessments that would otherwise have been payable by the Declarant. The subsidy may be paid by the Declarant in increments throughout the year as funds are needed by the Association. During any period that the Declarant is comprised of more than one (1) Person, the Declarant's option to pay a subsidy in lieu of Residential Assessments shall be contingent upon such Persons reaching an agreement among themselves as to the portion of the subsidy to be paid by each of them. In the event an agreement is reached and any such Person fails to pay its agreed share of the subsidy, it shall be obligated to pay Residential Assessments on the Lots it owns as if no subsidy election had been made.

The Declarant may also elect to make loans to the Association. In the event of a loan, the loan and interest thereon at the prime rate of interest announced from time to time by Bank of America, N.A. or another bank designated by the Board at the time the loan is made plus 1% per annum, shall be payable by the Association to the Declarant from future Annual Assessments collected by the Association. All loans, if any, shall be evidenced by promissory notes executed by the Association.

ARTICLE IV RIGHTS IN THE COMMON AREA

SECTION 1. OWNER'S RIGHTS OF ACCESS AND ENJOYMENT. Subject to the further provisions of this Section, every Member shall have a right of access to and enjoyment of the Common Area, and such right shall be appurtenant to and shall pass with the title to the Lot owned by such Member. Such rights shall be subject to the following:

(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, without the approval of the Members, 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 (subject to the provision of notice and an opportunity to be heard as may be required by law) to suspend the enjoyment rights of any Member 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 Rules governing the Members' use and enjoyment of the Common Area including, without limitation, the right to establish a minimum age for children using swimming pools and other amenities without adult supervision, and (subject to the provision of notice and an opportunity to be heard as may be required by law) to suspend the enjoyment rights of any Member for any period not to exceed sixty (60) days for any infraction of such Rules.

(f) The Association shall have the right, without the approval by the Members, to sell or convey all or any part of the Common Area and the right, 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 with one or more Persons 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 upon payment of such fees as may be determined by the Board.

(h) The use of Lakes by Members of the Association and their permitted guests shall be subject to such Rules as the Association's Board of Directors may adopt from time to time. Such Rules may, among other things, prohibit the use of boats on some or all of the Lakes, prohibit fishing or permit only catch and release fishing, and prohibit swimming.

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 or her family

and to such guests or other persons as may be permitted by the Association; provided, however, an Owner shall be liable for the actions of his or her guests. An Owner shall be deemed to have made a delegation of all rights to use the Common Area to the Occupants of any leased residence.

SECTION 3. EASEMENTS-GENERAL. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the plats of the Properties and/or as dedicated by separate instruments. Neither Declarant nor any 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 4. EASEMENTS FOR UTILITIES AND PUBLIC SERVICES.

(a) There is hereby granted to the Association, to Fort Bend County, to the City of Houston, and to any other public authority or agency, utility district, or public or private utility company, a perpetual easement upon, over, under, and across (i) the Common Area, and (ii) those portions of all Lots as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers, drainage systems and retention ponds, electrical, gas, telephone, water and sewer lines, street lights, street signs and traffic signs; provided, however, that such easements shall not unreasonably affect the ability to develop, market or the value of any Lot. To the extent possible, utility lines and facilities serving the Properties and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permitted for the providing utility company or other supplier or servicer, with respect to the portions of the Properties encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to excavate or fill, or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

(b) There is also hereby granted to Fort Bend County, to the City of Houston, and to such other governmental authority or agency as shall from time to time have jurisdiction over the Properties (or any portion thereof) with respect to law enforcement and fire protection, the perpetual, non-exclusive right and easement upon, over and across all of the Properties for purposes of performing such duties and activities related to law enforcement and fire protection in the Properties as shall be required or appropriate from time to time by such governmental authorities under applicable law.

SECTION 5. EASEMENTS FOR ASSOCIATION.

(a) 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 or the enforcement of the provisions of this Declaration without liability for trespass. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the Owner or Occupant of the residence directly affected thereby.

(b) There is also 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 reserve, perimeter boundary of the Properties or a 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.

SECTION 6. SECURITY. THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTIES DESIGNED TO MAKE THE PROPERTIES SAFER THAN THEY OTHERWISE MIGHT BE. NEITHER THE ASSOCIATION, THE DECLARANT, ANY SUCCESSOR DECLARANT, NOR THEIR AGENTS SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, HOWEVER, AND NEITHER THE ASSOCIATION, THE DECLARANT, ANY SUCCESSOR DECLARANT, NOR THEIR AGENTS SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY LOT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, ANY SUCCESSOR DECLARANT, THE RESIDENTIAL REVIEW COMMITTEE AND THEIR AGENTS DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE RESIDENTIAL REVIEW COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, THE RESIDENTIAL REVIEW COMMITTEE, THE DECLARANT, ANY

SUCCESSOR DECLARANT AND THEIR AGENTS ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, THE RESIDENTIAL REVIEW COMMITTEE, THE DECLARANT, OR ANY SUCCESSOR DECLARANT AND THEIR AGENTS HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

SECTION 7. RIGHTS OF DECLARANT DURING CONSTRUCTION AND SALE PERIOD. Notwithstanding any provisions contained in this Declaration, until the Declarant has developed and sold all of its land within the Properties, it shall be expressly permissible for the Declarant and any Owner approved by the Declarant to maintain upon such portion of the Properties as the Declarant may deem necessary, such facilities, and carry on such activities as in the sole opinion of the Declarant may be required, convenient, or incidental to such Declarant's and such Owner'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 (provided that such signs comply with the requirements of the Builder Guidelines); and the right to construct and operate business offices, construction trailers, model residences, information and sales offices. The Declarant and any such Owner may use residences as model residences, sales offices and construction offices.

SECTION 8. POLO CLUB AT ALIANA.

(a) General. Polo fields and other facilities such as a club house (hereinafter referred to as "Club Facilities"), may be constructed by any entity not affiliated with the Declarant on a tract or tracts of land (the "Club Land") within or in the vicinity of the Properties (but which may not be a part of the Properties) and may be operated as a private club for the use of individuals who pay membership fees to the owner thereof. The club facilities are not a part of the Common Area. The Members of the Association shall have no ownership interest, proprietary interest, beneficial interest, or other vested interest in the Club Facilities and shall have no right to enter or to use the Club Facilities by virtue of being a Member of the Association and the Owner of a Lot.

(b) Operation of Club Facilities. No representations or warranties have been or are made by Declarant or any other Person regarding the ownership or operation of the Club Facilities. Further, if the Club Facilities are constructed, the ownership or

management of the Club Facilities may change at any time and from time to time or the Club Facilities may cease to be operated as polo facilities and the Club Land may be redeveloped for other uses.

(c) Rights of Access. The owner of the Club Facilities and its members and their invitees, employees, agents, contractors, and designers shall at all times have a right and non-exclusive easement of access and use over all Streets located within the Properties reasonably necessary to travel to and from the Club Facilities and, further, over those portions of the Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Club Facilities and such easements are hereby reserved.

(d) Easements. A nonexclusive, perpetual easement is hereby granted by the Declarant to the owner of the Club Land, its servants, independent contractors, agents, members, guests and invitees over the Properties for the following purposes:

(i) Doing of every act necessary and incident to the playing of polo and other recreational activities on the Club Land, including, but not limited to, the operation of lighting during hours of darkness, and the creation of usual and common noise levels associated with such recreational activities;

(ii) Creation of noise related to the normal maintenance and operation of the polo fields and other facilities on the Club Land, including, but not limited to, the operation of mowing and spraying equipment; and

(v) An easement of no specified width for the overspray of herbicides, fungicides, pesticides, fertilizers, and water over portions of the Properties located adjacent to the Club Land.

The easements hereby granted are appurtenant to the Club Land and shall run with the land.

(e) Restrictions Applicable to Polo Field Lots. Each Lot which is adjacent to the Club Land (a "Polo Field Lot") shall be conveyed subject to the following restrictions which shall run with the land and be binding on each Polo Field Lot in perpetuity:

(i) No residence on a Polo Field Lot shall be located closer than thirty (30) feet from the common boundary of such Lot and the Club Land;

(ii) There shall be no buildings, structures, or other temporary or permanent improvements of whatsoever kind or nature placed or constructed on any Polo Field Lot, with the exception of the main residence, underground utilities, in-ground pools and related facilities, children's playground equipment, gazebos and fencing which meets the criteria hereinafter set forth. Storage buildings may not be located in the rear yard of a Polo Field Lot;

(iii) The thirty (30) foot building setback area on each Polo Field Lot from the common property line with the Club Land (the "Rear Lot Setback Area") shall be improved to the following standards prior to any occupancy of the residence on such Polo Field Lot:

(a) The Rear Lot Setback Area will be sodded in its entirety; and

(b) The rear yard of the Polo Field Lot will be landscaped in accordance with the Landscaping Guidelines.

(iv) The exterior of all structures on a Polo Field Lot, exclusive of door and window openings, shall consist entirely of brick, stone, or another masonry material approved by the Design Review Committee; and

(v) Each Polo Field Lot shall have a uniform fence built in accordance with the specifications and at the locations set forth in the Builder Guidelines.

ARTICLE V INSURANCE

SECTION 1. INSURANCE. The Association's Board of Directors, or its duly authorized agent, shall obtain blanket all-risk casualty insurance for all insurable improvements on the Common Area, or if blanket all-risk coverage is not reasonably available, an insurance policy providing fire and extended coverage. In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, obtain casualty insurance on the Exclusive Common Area within the Neighborhood. Such insurance policies shall be in such amount or amounts as the Board of Directors deems appropriate.

The Board may also obtain 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, its agents, the Members or Occupants, in such amount as the Board deems appropriate.

Premiums for all insurance on the Common Area shall be Association Expenses and shall be included in the Residential Assessments and the premiums for insurance on Exclusive Common Area shall be included in the Neighborhood Assessment of the Neighborhood(s) benefited thereby. In addition to the other insurance discussed in this Section, the Board may also obtain, as an Association Expense payable from Residential Assessments, (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, and (iii) a fidelity bond or fidelity insurance on directors, officers, employees, and other Persons handling or responsible for the Association's funds.

SECTION 2. 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. In the event that insurance proceeds are unavailable to repair or reconstruct the Common Area or the Exclusive Common Area of any Neighborhood, the damaged or destroyed property shall be restored to its natural state. 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 5 of Article III above.

ARTICLE VI ARCHITECTURAL STANDARDS AND RESTRICTIONS

SECTION 1. PURPOSE. In order to preserve the natural setting and beauty of the Properties, to establish and preserve a harmonious and aesthetically pleasing design for the Aliana project and to protect and promote the value of the Properties, the Lots shall be subject to the restrictions set forth in this Article VI. Every grantee of any interest in a Lot by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

SECTION 2. ALIANA DESIGN REVIEW COMMITTEE. There is hereby established the Aliana Design Review Committee (sometimes hereinafter called the "Design Review Committee"), which, subject to the further provisions hereof, shall have exclusive jurisdiction over all original construction on the Lots and over modifications, additions, or alterations made on or to the residences and other improvements on the Lots. The Design Review Committee shall (i) adopt the Builder Guidelines and (ii) establish application and review procedures for plans and specifications. The Design Review Committee shall make the Builder Guidelines available to Builders who seek to engage in development of or construction upon a Lot and who shall conduct their operations strictly in accordance therewith. Notwithstanding the foregoing to the contrary, during the Class B Control Period, the Declarant may, at its option, elect not to appoint the members of the Design Review Committee, in which event the Declarant shall have the right to promulgate the Builder Guidelines and perform all functions that the Design Review Committee would otherwise have performed.

Once created, the Design Review Committee shall consist of a minimum of three (3) members. If the Design Review Committee is created prior to the expiration of the Class B Control Period, the Declarant shall have the right to appoint all members of the Design Review Committee as well as the right to remove any member prior to the expiration of the Class B Control Period. There shall be no surrender of this right prior

to that time, except by a written instrument executed by Declarant and recorded in the real property records of Fort Bend County, Texas. Following the expiration of the Class B Control Period, the Board of Directors shall appoint the members of the Design Review Committee.

The Design Review Committee or the Declarant, if the Declarant elects to perform the duties of such committee, and the Modifications Committee, if applicable, is hereafter referred to as the "Reviewer". The Reviewer is authorized, but not obligated, to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Reviewer in performing its functions set forth herein.

The Board of Directors shall have the right, but not the obligation, at any time to create a separate committee known as the "Modifications Committee" to perform the obligations hereinafter specified with respect to the review of plans for the alteration or modification of the improvements on a Lot after construction of the initial improvements. The Board shall also have the right to abolish such committee at any time. In the event such committee is created it shall consist of a minimum of three (3) members appointed by the Board and the Board shall have the power to remove a member at any time. In the event a Modifications Committee is created, such committee shall have all of the duties and powers granted to the Reviewer in this Declaration with respect to the alteration or modification of improvements on a Lot in the Properties unless or until the Board determines there should no longer be two (2) separate committees and abolishes the Modifications Committee, in which event all such duties and powers shall thereafter be restored to the Design Review Committee.

SECTION 3. ARCHITECTURAL APPROVAL. To preserve the architectural and aesthetic appearance of the Aliana project, no construction of improvements, including landscaping, or modifications, additions, or alterations to existing improvements, shall be commenced or maintained by any Owner with respect to any Lot in the Properties, including, without limitation, the construction or installation of sidewalks, driveways, parking areas, mail boxes, decks, patios, courtyards, swimming pools (other than above ground pools which are not permitted on a Lot), tennis courts, greenhouses, playhouses, landscaping, awnings, walls, fences, exterior lights, garages, guest or servants' quarters, or accessory buildings, 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, including fences), unless and until two (2) copies of the plans and specifications and related data (including, if required by the Reviewer, a survey showing the location of trees of four (4) inches or more in diameter at a height of six (6) inches above the ground and other significant vegetation on such Lot) showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Reviewer including, without limitation, approval as to the compliance of such plans and specifications with the Community-Wide Standard, and the harmony of external design, location, and appearance in relation to surrounding structures and topography. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the

Reviewer, and the other copy shall be returned to the Owner marked "approved," "approved with conditions as noted," or "disapproved." The Reviewer may establish a reasonable fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his improvements, or to paint the interior of the improvements on his property any color desired. The Reviewer shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association and shall use reasonable efforts to give its approval or disapproval of plans and specifications within forty-five (45) days after submission of all items required. The failure of such committee to respond within such period shall be deemed to be a disapproval unless written approval is thereafter given.

Upon approval of plans and specifications, no further approval under this Article VI shall be required by the Reviewer with respect thereto, unless construction has not substantially commenced within six (6) months of the approval of such plans and specifications (e.g. clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. The Reviewer may disapprove plans and specifications for any reason which is consistent with the objects and purposes of this Declaration as determined by the Reviewer from time to time, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious. The Owner of the applicable Lot is responsible for obtaining all governmental approvals and permits required for proposed improvements.

SECTION 4. LANDSCAPING APPROVAL. To preserve the aesthetic appearance of the Aliana project, no landscaping, grading or excavation shall be implemented and installed on a Lot in the Properties unless and until the plans therefor have been submitted to and approved in writing by the Reviewer. In the installation of landscaping and maintenance of his or her Lot, each Owner shall comply with the Landscaping Guidelines applicable to such Lot.

SECTION 5. APPROVAL NOT A GUARANTEE OR VARIANCE. The review and approval of plans pursuant to this Article is made on the basis of aesthetic considerations only and no approval of plans and specifications and no publication of the Builder Guidelines shall be construed as representing or implying that such plans, specifications, or guidelines will, if followed, result in properly designed improvements. Such approvals and Builder Guidelines shall in no event be construed as representing or guaranteeing that any improvements built in accordance therewith will be built in a good and workmanlike manner. Neither the Declarant, the Association, the Design Review Committee, the Modifications Committee, nor any of their respective officers, partners, directors or members, shall be responsible or liable in damages or otherwise to any Person who submits plans for approval by reason of mistake of judgment, negligence or nonfeasance arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations, nor any defects in

construction undertaken pursuant to such plans and specifications. The purpose of such reviews primarily seeks to conform the aesthetic appearances of development within the Properties. In addition, the approval of plans pursuant to this Article shall not be deemed to be a variance from the specific restrictions of this Declaration or the Builder Guidelines. All variances must be issued in accordance with the provisions of Section 8 of this Article.

SECTION 6. RIGHT TO INSPECT. Any member of the Board of Directors or the Reviewer and 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 underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. In the event the Design Review Committee shall determine that such plans and specifications have not been approved or are not being complied with, the Reviewer shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In addition to any other remedies available to the Association, the Board may record in the appropriate land records a notice of violation naming the violating Owner.

SECTION 7. NO WAIVER OF FUTURE APPROVALS. The approval by the Reviewer of any plans and specifications for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

SECTION 8. VARIANCES. The Reviewer may grant variances from compliance with the restrictions of this Declaration and from any of the Builder Guidelines when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, or (b) estop the Reviewer from denying a variance in other circumstances. 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.

ARTICLE VII SPECIFIC USE RESTRICTIONS

SECTION 1. SINGLE FAMILY RESIDENCES. Each and every Lot in the Properties is hereby restricted to one (1) Single Family Residence and approved outbuildings and improvements, and use for residential living purposes exclusively and no Single Family Residence shall be occupied by more than one (1) Common Household Group.

No garage sale, yard sale, moving sale, rummage sale, estate sale or similar activity and no trade or business may be conducted in or from any Lot, except that an Owner or Occupant may conduct business activities within the Single Family Residence so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity does not involve door-to-door solicitation of residents of the Properties; and (c) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board. The Board is authorized to promulgate rules and regulations to insure that home businesses comply with the above standards and to make factual determinations regarding the impact of a home business on the residential character of the Properties. If, in the judgment of the Board, a home business has a detrimental impact on the residential quality of the Properties or otherwise constitutes a nuisance, it is authorized to require that the Owner cease the home business or alter it to the Board's satisfaction. Notwithstanding anything contained in this Section, the Association may sponsor a community wide garage sale or rummage sale at such location or locations as the Board deems appropriate from time to time. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Single Family Residence shall not be considered a trade or business within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or by a Builder with the approval of a Declarant, with respect to the development and sale of the Lots and Single Family Residences in the Properties.

SECTION 2. LIVING AREA REQUIREMENTS. The total living area of the Single Family Residence on a Lot shall be not less than the minimum specified in the Builder Guidelines or Supplemental Declaration applicable to such Lot, if any.

SECTION 3. TYPE OF CONSTRUCTION. The Supplemental Declaration or the Builder Guidelines applicable to a particular Lot may require that a specified percentage of the exterior wall areas of the residence on such Lot, exclusive of door and window openings, be constructed of masonry or brick veneer or another material approved by the Design Review Committee or specified in the Builder Guidelines or a Supplemental Declaration. No detached garage or accessory building shall exceed one story in height without the written consent of the Design Review Committee. Every garage and accessory building (except a greenhouse or storage shed) shall correspond in style and architecture with the dwelling to which it is appurtenant.

SECTION 4. GARAGES, DRIVEWAYS AND SIDEWALKS. Each Single Family Residence must have an attached or detached garage for a minimum of two (2) full size automobiles. Garages may not be converted to living space and must be kept in condition for their intended purpose of housing automobiles and other vehicles. Each Owner shall construct and maintain at his expense a concrete driveway from the garage of his or her residence to the abutting Street, including the portion of the driveway in the street easement, and the Owner shall repair at his expense any damage to the Street or Street curb occasioned by connecting the driveway thereto. Each Owner shall also construct and maintain at his expense a sidewalk along the front of his Lot as well as on the side of corner Lots, in accordance with the Builder Guidelines.

SECTION 5. ANTENNAE AND SATELLITE DISHES. No television, radio, or other electronic towers, aeriels, 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 Design Review Committee 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 Design Review Committee may only be installed in a side or rear yard location, not visible from the Street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

SECTION 6. ANIMALS AND PETS. No animals of any kind shall be raised, bred or kept in the Properties except as hereinafter provided. A reasonable number of dogs, cats or other common household pets may be kept on a Lot, provided that (a) they are not kept, bred or maintained for commercial purposes, (b) they do not make objectionable noises, create any odor, or otherwise constitute a nuisance to other Owners, (c) they are kept within an enclosed yard on the Lot occupied by the Owner of such pets or on a leash being held by a Person capable of controlling the animal, and (d) they are not in violation of any municipal code or ordinance or of any other provision of this Declaration or such limitations as may be set forth in the Rules. A "reasonable number" as used in this Section 6 shall ordinarily mean no more than two (2) pets, in the aggregate, per Lot; provided, however, that the Board of Directors (or the Design Review Committee or such other Person as the Board may from time to time designate) may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Association, acting through the Board, shall have the right to prohibit the keeping of any animal which, in the sole opinion of the Board, is not being maintained in accordance with the foregoing restrictions or any applicable Rules. Each Owner and/or Occupant maintaining any animal shall be liable in accordance with the laws of the State of Texas to each and all remaining Owners and Occupants of such Owners for any damage to person or property caused by any such animal; and it shall

be the absolute duty and responsibility of each such Owner or Occupants to clean up after such animals to the extent they have used any portion of any Lot, Street, or any Common Areas. If any such Owner or Occupant fails to so do, the Association shall have the right to perform such duty on such Owner's behalf, and such Owner shall promptly reimburse the Association for the costs thereof (in addition to other rights and remedies of the Association). Such cost shall be a Specific Assessment and shall thus become a lien and personal obligation enforceable in the manner set forth in this Declaration.

SECTION 7. WINDOW AIR CONDITIONERS. No window or wall type air conditioners shall be permitted to be used, erected, placed or maintained on or in any Single Family Residence, except that the Design Review Committee may, at its discretion, permit window or wall type air conditioners to be installed if such unit, when installed, is not visible from a Street or any other Lot.

SECTION 8. RENTING OR LEASING. Single Family Residences may be rented or leased only by written leases and subject to the restriction that all tenants shall be subject to the terms and conditions of this Declaration and the rules and regulations promulgated by the Association as though such tenant were an Owner. Each Owner of a Single Family Residence agrees to cause his tenants to comply with this Declaration and the rules and regulations promulgated pursuant hereto, and is responsible and liable for all violations and losses caused by such tenants, notwithstanding the fact that such tenants are fully liable for any such violation. All provisions of this Declaration and of any rules and regulations promulgated pursuant hereto which govern the conduct of Owners of a Single Family Residence and which provide for sanctions against Owners shall also apply to all Occupants of a Single Family Residence even though such Occupants are not specifically mentioned. Each Owner who leases his residence shall provide the Association with the name of his tenant and a mailing address where such Owner can be contacted at all times.

SECTION 9. VEHICLES. No recreation vehicle, camper, camper not on a truck, boat, personal watercraft, mobile home, jet ski, horse trailer, or other trailer, tractor, motor home or truck (other than a pickup truck, sports utility vehicle, or passenger van) shall be stored or shall be parked for longer than twelve (12) hours on or about any Lot or Common Area (including driveways) or on any Street in such a manner as to be visible from any other Lot or from any portion of the Common Area. Any such vehicle may be kept only within a garage, an enclosed or partially enclosed structure approved by the Design Review Committee, or within a parking area designated by the Board for the storage and parking of such vehicles. No inoperable vehicle or vehicle kept stationary for a period in excess of forty-eight (48) hours shall be allowed to remain on any portion of the Properties or on any Lot or Street in such a manner as to be visible from any Lot (other than the Lot on which such vehicle is located), or from any Street or portion of the Common Area. No vehicle, including, but not limited to, motorcycles, motorbikes, bicycles, automobiles, trucks, boats, personal watercrafts and trailers, may be kept or used anywhere within the Properties in violation of any applicable Rules. Such Rules, among other things, may prohibit the keeping or use of motorcycles,

motorbikes, dune buggies, golf carts or other vehicles, or may limit their use, and may regulate places of parking of vehicles. Any vehicle found to be in violation of any of the provisions of this Section 9 may be towed away by or on behalf of the Association at the expense of the owner of such vehicle or of the Owner of the Lot, if any, at which such vehicle is located. Such cost shall be a Specific Assessment and shall create a lien and personal obligation enforceable in the manner set forth in this Declaration.

SECTION 10. 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 from public view by planting or fencing. All rubbish, trash, and garbage shall be regularly removed and not allowed to accumulate. 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 11. DRAINAGE. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or Occupant of a Lot may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers or storm drains.

SECTION 12. CLOTHESLINES, GARBAGE CANS, WOODPILES, ETC. All clotheslines, garbage cans, woodpiles, swimming pool pumps, filters and related equipment and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property.

SECTION 13. NUISANCES. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be stored or done thereon which may be or may become an annoyance or nuisance to any of the Properties. No repair work, dismantling or assembling of motor vehicles, boats, trailers or any other machinery or equipment shall be permitted in any street, or in any driveway or yard of any Lot adjacent to any Street within the Properties.

SECTION 14. TEMPORARY BUILDINGS. Temporary buildings or structures shall not be permitted on any Lot, provided, however, Declarant may permit temporary toilet facilities, sales and construction offices and storage buildings to be used by Builders in connection with the construction and sale of residences and by contractors performing land development activities within the Properties for Declarant. Builders may use garages as sales or construction offices for the time during which such Builders are marketing homes. At the time of the sale of a Single Family Residence by a Builder any garage appurtenant to such residence used for sales purposes must be

reconverted to a functional garage in compliance with the plans approved by the Design Review Committee.

SECTION 15. GRASS AND SHRUBBERY. The Owner of each Lot shall landscape the areas of his Lot which are visible from the Street or adjacent property in accordance with the Landscaping Guidelines. Grass and weeds shall be kept mowed to prevent unsightly appearance, and all curbs, roadways, drives and walkways shall be kept edged. Dead or damaged trees and shrubbery shall be promptly removed or replaced, and if not removed by the Owner upon request, then the Association may remove or cause to be removed such trees or shrubbery at the Owner's expense and shall not be liable for damage caused by such removal. The Association may, at its option, plant and install shrubbery and other screening devices around boxes, transformers and other above-ground utility equipment located on the Lots, and mow and maintain the grass, shrubbery or other screening devices around such utility equipment. The Association shall have the right to enter upon the Lots for such purposes.

SECTION 16. 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. The Board may request an Owner to remove or otherwise alter any obstruction to the view of vehicle drivers, or any hazardous condition on his or her Lot. Any such obstruction or hazardous condition shall, upon request of the Board, be removed or otherwise altered to the satisfaction of the Board, by the Owner of the Lot upon which said obstruction is located, at such Owner's sole cost. In the event the Owner fails to promptly remove or otherwise alter such obstruction or hazardous condition, the Association shall have the right to remove such obstruction or hazardous condition, charging the entire cost thereof to the Owner. Such costs shall be a Specific Assessment and shall create a lien and personal obligation enforceable in the manner set forth in this Declaration.

SECTION 17. MAILBOXES AND HOUSE NUMBERS. Unless provisions are otherwise made by the Declarant for the installation of individual mailboxes for the Properties or a portion of the Properties, cluster boxes will be installed at various locations within the Properties in accordance with U.S. Postal Service requirements and no Owner of a Lot served by a cluster mailbox shall install a mailbox on his Lot. The Owner of each Lot which is to have an individual mailbox shall install and maintain in good working condition a mailbox which conforms to specifications adopted by the Design Review Committee. Each Lot shall have a house number identifying its street address made of materials and a color or colors specified by the Design Review Committee in keeping with the overall character and aesthetics of the community. Different materials and/or colors for individual mailboxes or street numbers may be specified by the Design Review Committee for different Neighborhoods.

SECTION 18. PRIVATE UTILITY LINES. All electrical, telephone, and other utility lines and facilities which are located on a Lot and are not owned by a

governmental entity or a public utility company shall be installed underground unless otherwise approved in writing by the Design Review Committee.

SECTION 19. ROOFTOP ELEMENTS. All stack vents, attic ventilators and skylights shall be located on the rear slopes of roofs and mounted perpendicular to the ground plate. All exposed roof stack vents, flashings, attic ventilators, etc. on each Single Family Residence must be painted to match the color of the roof of the Single Family Residence unless otherwise approved by the Design Review Committee. No solar collectors shall be placed on a roof slope so that they are visible from a Street or the Common Area.

SECTION 20. DECORATIONS. No decorative appurtenances such as sculptures, birdbaths and birdhouses, flagpoles, fountains or other decorative embellishments shall be placed on the front lawn of a Lot or on the visible side or rear yard of a Lot unless such items have been approved in writing by the Design Review Committee and are in compliance with the Builder Guidelines. Notwithstanding the foregoing, customary seasonal decorations for all observed, recognized holidays may be installed without the approval of the Design Review Committee beginning fourteen (14) days prior to the holiday but must be removed within seven (7) days after the holiday is over; provided however, such decorations for year-end religious holidays such as Christmas, Hanukkah and Kwanzaa may be installed no earlier than November 20 and must be removed no later than January 10. The Board has the right to adopt Rules which specify a maximum size and other requirements for all decorations placed on a Lot.

SECTION 21. PLAYGROUND EQUIPMENT. All playground equipment on a Lot must be placed at the rear of the Lot a minimum of ten (10) feet from the side and rear lot lines and behind a fence or otherwise screened from public view. No such equipment shall exceed twelve (12) feet in height. Any shade covering on playground equipment which is visible from adjacent property or any public area must be a color approved by the Design Review Committee.

SECTION 22. SIGNS. Unless otherwise approved by the Design Review Committee, no sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Single Family Residence, fence or other improvement upon such Lot so as to be visible from public view except the following:

(a) **For Sale/Lease Signs.** An Owner may erect one (1) sign on his or her Lot, not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of such Lot advertising the property for sale or lease.

(b) **Declarant's Signs.** Declarant may erect and maintain a sign or signs deemed reasonable and necessary for the construction, development, operation, promotion, leasing and sale of the Lots. Contractor signs are not permitted unless otherwise approved by the Design Review Committee.

(c) **Builders' Signs.** Any Builder may utilize one professional sign (of not more than five (5) square feet in size) per Lot for advertising and sales promotion of the residence on such Lot.

(d) **Political Signs.** Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal, provided that not more than one (1) sign per candidate or position is permitted on a Lot and such signs shall not be erected more than thirty (30) days in advance of the election to which they pertain and shall be removed within ten (10) days after such election. The Board may specify a maximum size for political signs in Rules adopted by the Board.

(e) **School Spirit Signs.** Signs containing information about one or more children residing in the Single Family Residence and the school they attend shall be permitted so long as the sign is not more than 36" x 36" and is placed in a landscape bed. There shall be no more than one sign for each child under the age of eighteen (18), residing in the Single Family Residence. Banners are not permitted.

(f) **Security Signs/Stickers.** Signs or stickers provided to an Owner by a commercial security or alarm company providing service to the Single Family Residences shall be permitted so long as the sign is not more than 12" x 12" or the sticker is no more than 4" x 4". Unless otherwise approved by the Design Review Committee, there shall be no more than one sign per Lot and stickers on no more than fifty percent (50%) of the windows and one on the front door or front entry area.

In addition to any other remedies provided for herein, the Board of Directors or its duly authorized agent shall have the power to enter upon a Lot to remove any sign which violates this Section provided the violating Owner has been given forty-eight (48) hours written notice by the Board of Directors of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of Assessments.

SECTION 23. FENCES. No fence or wall shall be erected on any Lot nearer to the Street than the minimum setback from the Street shown on the plat of the subdivision containing such Lot unless otherwise approved by the Design Review Committee. The plans for all fences must be approved by the Design Review Committee which shall have the power to specify acceptable materials and/or fence design for specific areas such as along major thoroughfares. The Owner of each Lot shall be responsible for the proper maintenance of all fences on his Lot unless the Association assumes such obligation. Each of the Owners of adjacent Lots with a fence

located on the common line between the Lots shall be responsible for the maintenance of such fence.

SECTION 24. WATERFRONT LOTS. The following specific restrictions shall apply to all Waterfront Lots:

(a) The installation of boat docks, piers and other man-made alterations to a Lake are prohibited. Decks and patios may be placed on Lot adjacent to a Lake provided that the plans and specifications therefor are submitted to and approved by the Design Review Committee;

(b) The Owner of each Waterfront Lot shall be responsible for all temporary erosion control measures required during construction on his or her Lot to ensure that there is no erosion into the Lake and such Owner shall be responsible for any repair or maintenance required due to erosion caused by construction on the Lot;

(c) No Owner or Occupant of a Waterfront Lot shall withdraw water from or discharge water into a Lake;

(d) No Owner or Occupant of a Waterfront Lot shall dump or place refuse, trash or any other material into a Lake;

(e) No Owner or Occupant of a Waterfront Lot shall release or introduce any wildlife, waterfowl, reptiles or fish into a Lake or put water plants into a Lake;

(f) No Owner or Occupant of a Waterfront Lot shall feed wildlife visiting a Lake; provided, however this provision does not prohibit the placement of a bird feeder on a Waterfront Lot;

(g) Each Waterfront Lot shall have a uniform fence built in accordance with the specifications and at the locations set forth in the Builder Guidelines;

(h) The exterior of all structures on a Waterfront Lot, exclusive of door and window openings, shall consist entirely of brick, stone or another masonry material approved by the Design Review Committee;

(i) The rear yard of each Waterfront Lot shall be landscaped in accordance with the Landscaping Guidelines; and

(j) Storage buildings may not be placed in the rear yard of a Waterfront Lot.

SECTION 25. OWNER'S MAINTENANCE. Each Owner (including Builders) and Occupant of a Lot shall at all times be obligated to maintain his or her property and

all improvements thereupon as well as the area between the boundary lines of the Lot and the curb or edge of the pavement of the adjacent Streets, so as to keep same in a clean, sightly and safe condition and to conform with the Community-Wide Standard. Unless expressly assumed by the Association, 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, including fences and walls; the prompt removal of all paper, debris, and refuse; the removal and replacement of dead and diseased trees and plantings; 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. The responsibilities of the Owner of each Lot hereunder also include the obligation to maintain, repair and replace when necessary the public sidewalk along the front of the Lot and along the side on corner Lots, which is constructed either within the right-of-way of the adjacent Street or within an easement across the Lot, and the Street curb. In the event an Owner fails to maintain his or her Lot and such adjacent property as specified above, the Association shall have the right, but not the obligation, to enter upon the applicable Lot to perform the necessary work as more specifically set forth in Section 8 of Article X hereof.

SECTION 26. DAMAGE AND DESTRUCTION OF IMPROVEMENTS. Each Owner shall maintain, at their expense, casualty insurance on their Single Family Residence in an amount not less than the replacement cost. In the event a Single Family Residence shall be partially or entirely destroyed by fire or other casualty, such Single Family Residence shall either be repaired and restored within a reasonable period of time or demolished and the Lot landscaped so that no damaged portion of the former structure remains visible. Subject only to the rights of the holder of a first Mortgage lien on a damaged or destroyed residence, the insurance proceeds from any insurance policy covering a damaged or destroyed Single Family Residence shall be first applied to such repair, restoration or replacement of such residence, or to the demolition of such residence and landscaping of such Lot. Each Owner shall be responsible for the repair, restoration, replacement or demolition of the Single Family Residence owned by such Owner pursuant to the terms of this Declaration. Any such repair, restoration or replacement shall (subject to advances and changes in construction techniques and materials generally used in such construction and then current generally accepted design criteria) be in accordance with the plans and specifications for the original construction of the Single Family Residence unless otherwise approved by the Design Review Committee. If the proceeds of the insurance available to the Owner of a damaged Single Family Residence are insufficient to pay for the cost of repair, restoration or replacement following a casualty (or demolition and landscaping if the Residence is to be demolished), the Owner of such Single Family Residence shall be responsible for the payment of any such deficiency necessary to complete the repair, restoration, replacement or demolition.

ARTICLE VIII
ANNEXATION OF ADDITIONAL PROPERTY AND DEANNEXATION

SECTION 1. UNILATERAL ANNEXATION BY DECLARANT. The Declarant, as the owner thereof or, if not the owner, with the consent of the owner thereof, shall have the unilateral right, privilege, and option, but not the obligation, at any time and from time to time to annex additional real property within the Aliana project or in the vicinity of such project to the jurisdiction of the Association by filing for record a declaration of annexation instrument in respect to the property being annexed. Any such annexation shall be effective as to the property described therein upon the filing for record of such declaration of annexation or on such later date as may be specified therein. Property annexed into the jurisdiction of the Association may be made subject to the provisions of this Declaration or to a Supplemental Declaration which contains such restrictions as the Declarant determines in its sole discretion, provided that the Lots in the annexed property must be subject to assessment by the Association on a uniform basis with all other Lots within the Properties.

The right reserved by the Declarant to annex additional land shall not be implied or construed so as to impose an obligation upon the Declarant to subject any property it now owns or may own in the future to this Declaration or to the jurisdiction of the Association. If additional land is not annexed, the Declarant have no obligation to impose any covenants and restrictions similar to those contained herein upon such land nor shall any thing contained herein be construed to limit or restrict the use to which such land may be put by the Declarant or by any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

SECTION 2. OTHER ANNEXATIONS. With the consent of the Owner thereof, the Association may annex other real property to the jurisdiction of the Association. Such annexation shall require the affirmative vote of a majority of the Class "A" Members present in person or by proxy at a meeting called for such purpose, and of the Declarant during the Class "B" Control Period. Annexation shall be accomplished by filing of record in the real property records of Fort Bend County, Texas, an annexation agreement describing the property being annexed. Such annexation agreement shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein.

SECTION 3. RIGHTS OF OWNERS OF ANNEXED AREA. The Owners of land in annexed property shall be entitled to use the Common Area in the same manner and to the same extent of the Owners of all other property subject to the jurisdiction of the Association. Annexed property shall be impressed with and subject to Assessments imposed hereby on a uniform basis, consistent with provisions of this Declaration.

SECTION 4. DEANNEXATIONS. Without the approval of any other Owners or Members, Declarant shall have the right to deannex and remove any portion of the Properties which is not yet developed with building improvements at the time of

deannexation from the provisions of this Declaration and the jurisdiction of the Association. Such deannexation shall be accomplished by the execution and filing for record an instrument setting forth the land being deannexed.

ARTICLE IX MORTGAGEE PROVISIONS

The following provisions are for the benefit of the holders of Mortgages. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained herein or therein.

SECTION 1. NOTICES OF ACTION. A Mortgagee who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the description of the affected property), will be entitled to timely written notice of:

- (a) any proposed termination of the Association;
- (b) any condemnation loss or any casualty loss which affects the property on which there is a mortgage or deed of trust held, insured, or guaranteed by such Mortgagee; or
- (c) any delinquency in the payment of Assessments or charges owed by an Owner of the property subject to the Mortgage of such Mortgagee, where such delinquency has continued for a period of sixty (60) days.

SECTION 2. NO PRIORITY. No provision of this Declaration gives or shall be construed as giving any Owner or other party priority over any rights of the Mortgagees in the case of distribution of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

SECTION 3. NOTICE TO ASSOCIATION. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's property.

ARTICLE X GENERAL PROVISIONS

SECTION 1. TERM. Unless sooner terminated or amended in accordance with the further provisions hereof, the provisions of this Declaration shall run with and bind the land and shall be and remain until August 6, 2047, after which time they shall be automatically extended for successive periods of ten (10) years in perpetuity, unless an instrument in writing, signed by the Owners of not less than a majority of the Lots subject to the provisions hereof agreeing to terminate this Declaration has been

recorded within the year immediately preceding the beginning of a ten (10) year renewal period, in which case this Declaration shall terminate at the end of its original term or the applicable extension period. Every purchaser or grantee of any interest in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that the provisions of this Declaration may be extended and renewed as provided in this Section. If any provision of this Declaration would be unlawful, void, or voidable by reason of any rule restricting the period of time that covenants can affect title to property, that provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

SECTION 2. 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 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 corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

SECTION 4. 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 5. AMENDMENT. This Declaration may be amended unilaterally at any time and from time to time by Declarant during the Class B Control Period (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; (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; or (d) for any other purpose, provided that the amendment has no material adverse effect upon any right of any Owner or that the Owner or Owners so affected have consented thereto.

In addition to the amendments described above, this Declaration may be amended at any time by an instrument signed by the Owners of a majority of the Lots subject to this Declaration and, as long as the Class "B" Membership exists, the Declarant; provided, however, no amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant. Any amendment to this Declaration must be recorded in the real property records of Fort Bend County, Texas.

SECTION 6. MERGER AND CONSOLIDATION. Upon a merger or consolidation of the Association with another non-profit corporation organized for the same or similar purposes, the Association's properties, rights, and obligations may be transferred to the surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated 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. No merger or consolidation shall be permitted except with the approval by two-thirds (2/3rds) vote of the Class "A" Members present in person or by proxy at a meeting called for such purpose and, until the termination of the Class "B" Membership, the Declarant.

SECTION 7. DISSOLUTION. The Association may be dissolved with the approval by two-thirds (2/3rds) vote of the Class "A" Members present in person or by proxy at a meeting called for such purpose and, until the termination of the Class "B" Membership, the Declarant. Upon dissolution of the Association, other than incident to a merger or consolidation, 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.

SECTION 8. ENFORCEMENT. Each Owner and Occupant shall comply strictly with the covenants, conditions, and restrictions set forth in this Declaration, as it may be amended from time to time, and with the Rules adopted by the Board including, without limitation, Rules requiring removal and clean up of construction trash and debris by Builders during the period of construction on a Lot. The Board may impose fines or other sanctions, which shall be collected as provided herein for the collection of Assessments, for failure to comply with this Declaration or the Rules. Failure to comply shall also be grounds for an action to recover sums due for damages, injunctive relief, or any other remedy available at law or in equity, maintainable by the Board, on behalf of the Association, or by any Owner of a portion of the Properties. Failure of the Board or any other Person to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall also have the right to enforce, by any proceeding at law or in equity, any other restrictions, conditions, covenants and liens imposed upon any portion of the Properties which by the terms of the instrument creating same grant the Association the power to enforce same, and failure of the Association to enforce such provisions shall in no event be deemed a waiver of the right to do so thereafter. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon a Lot to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration or the Design Guidelines. Except in the case of emergency situations, and as otherwise specified herein, the

Association shall give the violating Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of Assessments.

SECTION 9. RIGHT OF ENTRY. The Association shall have the right, but not the obligation, to enter into any Lot for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association's rules, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

SECTION 10. NOTICE OF SALE OR TRANSFER OF TITLE. In the event that an Owner sells or otherwise transfers title to his or her Lot, as specified in Section 3 of Article III such Owner shall provide the Association with a copy of the executed instrument of conveyance and give the Association written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Association, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Lot hereunder, including payment of Assessments, notwithstanding the transfer of title to the Lot. The Board may require payment of a transfer fee to defray the costs incurred in changing its records to reflect the new Owner of a Lot.

SECTION 11. CUMULATIVE EFFECT; CONFLICT. The covenants, restrictions and provisions of this Declaration shall be cumulative with all Supplemental Declarations; provided, however, in the event of conflict between the provisions of this Declaration and a Supplemental Declaration, this Declaration shall prevail, it being intended that all Supplemental Declarations be subject and subordinate to this Declaration.

SECTION 12. ALTERNATIVE METHODS FOR NOTICE. Notice to an Owner shall be in writing and shall be considered as properly given if (a) mailed by first class United States mail, postage prepaid; (b) by delivering same in person to the intended addressee; (c) by delivery to an independent third party commercial delivery service for same day or next day delivery and providing for evidence of receipt at the office of the intended addressee; or (d) by prepaid telegram, telex, E-mail, or facsimile to the addressee. Notice so mailed shall be effective upon its deposit with the United States Postal Service or any successor thereto; notice sent by such a commercial delivery service shall be effective upon delivery to such commercial delivery service; notice given by personal delivery shall be effective only if and when received by the

addressee; and notice given by other means shall be effective when received at the office or designated place or machine/equipment of the intended addressee. For purposes of notice the address of each Owner shall be the address of the Lot or such other address as provided by the Owner to the Association; however, that any Owner shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of 30 days' notice to the Association.

SECTION 13. ORIGINAL DECLARATION. This Declaration supercedes and replaces the Original Declaration in its entirety.

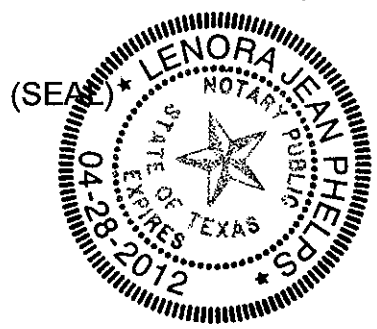
IN WITNESS WHEREOF, this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Aliana Single Family Residential Areas is executed as of the 15th day of July, 2010.

ALIANA DEVELOPMENT COMPANY,
a Texas corporation

By: [Signature]
E. Travis Stone, Jr., President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on July 15, 2010 by E. Travis Stone, Jr., President of Aliana Development Company, a Texas corporation, on behalf of said corporation.



[Signature]
Notary Public in and for
the State of Texas
Lenora Jean Phelps
Name printed or typed
My commission expires: 4-28-2012

RETURNED AT COUNTER TO:
RICK GONZALEZ Coats/Rose
3 GREENWAY PLAZA #2000
HOUSTON TEXAS 77046

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

[Signature]

2010 Jul 16 12:00 PM
DBC \$207.00

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Dianne Wilson COUNTY CLERK
FT BEND COUNTY TEXAS