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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COVINGTON PARK**

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR COVINGTON PARK**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COVINGTON PARK (this "Declaration"), made as of the date hereinafter set forth by 2006 BEALL STREET, LTD., a Texas limited partnership (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of that certain 6.40 acre tract of land in the City of Houston, Harris County, Texas which has been subdivided and platted as the Beall Addition 15½ Street Subdivision, a subdivision in Harris County, Texas according to the plat thereof recorded under Film Code No. 611293 in the Map Records of Harris County, Texas (the "Property"); and

WHEREAS, Declarant desires to establish a uniform plan for the development, improvement, and sale of the Property for the benefit of both the present and future owners of the Property.

NOW, THEREFORE, Declarant hereby declares that the Lots (as hereinafter defined) within the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with said Lots and shall be binding upon all parties having any right, title or interest in said Lots or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

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

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

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

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

SECTION 4. "Declarant" shall mean and refer to 2006 Beall Street, Ltd., its successors or assigns, provided that an assign is designated in writing by the Declarant as an assign of all, or part, of its rights under this Declaration.

SECTION 5. "Lot" shall mean and refer to any of the numbered lots shown on a recorded plat of the Property intended for the construction of a residence, excluding all reserve tracts.

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

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

SECTION 8. "Plans" shall mean and refer to any or all of the following, as the same shall be submitted, revised, and/or resubmitted to the Architectural Review Committee (hereinafter defined) for approval:

(a) a "Homestead Plan", which shall include:

(i) a site plan showing the location, dimensions, and orientations of the proposed residence in relation to the Lot boundaries and setback lines, and also depicting the driveway, fencing and location of any and all other proposed improvements, including swimming pools and patios;

(ii) design elevations, together with the height and size of the residence and proposed gross building area;

(iii) a description and sample of the proposed exterior materials of the residence; and

(iv) a drainage plan and a diagram showing the location of all proposed utility connections;

(b) an "Exterior Plan", which shall include drawings and detail of all building exterior elevations, including the roof (showing elevations) and describing the color, quality, and type of all proposed exterior construction materials;

(c) a "Landscaping Plan" depicting the type, quantity, size, and placement of all exterior plant materials; and

(d) a "Lighting Plan", which shall include the type, style, size, and candle power of all proposed exterior lighting fixtures.

SECTION 9. "Property" shall mean and refer to the real property within the jurisdiction of the Association being the property platted as the Beall Addition 15½ Street Subdivision.

SECTION 10. "Street" shall refer to any street, drive, boulevard, road, alley, lane, avenue, or thoroughfare within or adjacent to the Property, whether public or private.

SECTION 11. "Townhome Lots" shall mean and refer to Lots One (1) through Thirty Nine (39) in Block One (1), Lots One (1) through Twenty Two (22) in Block Two (2) and Lots One (1) through Twenty Four (24) in Block Four (4) of the Beall Addition 15½ Street Subdivision.

~~Beall Addition~~ WO

SECTION 12. "Townhome Lots Assessment" means the annual assessments levied by the Association against only the Townhome Lots pursuant to Section 3 of Article IV hereof for the purpose of paying Townhome Lots Expenses.

SECTION 13. "Townhome Lots Expenses" shall mean and include the actual and estimated expenses incurred by the Association solely for the benefit of the Owners of the Townhome Lots which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized hereby.

ARTICLE II ARCHITECTURAL REVIEW COMMITTEE

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

SECTION 2. NUMBER AND APPOINTMENT OF MEMBERS. The Committee shall consist of three (3) members. Declarant shall have the right to appoint all members of the Committee as well as the right to remove any member until the Declarant has sold and conveyed all of its Lots in the Property and is no longer a Member of the Association. Prior to such date, in the event of the death, or removal or resignation of any person serving on such Committee, the Declarant, by recorded written instrument, shall designate a successor, or successors, who shall have all of the authority and power of his or their predecessor(s). Until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to exercise the powers herein granted to the Committee. After the date on which the Declarant has sold and conveyed all of its Lots within the Property, the Board of Directors of the Association may, at its option, either perform the functions of the Committee or appoint and remove the members of such Committee.

SECTION 3. POWERS OF THE COMMITTEE. The Architectural Review Committee may (i) adopt such standards and guidelines for the construction or alteration of improvements on Lots in the Property and (ii) establish application procedures for its review of Plans. The Architectural Review Committee shall make such guidelines available to Owners and Builders

who seek to engage in construction or modification of improvements upon a Lot and who shall conduct their operations strictly in accordance therewith. No building, structure or other improvements shall be constructed on any Lot, and no exterior alteration therein shall be made until the Plans therefor have been submitted to and approved by the Committee as to conformity with the restrictions herein contained, its guidelines, and harmony of external design and location in relation to existing structures and topography.

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

The Committee shall have the right, exercisable at their sole discretion, to grant variances to the restrictions of this Declaration or its guidelines in specific instances where the Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Property. The Committee may require the submission of such documents and items as it shall deem appropriate in connection with its consideration of a request for a variance. If the Committee shall approve such request for a variance, it shall evidence such approval, and grant its permission for such variance, only by written instrument addressed to the Owner of the property relative to which such variance has been requested, describing the applicable restriction(s) and the particular variance requested, expressing the decision of the Committee to permit the variance, and describing (when applicable) the conditions on which the variance has been approved. Any request for a variance shall be deemed to have been disapproved in the event of either (a) written notice of disapproval from the Committee or (b) failure by the Committee to respond to the request for variance.

SECTION 4. RIGHT TO INSPECT. Any member of the Board of Directors or the Architectural Review Committee 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 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 Architectural Review Committee shall determine that such Plans have not been approved or are not being complied with, the Architectural Review Committee 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. 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 5. NO WAIVER OF FUTURE APPROVALS. The approval by the Architectural Review Committee of any Plans 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 6. MEETINGS OF THE COMMITTEE. The Architectural Review Committee shall meet from time to time as necessary to perform its duties, and may from time to time, by resolution unanimously adopted in writing, designate a representative to take an action or perform any duties for and on behalf of the Architectural Review Committee. In the absence of such designation of a representative, the vote of the majority of the members of the Architectural Review Committee, or the written consent of the majority of the members of the Architectural Review Committee taken without a meeting, shall constitute and act of the Architectural Review Committee.

SECTION 7. LIMITATION OF LIABILITY. The Committee have no liability or obligation whatsoever in connection with any plans and/or specifications and no responsibility for the adequacy thereof or for the construction of any improvements contemplated by any such plans and/or specifications. The Committee has no duty to inspect any improvements; and, if the Committee should inspect any improvements, it shall have no liability or obligation to any party arising out of such inspection. The Committee expressly shall have no liability or responsibility for defects in or omissions from any plans and/or specifications or for defects in or omissions from the construction of any improvements. Notwithstanding any covenant, condition or term contained in this Declaration or provision of the By-Laws of the Association to the contrary, no member of the Committee shall have any liability to any Owner arising or resulting from any act or omission of the Committee taken or omitted pursuant to this Declaration or the By-Laws of the Association. Each Owner by accepting a conveyance of any Lot or of any portion of the Property conclusively shall be deemed to have unconditionally and irrevocably waived all claims against the Committee arising or resulting from acts or omissions pursuant to this Declaration or the By-Laws of the Association.

ARTICLE III
COVINGTON PARK HOMEOWNERS ASSOCIATION, INC.

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

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

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

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

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

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

Class A Members shall be entitled to one (1) vote for each Lot owned within the Property and the Class B Member shall be entitled to five (5) votes for each Lot owned within the Property. When two or more persons or entities hold undivided interests in any Lot, all such persons or entities shall be Members, and the vote for the Lot owned by such Members shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Lot in which such Members own undivided interests.

SECTION 5. CONVERSION DATE. The Conversion Date shall occur on the earlier of:

- (i) The date the total number of votes of the Class A Members equals the number of votes of the Class B Member; or
- (ii) December 31, 2010 or such earlier date as may be established by Declarant in a written instrument recorded by Declarant in the Official Public Records of Real Property of Harris County, Texas.

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

SECTION 7. SECURITY. THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, IMPLEMENT, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY DESIGNED TO MAKE THE PROPERTY SAFER THAN THEY OTHERWISE MIGHT BE. NEITHER THE ASSOCIATION, THE MANAGING AGENT, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SAFETY OR SECURITY WITHIN THE PROPERTY, HOWEVER, AND NEITHER THE ASSOCIATION, THE MANAGING AGENT, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT 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, THE MANAGING AGENT, DECLARANT, ANY SUCCESSOR DECLARANT AND THE ARCHITECTURAL REVIEW COMMITTEE DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM, ACCESS CONTROL SYSTEM, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEM MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY SUCH 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 MANAGING AGENT, THE ARCHITECTURAL REVIEW COMMITTEE, THE DECLARANT, AND ANY SUCCESSOR DECLARANT 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 MANAGING AGENT, THE ARCHITECTURAL REVIEW COMMITTEE, THE DECLARANT, AND ANY SUCCESSOR DECLARANT 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, ACCESS CONTROL SYSTEMS, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. The Declarant, for each Lot within the Property, hereby covenants and each Owner of any Lot within the Property, by acceptance of a deed therefor, whether or not it shall be expressed in the deed or other evidence of the conveyance, is deemed to covenant and agree to pay the Association (i) annual assessments, (ii) annual Townhome Lots Assessments (applicable only to Townhome Lots), and (iii) special assessments for capital improvements, such assessments or charges to be fixed, established and collected as hereinafter provided. These assessments and charges, together with interest thereon as hereinafter provided, costs of collection, and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing lien upon the property against which such assessments or charges are made. Each such assessment or charge, together with such interest, late charges, costs of collection, and reasonable attorney's fees shall also be and remain the personal obligation of the Owner of the particular Lot at the time the assessment or charge fell due notwithstanding any subsequent

transfer of title of such property. The personal obligation for delinquent assessments and charges shall not pass to successors in title unless expressly assumed by them. However, successors in title shall nonetheless acquire title to the land subject to the lien securing the assessments and changes.

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

- i. Operation, maintenance, repair, and improvement of the Common Area including, without limitation, fences, walls, entry monuments, road esplanades, cul de sacs, and landscaping and easement areas within, adjacent to or in the vicinity of the Property;
- ii. Payment of taxes and premiums for insurance coverage except for insurance premiums for casualty insurance covering the residences on the Townhome Lots;
- iii. Paying the cost of labor, equipment (including expense of leasing any equipment), material, and any associated management or supervisory services and fees required for management and supervision of the Common Area;
- iv. Maintenance, repair and reconstruction of Common Utilities Facilities (hereinafter defined), if any;
- v. Maintaining or replacing landscaping in the Common Area and in the portion of each Lot in front of the residence ("Front Yard");
- vi. Designing, purchasing and installing any improvements to the Common Area;
- vii. Mowing, routine maintenance and removal of debris from the Common Area and the Front Yards;
- viii. Maintenance of amenities and drainage and detention facilities within the Common Area;
- ix. Contracting for street lights in the Property;
- x. Collecting and disposing of trash, garbage, ashes, rubbish and other similar materials;

- xi. Payment of legal fees and expenses incurred to collect assessments and enforce this Declaration;
- xii. Employing policemen or watchmen and/or a security service;
- xiii. Contracting for insect and pest control such as mosquito fogging;
- xiv. Carrying out the duties of the Board of Directors of the Association;
- xv. Paying the cost and fees of a manager or firm retained to carry out the duties of the Association or to manage the affairs and property of the Association
- xvi. Creation and funding of such reserve funds as the Board of Directors of the Association deems necessary; and
- xvii. Carrying out such purposes of the Association as generally benefit the Members of the Association.

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

SECTION 3. TOWNHOME LOTS ASSESSMENTS. ~~An annual Townhome Lots Assessment shall be levied solely against the Townhome Lots to enable the Association to pay the Townhome Lots Expenses which benefit only the Townhome Lots. Townhome Lots Expenses may include, without limitation, costs incurred for maintenance and repair of the exteriors of the residences located on the Townhome Lots and premiums for fire and casualty insurance on the residences located on the Townhome Lots. The annual Townhome Lots Assessment shall be divided by the number of Townhome Lots and each Owner of a Townhome Lot shall be assessed an amount equal to the quotient so obtained. The judgment of the Board of Directors of the Association in determining what expenses are Townhome Lots Expenses and in establishing the annual Townhome Lots Assessment shall be final and conclusive so long as said judgment is exercised in good faith.~~

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

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

SECTION 6. RATES OF ASSESSMENT. Both annual and special assessments on all Lots shall be fixed at uniform rates on all Lots in the Property. Townhome Lots Assessments shall be fixed at uniform rates on all Townhome Lots. ~~Notwithstanding the foregoing, Lots owned by the Declarant shall not be assessed.~~ The assessment for an individual Lot, within a calendar year, shall change as the ownership of such Lot passes from a Declarant, and the assessment for such Lot shall be prorated according to the applicable rate during each type of ownership.

SECTION 7. DATE OF COMMENCEMENT AND DETERMINATION OF ASSESSMENTS. ~~The annual assessment and annual Townhome Lots Assessments provided for herein shall commence as to all Lots in the Property not owned by the Declarant on the first day of the month following the conveyance of the first Lot in the Property to an individual Owner, or on such later date as the Board determines. The assessments for such year shall be adjusted according to the number of months remaining in the calendar year and shall be due and payable thirty (30) days after notice of the assessment is sent to every Owner whose Lot is subject to assessment. On or before the 30th day of November in each year, the Board of Directors of the Association shall fix the amount of the annual assessment to be levied against each Lot and the amount of the annual Townhome Lots Assessment to be levied against each Townhome Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the assessments shall be sent to every Owner whose Lot is subject to the payment thereof. Each annual assessment and Townhome Lots Assessment shall be due and payable in advance on the first day of January of each calendar year or, at the option of the Board of Directors, in monthly payments on the first day of each month during the year; provided, however, assessments on Lots owned by Builders may be accrued and paid upon conveyance of the applicable Lot to an individual Owner. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer or authorized representative of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a particular Lot is binding upon the Association as of the date of its issuance.~~

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES. Any assessments or charges which are not paid when due shall be delinquent. If an assessment or charge is not paid within thirty (30) days after the due date, it shall bear interest at the rate of eighteen percent (18%) per annum or such other rate as the Board may establish from the due date until the date paid. The Association may bring an action at law against the Owner personally obligated to pay the assessment, or to foreclose the lien herein retained against the

property. Interest as above specified, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge.

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

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

ARTICLE V
RIGHTS IN THE COMMON AREA

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

- (a) The Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area, if any.
- (b) The Association shall have the right, with the approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose, to borrow money and to mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred.
- (c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any such mortgage.
- (d) The Association shall have the right to suspend the enjoyment rights of any Members for any period during which any assessment or other amount owed by such Member to the Association remains unpaid in excess of thirty (30) days.
- (e) The Association shall have the right to establish reasonable rules and regulations governing the Members' use and enjoyment of the Common Area, and to suspend the enjoyment rights of any Member for any period not to exceed sixty (60) days for any infraction of such rules and regulations.
- (f) The Association shall have the right, with the approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy at a meeting duly called for this purpose, to sell or convey all or any part of the Common Area and the right, without the approval of the Members, to grant or dedicate easements in portions of the Common Area to public or private utility companies.
- (g) The Association shall have the right to enter into agreements pursuant to which individuals who are not Members of the Association are granted the right to use the Common Area and the facilities located thereupon.

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend his right of enjoyment to the Common Area to the members of his family and to such other persons as may be permitted by the Association. The Owner of a leased residence shall be deemed to have delegated his rights of use to his tenant.

ARTICLE VI
USE RESTRICTIONS

SECTION 1. RESIDENTIAL USE. Each and every Lot in the Property is hereby restricted to residential dwellings for single family residential use only. No business, professional, commercial or manufacturing use shall be made of any Lot; provided, however, the foregoing shall not be construed to prohibit the use of a residence for a home occupation incidental to the principal residential use. No structure other than one single family residence and approved accessory buildings shall be constructed, placed on, or permitted to remain on any Lot in the Property. No Lot shall be used for the operation of a (i) boarding or rooming house, a residence for transients, half-way house, day-care center, treatment facility, or (ii) residence of unrelated individuals who are engaging in, undertaking, or participating in any group living for rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency unless any such facility is otherwise allowed by the terms of state or federal law negating the provisions of restrictive covenants prohibiting same.

SECTION 2. ANIMALS AND PETS. No animals, livestock, or poultry of any kind may be kept on any Lot, with the exception of dogs, cats or other usual and common household pets in reasonable number, as determined by the Board; provided, however, those pets which are permitted to roam free, or which in the sole discretion of the Board, endanger health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners or occupants within the Property may be removed by the Board. No animals of any type shall be kept, bred or maintained on any Lot for commercial purposes. Dogs which are household pets shall at all times whenever they are outside the residence be on a leash or otherwise confined in a manner acceptable to the Board. Without prejudice to the Board's right to remove any such household pets, no household pet that had caused damage or injury may be walked in the Property. Animal control authorities shall be permitted to enter the Property to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law. All dogs and cats must be of a recognized domestic variety. No exotic pets are permitted within the Property.

SECTION 3. NUISANCES. No noxious or offensive trade or activity shall be carried on within the Property nor shall anything be done thereon which may be or become an annoyance or nuisance to residents of the Property.

SECTION 4. VEHICLES AND PARKING. The term "vehicles", as used herein, shall refer to all motorized vehicles including, without limitation, automobiles, trucks, tractors, motor homes, boats, trailers, motorcycles, minibikes, scooters, ATV's, go-carts, campers, buses, and vans. No vehicle may be parked or left upon any Lot in the Property, except in the garage or behind the residence or another screened area or, in the case of automobiles and small trucks only, in the driveway on the Lot. Any vehicle parked or left not in accordance with this section shall be considered a nuisance and may be removed by the Board at the owner's expense. No motorized vehicles shall be permitted on pathways or unpaved Common Area, except for public safety vehicles and vehicles authorized by the Board. All vehicles within the Property must be in a condition which meets the requirements of all state and local governmental authorities as to licensing, safety and equipment standards. The parking of vehicles on Streets, within Street

rights-of-way, on sidewalks, or on the areas between sidewalks and the curb or edge of the adjacent Street at any time is prohibited.

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

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

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

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

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

SECTION 10. DRAINAGE. No Owner of a Lot shall construct improvements on his Lot or grade his Lot or permit his Lot to remain in or be placed in such condition that rain water

falling on such Lot drains to any other Lot or the Common Area; and, in pursuance of the preceding requirement, underground drains and gutters on roofs or other means approved by the Architectural Review Committee or Board, as may be applicable, shall be required in order that all such rain water shall drain into an underground drainage system at such Lot (or other means approved by the Architectural Review Committee or Board, as may be applicable).

SECTION II. PARTY WALLS. Each wall which is built as a part of the original construction of a residence on a Townhome Lot and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall. If a party wall is destroyed or damaged by fire or other casualty not covered by the Association's insurance, it shall be the responsibility of the Owners who make use of the party wall to restore it. Any Owner who has used the party wall may restore it, and if other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omission. If a party wall is destroyed or damaged by fire or other casualty covered by the Association's insurance, the Association shall have the right to negotiate the repair thereof with the insurance company and contractors and all Owners shall be bound by the settlement made by the Association. Notwithstanding any other provision of this section, an Owner who by his negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements. The right of any Owner to contribution from any other Owner under this section shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE VII ARCHITECTURAL RESTRICTIONS

SECTION 1. TYPE OF RESIDENCE. Only one single family residence not more than three (3) stories in height with an attached or detached garage for a minimum of two (2) cars shall be built or permitted on each Lot. All structures shall be of new construction and no structure shall be moved from another location onto any Lot. All residences must be kept in good repair and must be painted when necessary to preserve their attractiveness.

SECTION 2. LIVING AREA REQUIREMENTS. The total living area of each single family dwelling, exclusive of open porches, garages, and carports or parking spaces shall be not less than _____ () square feet in the case of a residence on a Townhome Lot or _____ () square feet in the case of a residence on a Lot which is not a Townhome Lot.

SECTION 3. LOCATION OF RESIDENCE ON LOT. The location of each residence on a Lot will be approved by the Architectural Review Committee with its approval of the plans. No building shall be located on any Lot nearer to a Street than the minimum building setback lines shown on the plat containing such Lot and no building shall be located on any utility

easement. Unless otherwise approved by the Architectural Review Committee, no residence or other building on a Lot which is not a Townhome Lot shall be located nearer than two (2) feet from an interior lot line or nearer than five (5) feet from the rear lot line. For the purposes of this section, eaves, steps and open porches or driveways shall not be considered as a part of a building.

SECTION 4. TYPE OF CONSTRUCTION. A minimum of seventy-five percent (75%) of the exterior facade of the front of all single story residences and fifty percent (50%) of the exterior facade of the front of all two or three story residences, shall be brick and/or masonry (which for purposes hereof includes the material known as "Hardiplank"), in each case exclusive of doors, windows and other openings. The color of the brick or masonry used must be approved in writing by the Architectural Review Committee. No garage or accessory building shall exceed in height the dwelling to which it is appurtenant without the consent of the Architectural Review Committee. Every garage and accessory building (except a greenhouse) shall correspond in style and architecture with the dwelling to which it is appurtenant.

SECTION 5. TEMPORARY BUILDINGS. Temporary buildings or structures shall not be permitted on any Lot. However, the Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used by Builders in connection with the construction and sale of residences. With the Declarant's approval, Builders may use garages as sales offices for the time during which such Builders are marketing homes. At the time of the sale of a residence by a Builder, any garage appurtenant to such residence used for sales purposes must be reconverted to a garage or a garage must be added to such residence.

SECTION 6. DRIVEWAYS. On each Lot the Builder shall construct and the Owner shall maintain at his expense the driveway from the garage to the abutting Street and shall repair at his expense any damage to the Street occasioned by connecting the driveway thereto.

SECTION 7. ROOF PITCH; ROOF MATERIAL/ROOF STACKS. The roof pitch of each residence shall have a minimum of five (5) feet of vertical rise for each twelve (12) feet of horizontal length. The roofs of all buildings shall be constructed or covered with fiberglass or dimensional shingles of a color approved by the Architectural Review Committee. Any other type of roofing material shall be permitted only at the discretion of the Architectural Review Committee. All roof stacks must be painted to match the roof color.

SECTION 8. FENCES. No fence or wall shall be erected on any Lot nearer to the Street than the minimum building setback lines from the Street shown on the plat containing such Lot. The erection of chain link fences on any Lot is prohibited. Owners shall construct and maintain a fence or other suitable enclosure approved by the Architectural Review Committee to screen from public view outside yard equipment and other equipment which the applicable Committee requires to be screened from view.

SECTION 9. GRASS AND SHRUBBERY. The Owner of each Lot shall keep his or her Lot (or the portion of the Lot that the Board has not elected to maintain) mowed to prevent unsightly appearance. Dead or damaged trees, which might create a hazard to property or persons, shall be promptly removed or repaired, and if not removed by the Owner upon request,

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

SECTION 10. SIGNS. Except for one (1) sign of not more than five (5) feet square advertising a residence on a Lot for sale or rent, no signs, billboards, posters, or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Board. The right is reserved by the Declarant to construct and maintain, or to allow Builders within the Property to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed residential dwellings. In addition, the Declarant and the Association shall have the right to erect identifying signs at entrances to the subdivision within the Property.

SECTION 11. TRAFFIC SIGHT AREAS. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two and six feet above the Street shall be permitted to remain on any corner Lot within fifteen (15) feet of the point formed by the intersection of the building set back lines of such Lot.

SECTION 12. EXTERIOR ANTENNAE. 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 Board is empowered to adopt rules governing the types of antennae that are permissible in the Property and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that receipt of an acceptable signal would not be impaired, an antenna permissible pursuant to the rules of the Board may only be installed in a side or rear yard location, not visible from a Street, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

SECTION 13. PLAYGROUND AND SPORTS EQUIPMENT. All playground equipment such as play houses and swing sets shall be situated, concealed and shielded so as not to be visible from any Street. Basketball goals attached to the residence or mounted on a pole in the ground shall not be located on a Lot so as to be visible from the Street in front of the residence or from the side street on corner Lots. Basketball goals mounted on moveable platforms may be temporarily located in the front of a residence while in use as long as they are moved to the garage or rear of the residence when not in use.

SECTION 14. OUTSIDE LIGHTING. Outside lighting fixtures shall be placed so as to illuminate only the yard of the applicable Lot and so as not to affect or reflect into surrounding residences or yards. No mercury vapor, sodium or halogen light shall be installed on any Lot which is visible from any Street unless otherwise approved by the Committee.

SECTION 15. AIR CONDITIONERS. No window or wall type air conditioners shall be permitted in any improvements within the Property, but the Declarant and Builders may install and use such air conditioners in sales offices and construction offices within the Property, provided such air conditioners are removed when such facilities cease to be used.

SECTION 16. 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 by the Committee.

SECTION 17. DECORATIONS. No decorative appurtenances such as sculptures, birdbaths and birdhouses, fountains, flagpoles or other decorative embellishments shall be placed on the residence or on the front yard or on any other portion of a Lot which is visible from any Street, unless such specific items have been approved in writing by the Committee. Customary seasonal decorations for national holidays are permitted without approval by the Committee.

SECTION 18. WINDOW COVERINGS. Temporary or disposable window coverings not consistent with the aesthetics of the Property, such as reflective materials, sheets, newspaper, shower curtains, fabric not sewn into finished curtains or draperies, paper, plastic, cardboard, or other materials not expressly made for or commonly used by the general public for permanent window coverings in a development of the same caliber as the Property are prohibited.

SECTION 19. MAILBOXES AND ADDRESS MARKERS. Each Lot shall have a uniform mailbox and a marker identifying its street address of a style prescribed by the Architectural Review Committee in keeping with the overall character and aesthetics of the community.

SECTION 20. ENFORCEMENT OF LOT MAINTENANCE. Each Owner of a Lot shall at all times be obligated to maintain his or her property and all improvements thereupon (and the area between the boundary lines of the Lot and adjacent Streets), so as to keep same in a clean, sightly and safe condition and to conform with any specific standards which the Board of Directors may adopt by resolution for the Property; provided, however, an Owner's maintenance obligation shall not include Front Yards if the Board has elected to have the Association maintain Front Yards for all Owners. An Owner's maintenance obligation shall include, but not be limited to: the maintenance of all visible exterior surfaces of all buildings and other improvements; the prompt removal of all paper, debris, and refuse; the removal and replacement of dead and diseased trees and plantings; the removal of all snow and ice from paved areas; the repair, replacement, cleaning and relamping of all signs and lighting fixtures; the mowing, watering, fertilizing, weeding, replanting and replacing of all approved landscaping; and, during construction, the cleaning of dirt, construction debris and other construction-related refuse from Streets and storm drains and inlets.

In the event of the violation of any covenant herein by any Owner or occupant of any Lot and the continuance of such violation after five (5) days written notice thereof, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate repairs and maintenance after such notice, the Association shall have the right (but not the obligation),

through its agents or employees, to enter upon such Lot and to secure compliance with these restrictions and restore such Lot to a neat, attractive, healthful and sanitary condition. The Association may render a statement of charge to the Owner or occupant of such Lot for the cost of such work. The Owner or occupant agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt. In the event of the failure to pay for such work, the amount of such statement may be added to the annual maintenance charge provided for herein and shall be secured by a lien on the Lot in the same manner as such annual charge. The Association, or its agents and employees shall not be liable, and are hereby expressly relieved from any liability, for trespass or other tort in connection with the performance of the maintenance and other work authorized herein.

ARTICLE VIII EASEMENTS

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

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

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

SECTION 4. ASSOCIATION'S EASEMENT FOR UTILITIES. Declarant hereby grants to the Association, its successors and assigns, and agents a perpetual easement for the purpose of repairing, replacing, removing, operating and maintaining water, sanitary sewer, storm sewer, gas, electric, telephone and telecommunication lines and facilities (the "Common Utility Facilities") installed by Declarant or the Builders over the portions of the Property where such facilities have been installed to serve one or more Lots.

SECTION 5. EASEMENTS FOR ENCROACHMENTS. In the event that any portion of a residence or any other structure or improvement, including without limitation any building steps, fences, paving, decking, footings, piers, piles, grade beams or similar improvements, or any overhang of walls or roofs of any such building or structure as originally constructed encroaches on any Lot or reserve tract due to the unintentional placement or settling or shifting of any of the foregoing, it shall be deemed that the Owner of such Lot or reserve tract has granted a perpetual easement to the Owner of the adjoining Lot for continuing maintenance and use of such encroaching structure or improvement. The foregoing shall also apply to any necessary maintenance, repair or replacement of any of the foregoing if performed in substantial compliance with the original construction. So long as necessary, the foregoing easements shall be perpetual in duration, and once established shall not be subject to amendments or terminate otherwise applicable to this Declaration.

SECTION 6. EASEMENTS FOR PUBLIC SERVICES AND UTILITIES.

(a) Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garage and trash collection vehicles and other service vehicles to enter upon the Property in the performance of their duties. An easement is also specifically granted to the United States Post Office, its agents and employees to enter upon any portion of the Property in performance of mail delivery or any other United States Post Office services.

(b) Shared Utility Facilities. To the extent easements have not been or are not granted by Declarant by plat or separate easement instrument for each shared utility facility, an easement is hereby granted to each public or private utility company or other public authority or agency over those portions of the Property as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining and operating any shared utility facilities. To the extent possible, all utility lines and facilities serving the Property shall be located underground. Each utility company or other supplier or servicer, with respect to the portions of the Property so encumbered, shall have the right (i) to cut and remove any trees, bushes, or shrubbery, (ii) to excavate or fill, or (iii) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

(c) Changes and Additions. At any time on or before one (1) year after the sale of all the Lots, Declarant shall have the right to grant, dedicate, reserve or otherwise create, easements for public, quasi-public or private utility purposes, including, without limitation, gas, electricity, telephone, sanitary or storm sewage, cable television, security systems, and drainage in favor of any person furnishing or to furnish utility services to the Property, along, over, above, across and under the Property and any Lot, provided, such additional easements shall not interfere with any existing residence upon a Lot.

SECTION 7. UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEM. An underground electric distribution system will be installed within each subdivision which will be designated an Underground Residential Subdivision and which underground service area shall serve all Lots in the subdivision. The Owner of each Lot in the Underground Residential

Subdivision shall, at his own cost, furnish, install, own, and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

Easements for the underground service may be crossed by driveways and walkways provided that the Builder or Owner makes prior arrangements with the utility company furnishing electric service and provides and installs the necessary electric conduit of approved type and size under such driveways or walkways prior to construction thereof. Such easement for the underground service shall be kept clear of all other improvements, including buildings, patios, or other pavings, and neither Builder nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants, to shrubbery, trees, or improvements (other than crossing driveways or walkways provided the conduit has been installed as outlined above) of the Owner and located on the land covered by said easements.

ARTICLE IX INSURANCE AND CASUALTY

SECTION I. INSURANCE.

(a) The Board or its authorized agent shall obtain and maintain at all times, to the extent obtainable, policies of insurance consistent with the then current specific requirements of the Federal National Mortgage Association for a development of the size and type of the Property, written with financially responsible companies licensed to do business in Texas, covering, without limitation, the risks set forth below. The type of coverage's to be obtained and risks to be covered are, at a minimum, as follows, to-wit:

(1) Insurance against loss or damage by fire and lightning, and such other hazards ("casualty damage") on the residences on the Townhome Lots as are customarily covered in townhome projects in Harris County, Texas, under extended coverage and all risk endorsements. Said casualty insurance shall insure the improvements on the Townhome Lots in an amount equal to the full replacement value, without deduction for depreciation, subject to reasonable deductible.

(2) Bodily injury and property damage insurance in such limits as the Board may from time to time determine, ~~but not in an amount less than \$1,000,000.00 per occurrence covering all claims for bodily injury or death, and \$100,000.00 per occurrence for property damage.~~ Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Property. All liability insurance shall name the Association, the Board, the Declarant, the Owners, the managing agent and the officers of the Association as insureds thereunder.

(3) Worker's Compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association, in the amounts and on the forms now or hereafter required by law or deemed reasonable and necessary by the Board.

(4) Directors and officers liability insurance with respect to the actions of the Board and officers of the Association.

(5) Insurance against such other risks of similar or dissimilar nature as the Board may deem appropriate with respect to the Property, including insurance for any personal property of the Association located thereon.

(b) All casualty insurance maintained by the Association shall be carried in blanket form naming the Association as the insured.

(c) ~~Each Owner shall maintain personal liability insurance.~~ The amounts and specifics of such required insurance may be specified by the Board, at its reasonable discretion. Each Owner of a Lot which is not a Townhome Lot is responsible for obtaining casualty insurance for the improvements on the Lot. Each Owner may obtain, at each Owner's option, coverage for the Owner's personal property.

(d) Owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Owner.

SECTION 2. DAMAGE OF DESTRUCTION.

(a) Attorney-in-fact. All Owners of the Townhome Lots irrevocably constitute and appoint the Board as their attorney-in-fact for the purpose of dealing with the repair or reconstruction of damage or destruction to any residence, by fire or other disaster. A claim for any loss must be submitted by and adjusted with the Board, as attorney-in-fact. As attorney-in-fact, the Board, by its president and secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interests of an Owner, which is necessary and appropriate to exercise the powers herein granted. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, reconstruction or replacement. Assessments shall not be abated during the period of insurance adjustment and repair and reconstruction.

(b) **Duty to Rebuild.** Any residence on a Townhome Lot that is damaged or destroyed by fire or other disaster shall be promptly repaired or reconstructed by the Association. Repair and reconstruction of the damaged or destroyed residences on Townhome Lots shall be to substantially the same condition to which they existed prior to the damage. If insurance proceeds are insufficient to complete the necessary repair or reconstruction, they shall be allocated to the repair of each damaged residence based upon its percentage damage interest. The cost of repair and replacement to any residence in excess of the insurance proceeds shall be paid by the Owner(s) of the damaged residences.

(c) **Owner Liability.** Notwithstanding anything set out above, each Owner shall be liable to the Association for all costs incurred by the Association in excess of insurance proceeds (including the full amount of any deductible payable to the Association) if the loss was caused by the negligence of the Owner, his tenants, guests or invitees.

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

ARTICLE X GENERAL PROVISIONS

SECTION 1. TERM. These covenants shall run with the land and shall be binding upon all parties and all persons claiming under until December 31, 2047, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the Owners of a majority of the Lots covered by this Declaration has been recorded, agreeing to change or terminate the covenants herein, in whole or in part.

SECTION 2. AMENDMENT.

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

B. By Owners. This Declaration may be amended at any time by an instrument executed by the Owner or Owners of a majority of the Lots covered by this Declaration and the Declarant, as long as the Declarant owns any Lots. Any such amendment shall become effective when an instrument is filed for record in the Official Public Records of Real Property of Harris County, Texas, with the signatures of the requisite number of the Owners of the Lots (as the Declarant, if applicable).

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

SECTION 4. GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

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

SECTION 6. MERGER; DISSOLUTION. The Association may be merged with another non-profit corporation or dissolved only with (i) the assent given in writing by not less than two-thirds (2/3's) of the Class A Members and (ii) the Declarant, as long as it owns any Lots within the Property. In the event of a merger of the Association with another non-profit corporation organized for the same purposes, the Association's Property, rights, and obligations may be transferred to the surviving association, or alternatively, the Property, rights and obligations of the other association may be added to the Property, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the Property of the other association as one scheme. In the event of the dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

SECTION 7. ENFORCEMENT. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, the covenants, conditions, restrictions, and liens contained herein. Failure of the Association or any Owner to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

IN WITNESS WHEREOF, this Declaration is executed effective as of the 21 day of August, 2007.

2006 BEALL STREET, LTD.
a Texas limited partnership

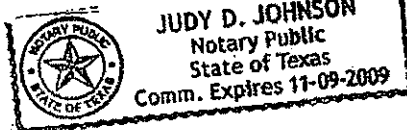
By: 2006 Beall Street GP, LLC,
general partner

By: Michael K. Love
Its: President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on August 31, 2007 by Michael K. Love, President of 2006 Beall Street GP, LLC, a Texas limited liability company which is the general partner of 2006 BEALL STREET, LTD., a Texas limited partnership, on behalf of said limited partnership.

(SEAL)



Judy D. Johnson
Notary Public in and for
the State of Texas

**LIENHOLDER'S CONSENT AND SUBORDINATION
TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR COVINGTON PARK**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ~~HARRIS~~ §
 Dallas

That the undersigned, as the owner and holder of that certain promissory note dated March 28, 2006 in the original principal amount of \$5,745,000, executed by 2006 Beall Street, Ltd. and payable to the order of undersigned, secured by a deed of trust lien on all or a portion of the property subject to the foregoing Declaration, as evidenced by deed of trust instrument filed under County Clerk's File No. 2225587 and recorded in the Official Public Records of Real Property of Harris County, Texas, executes this instrument to subordinate the lien of such deed of trust and all other liens which secure such note to the foregoing Declaration of Covenants, Conditions and Restrictions for Covington Park.

EXECUTED the 28 day of August, 2007.

Key Bank National Association
By: [Signature]
Its: Vice President

THE STATE OF TEXAS

COUNTY OF ~~HARRIS~~

Dallas

§
§
§

The foregoing instrument was acknowledged before me on the 28th day of August, 2007 by Jeremy Nitro, Vice President of Kelly Bank N.A. on behalf of said corporation.

(SEAL)



Debbie Riddell
Notary Public in and for
the State of Texas

Debbie Riddell
Name printed or typed
My commission expires: _____

RETURN TO:
MILLENNIUM TITLE CO.
4700 W. Sam Houston Pkwy. North, Suite 100
Houston, TX 77041
ATTN: Kelly Ford
6 # 07180936

20070545765

09/06/2007 ER \$136.00

RESTR
C

ER 004 - 11 - 0752

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COVINGTON PARK**

ER 004 - 11 - 0783

20070545765
Pages 32
09/06/2007 08:35:43 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
BEVERLY KAUFMAN
COUNTY CLERK
Fees 136.00

RECORDERS MEMORANDUM

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

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Beverly Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS