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**DECLARATION OF COVENANTS,
CONDITIONS and RESTRICTIONS**

FILED FOR RECORD
8:00 AM

FOR

FEB 26 2007

ALBURY TRAILS ESTATES

lee

Barbara B. Highman

County Clerk, Harris County, Texas

SECTION ONE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ALBURY TRAILS ESTATES, SECTION ONE is made this _____ day of February, 2007, by Willow Creek Development Company, Limited, a Texas limited partnership (hereinafter referred to as "Declarant").

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of real property within the Properties. Declarant desires to provide a reasonable procedure for the overall development of the properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or hereafter subjected to this Declaration.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. This Declaration does not and is not intended to create a condominium within the meaning of the Texas Condominium Act, Tex. Prop. Code Ann. 81.001 et seq. (Vernon 1983) and 82.001 et seq. (Vernon 1993).

Article I
Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by deed, contract or agreement become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, or any public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

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Section 2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Albury Trails Estates Community Association, Inc., to be filed with the Secretary of State of the State of Texas.

Section 3. "Association" shall mean and refer to Albury Trails Estates Community Association, Inc., a Texas nonprofit corporation, its successors or assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Texas corporate law. The use of the term "association" or "associations" in lower case shall refer to any owners association having jurisdiction over any part of the Properties.

Section 4. "Base Assessment" shall mean and refer to assessments leveled against all Lots in the Properties to fund Common Expenses.

Section 5. "By-Laws" shall mean and refer to the By-Laws of Albury Trails Estates Community Association, Inc., as they may be amended from time to time.

Section 6. "Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners.

Section 7. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Lot Owners, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, Articles of Incorporation of the Association, and the Rules and Regulations, but shall not include original construction of installation of infrastructure, original capital improvements, or other original construction costs unless approved by Voting Members representing a majority of the total Class "A" vote of the Association.

Section 8. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties (as hereinafter defined). Such standard may be more specifically determined by the Board of Directors and the Architectural Review Committee.

Section 9. "Declarant" shall mean and refer to Willow Creek Development Company, Limited ("WCDC") or its successors, successors-in-title or assigns who own any portion of the property described on Exhibit "A" hereof or additions thereto for the purpose of development and/or sale.

Section 10. "General Land Use Plan" shall mean and refer to the plan for the development of the Albury Trails Estates residential community prepared for WCDC as it may be amended from time to time in the sole and absolute discretion of WCDC, which plan includes the property described on Exhibit "A" and additional property which Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the General Land Use Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described from the General Land Use Plan bar its later annexation in accordance with Article VIII hereof.

Section 11. "Lot" shall mean the platted lots within Albury Trails Estates, Section One, intended for development, use, and occupancy as a residence, and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) single-family detached houses on separately platted lots, as well as vacant platted lots, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or a part of the Properties. The term shall include all portions of the lot owned as well as any structure thereon.

Section 12. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 13. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed recorded in the Real Property Records of Harris County, Texas.

Section 14. "Mortgagor" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 15. "Mortgagee" shall mean and refer to any Person who gives a Mortgage.

Section 16. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Lot which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, that the purchaser (rather than the fee owner) will be considered the Owner.

Section 17. "Person" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

Section 18. "Properties" shall mean and refer to the platted residential lots and Restricted Reserves included in the plat of Albury Trails Estates, Section One, and such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 19. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 3, of this Declaration.

Section 20. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant (and the Owner of the property) which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein. The term shall also refer to the instrument recorded by the Association pursuant to Article VIII, Section 2, of this Declaration to subject additional property to this Declaration.

Article II
Property Rights

Section I. General. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

- (a) this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association;
- (b) the right of the Board to limit the number of guests who may use the Common Area, and to adopt other rules regulating the use and enjoyment of the Common Area;
- (c) the right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Lot remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, By-Laws, or rules of the Association, after notice and a hearing pursuant to the Article VII, Section 1, of the By-Laws;
- (d) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area pursuant to Article XIII, Section 4 hereof;
- (e) the right of the Association, acting through the Board, to approve use of the Common Area by any Commercial building owner(s) and/or their guests prior to the usage;
- (f) the right of the Board to impose reasonable membership requirements and charge reasonable admission or other fees for the use of any recreational facility situated upon the Common Area;
- (g) the right of the Board to permit nonmember use of any recreational facility situated on the Common Area upon payment of use fees established by the Board;
- (h) the right of the Association, acting through the Board, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

Any Owner may delegate his or her right of use and enjoyment to the members of his or her family, lessees and social invitees, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Lot shall be deemed to have delegated all such rights to the Lot's lessee.

Article III
Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in 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 may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and by 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, subject to the provisions of this Declaration and the By-Laws.

Section 2. Voting.

- a. Eligibility: Eligibility to vote or serve, as a representative, director or officer shall be predicated upon a Member being in good standing with the Association. To be in good standing, the Member must have all assessments of every type and category paid up to date and have no outstanding financial obligations to the Association that are delinquent. Additionally, no Member shall be allowed to vote or hold office if that Member is alleged in a formal written notice from the Association to have a deed restriction violation on one or more Lots in Albury Trails Estates.
- b. Voting Rights: The Association shall have two (2) classes of membership, Class "A" and Class "B" as follows:

- i. Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section I hereof, there shall be only one (1) vote per Lot.

In any situation where a Member is entitled personally to exercise the vote for his Lot and more than one (1) Person holds the interest in such Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it.

- ii. Class "B". The Class "B" Member shall be the Declarant or homebuilders within Albury Trails Estates. The Class "B" Member shall be entitled to ten (10) votes for each Lot owned. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" Member shall be entitled to all or any portion of the members of the Board of Directors so long as Class "B" Membership exists. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of;

- (a) When the total votes in Class "A" membership equal the total votes in the Class "B" membership; or
(b) December 31, 2030; or,

Article IV
Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements, situated upon the Common Areas, landscaped medians within public or private rights-of-ways throughout the Properties, landscaping and other flora on any public utility easement within the Properties (subject to the terms of any easement agreement relating thereto), and such portions of any additional property included within the area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. There are hereby reserved to the Association easements over the Properties as necessary to enable the Association to fulfill such responsibilities. The Association may maintain other property, which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Lots as part of the Base Assessment.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Lot and all structures, parking areas and other improvements comprising the Lot. Owners of Lots adjacent to any roadway within the Properties shall maintain driveways serving their respective Lots, whether or not lying within the Lot boundaries, and shall maintain and irrigate landscaping on that portion of the right-of way between the Lot boundary and the back-of-curb of the adjacent street.

In addition to any other enforcement rights available to the association, if any Owner fails to properly perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Lot and the owner thereof in accordance with Article X, Section 3 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Party Walls and Party Fences.

- (a) General Rules, of Law to Apply. Each wall or fence built as a part of the original construction on the Lots which shall serve and separate any two (2) adjoining Lots shall constitute a party wall or fence 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.
- (b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions. Repair and replacement of Common Area walls and fences

constructed on behalf of the Association shall be the responsibility of the Association. Parties responsible for damage shall be held accountable for said damage.

- (c) Damage and Destruction. If a party wall or fence is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has Owners thereafter make use of the wall or fence may restore it. If the other Owner or Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in equal proportions 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 omissions.
- (d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owners under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.
- (e) Arbitration. In the event of any dispute arising concerning a party wall or fence, or under the provisions of this Section, each party as its sole and exclusive remedy shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefore by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties and shall be a condition precedent to any right of legal action that either party may have against the other.

Article V Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket "all-risk" property insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket "all-risk" coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard, (if reasonably available).

The Board shall also obtain a public liability policy covering the Area of Common Responsibility for all damage of injury caused by the negligence of the Association, its officers, directors, committee members, employees or agents. The public liability policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Three Million (\$3,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article 1 and as more particularly described in Article X, Section 1. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of

insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association for the respective benefited parties, as further identified in subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth;

- (a) All policies shall be written with a company authorized to do business in Texas (if reasonably available) which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available.
- (b) All policies on the Area of Common Responsibility shall be for the benefit of the Association.
- (c) Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Directors.
- (d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.
- (e) All property insurance policies shall have an inflation guard endorsement, if reasonably available, and, if the policy contains a co-insurance clause, it shall also have an agreed amount endorsement. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Harris County, Texas area.
- (f) The Association's Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:
 - (i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, officers, employees and manager, and agents;
 - (ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;
 - (iii) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of any one or more individual Owners;
 - (iv) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of any curable defect or violation without prior demand in writing delivered to the Association to cure the defect or violation and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee.
 - (v) a statement that any "other insurance" clause in any policy excludes individual Owners' policies from consideration; and
 - (vi) a statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, and flood insurance, if reasonably available. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than one-sixth (1/6) of the annual Base Assessments on all Lots, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. The decision to acquire insurance by Lot owners is subject to the discretion of each Lot owner. However, each Owner covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and ruins (including slab, driveways and other improvements) and thereafter the Owner shall maintain the Lot in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Section 3. Damage and Destruction.

- (a) Immediately after damage or destruction by fire or other casualty to all or any part of the Association's Properties 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 obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.
- (b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the vote of the Association, if Common Area, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.
- (c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and

no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be cleared of all debris and ruins and maintained by the Association, in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the process of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction. Any proceeds remaining after defraying such costs of repair or reconstruction or if no repair or reconstruction is made, shall be retained by and for the benefit of the Association and placed in a capital improvements account.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy a special assessment against those Owners of Lots responsible for the premiums for the applicable insurance coverage under Section I of this Article. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VI No Partition

Except as is permitted in this Declaration or amendments thereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article VII Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least sixty-seven (67%) percent of the total vote in the Association and of the Declarant, as long as the Declarant owns any property described on Exhibit "A") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" of this Declaration, and Voting Members representing at least seventy-five (75%) percent of the total vote of the Association shall

otherwise agree, the Association shall restore or replace such improvements taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

If the taking does not involve any improvements on the Common Area or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. Declarant shall have the unilateral right, privilege, and option, from time to time at any time to subject to the provisions of this Declaration and the jurisdiction of the Association additional real property. Such annexation shall be accomplished by filing in the public records of Harris County, Texas, a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of Voting Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibit "A" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association may annex real property other than property owned by the Declarant, or its successors or assigns to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members or alternates representing a majority of the votes of the Association present at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 1 of this Article.

Annexation shall be accomplished by filing of record in the public records of Harris County, Texas, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration 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. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in Exhibit "A", or additions thereto, which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Withdrawal of Property. Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the community pursuant to this Article VIII, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Properties desired to be effected by the Declarant.

Section 5. Amendment. This article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibit "A" or additional thereto.

Article IX
Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violations of this Declaration, the By-Laws, or such rules and regulations may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Common Area. In addition, the Association, in accordance with Article VII, of the By-Laws, shall have the right, without the obligation, to exercise self-help to cure violations, and shall be entitled to suspend any services provided by the Association to any Owner of such Owner's Lot in the event that such Owner is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association. The Board shall also have the

power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws and/or Rules and Regulations of the Association.

In addition to all other remedies that may be available, the Association has the right to collect attorney fees and/or fines as set by the Board from any Owner that is in violation of this Declaration, any applicable Supplemental Restrictions or amendments, any Architectural Guidelines, the Building Guidelines, or any other rule or regulation promulgated by the Association. Every Owner shall comply with all provisions of this Declaration, the By-Laws, and the rules and regulations of the Association, all other dedicatory instruments of the Association and any amendments or supplements to any of the foregoing. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration, any amendment, Supplemental Restriction, the By-Laws or any other dedicatory instruments.

The Association, through the Board, by contract or other agreement, shall have the right to enforce county ordinances and/or ordinances of the City of Houston, Texas, if applicable, and to permit Harris County and the City of Houston, Texas to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5. Governmental Interests. For so long as the Declarant owns any property in the Properties, the Association shall permit the Declarant authority to designate sites within the Properties, which may include Common Area owned by the Association, for fire, police, water, and sewer facilities, parks and other public facilities.

Article X
Assessments

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 7 of this Article. There shall be two (2) types of assessments, (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association and (b) Special Assessments as described in Section 3 below. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the properties, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest (at the lower of eighteen percent (18%) per annum or the highest rate allowed by Texas law) as computed from the date the delinquency first occurs, late charges, costs, and attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, and attorney's fees, shall also be the personal obligation of the