

Revised

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CHAMPION FOREST, SECTION 10,
A SUBDIVISION IN HARRIS COUNTY, TEXAS

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STATE OF TEXAS

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COUNTY OF HARRIS

THIS DECLARATION, is made on the date hereinafter set forth by Champion Forest Associates, a Joint Venture, (comprised of Greenwood Properties, Inc., a Texas Corporation and The Mischer Corporation, a Delaware Corporation), acting by and through Greenwood Properties, Inc, its managing Venture partner, hereinafter referred to as "Declarant":

W I T N E S S E T H:

WHEREAS, CHAMPION FOREST ASSOCIATES, Declarant is the owner of certain property heretofore platted and subdivided into that certain subdivision known as CHAMPION FOREST, Section 10, (the "Property"), according to the plat recorded in Volume 306, Page 14, of the Map Records of Harris County, Texas.

WHEREAS, Declarant desires to develop the Property as a residential subdivision, together with any other land which Declarant at its sole discretion may hereafter add thereto, and to provide and adopt a uniform plan of development including assessments, conditions, covenants, easements, reservations, and restrictions designed to govern, control and preserve the values and amenities of the Property for the development, improvement, sale, use and enjoyment of the Property as a residential subdivision; and

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WHEREAS, Declarant desires to subject the Property, together with additional land as may hereafter be made subject hereto, to the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, for the benefit of the Property, additions thereto, and each owner of any part thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said subdivision, to create an Association (hereinafter defined) to which shall be delegated and assigned the powers of administering and enforcing these assessments, conditions, covenants, easements, reservations and restrictions, including levying, collecting and disbursing the assessments; and

WHEREAS, there has been incorporated the Champion Forest Fund, Inc., a non-profit corporation created under the laws of the State of Texas, whose directors have established By-Laws by which said Association shall be governed through its Board of Directors, for the purpose of exercising the functions aforesaid; and

NOW, THEREFORE, Declarant hereby declares that the Property shall be developed, improved, sold, used and enjoyed in accordance with, and subject to the following plan of development, including the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, all of which are hereby adopted for, and placed upon

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said Property and shall run with the Property and be binding on all parties, now and at any time hereafter, having or claiming any right, title or interest in the Property or any part thereof, their heirs, executors, administrators, successors and assigns, regardless of the source of, or the manner in which any such right, title or interest is or may be acquired, and shall inure to the benefit of each owner of any part of this Property.

ARTICLE I

DEFINITIONS

Section 1. "ARC" shall mean and refer to the Architectural Review Committee established for the Property as hereinafter set forth.

Section 2. "Association" shall mean and refer to the Champion Forest Fund, Inc. a non-profit corporation, incorporated under the laws of the State of Texas, its successors and assigns.

Section 3. "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 4. "Common Area" shall mean all real property owned in fee or held in easement by the Association for exclusive common use and enjoyment of the Owners and shall include areas designated by Declarant to be conveyed by deed or easements to the Association.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map upon which there has been or will be constructed a single-family residence, but shall not mean or include any Common Area.

Section 6. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation of the Association.

Section 7. "Owner" shall mean and refer to the record owner, whether one more persons or entities, of fee simple title to the surface estate in any Lot which is a part of the Property including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Property" shall mean all those certain Lots being 148 in total, in CHAMPION FOREST Subdivision, Section 10, as set forth in the map or plat thereof recorded in Volume 306, Page 14 of the Map Records of Harris County, Texas and any other lands which may hereafter be made subject to this Declaration.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have the right to an easement of enjoyment and to any Common Area which right shall be appurtenant to any shall pass with the title of every Lot, subject to the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority for such purposes and subject to such conditions as may be approved by a two-thirds (2/3) vote of the Members. Dedication of easements

for public utility purposes can be approved by the Board and does not require the approval of the Members.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property.

Section 3. Delegation of Authority. Owners delegate to the Association the full right and authority to negotiate and contract with groups, associations or companies, which provide services to the property or to the owners by means of use of designated easements or Common Area. Specifically the Association shall have the exclusive right to negotiate, settle, compromise or contract with entities for the providing of audio and video communication services and utilities by means of underground coaxial cable systems or otherwise. The Association shall further have the exclusive authority to negotiate, contract, settle or compromise with associations, organizations, companies or individuals providing services in furtherance of the Associations purpose and purpose of assessments.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every person or entity who is a record Owner of any Lot which is subject to the annual assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association. Ownership of such land shall be the sole qualification of membership.

Section 2. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners except Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote of such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to each Lot.

Class B. The Class B Members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) fifteen (15) years from the date hereof

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants, and the Owner of any Lot be acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) annual assessments or charges, and
- (b) special assessments for capital improvements.

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The regular and special assessments, together with late charges and reasonable attorney's fees as necessary for collection, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with late charges and reasonable attorney's fees, shall also be the personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members of the Association and, in particular, maintenance of any Common Areas, parkways, esplanades and entryways, negotiation of garbage and trash collection contracts, police and security service, fire protection, street cleaning, street lighting, mosquito control and other services as may be in the community's interest. It is specifically understood in regard to garbage and trash collection that the Board of Directors shall determine from time to time the desirability of including collection fees in the annual assessment requiring separate payment whether to the Association or direct to the trash collector, the basis for which determination shall be efficiency and negotiated rates and may be assigned to Cypress Forest Water District or other identity.

Section 3. Rate of Annual Assessment. Assessments shall commence with recording of the subdivision plat and are due and payable in advance. Until January 1 of the year immediately following the recording of the subdivision plat, the maximum annual assessment shall be One Hundred Eighty and No/100 Dollars (\$180.00 per residential lot or proportional fraction thereof.)

All Lots in each platted section of the Property shall commence by section to bear their applicable assessments simultaneously including Lots owned by Declarant. Any Lots upon which no structures have been begun shall be assessed at rate of full annual assessment rate. The rate of assessment of an individual Lot within a calendar year, may change as its character changes. The applicable assessment for such a Lot shall be prorated on a monthly basis according to the applicable rate set forth herein.

The Board may determine and certify that the then current annual assessment is sufficient, insufficient, or excessive to reasonably meet the expenses of the Association and, at a meeting called for such purpose at least 30 days in advance of the assessment period, by majority vote, may increase or decrease the annual assessment by an amount not to exceed fifteen percent (15%) of the previous annual assessment. The annual assessment shall not be increased or decreased more than once in any calendar year and any increases shall not take effect retroactively. In the event that the Board decides to include the cost of trash and garbage collection in the annual assessment as provided in Section 2 hereof, then the amount

will be considered additive to the fifteen percent (15%) increase provision set forth above.

Section 4. Notice of Annual Assessments: The Board shall fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid.

Section 5. Effect of Nonpayment of Assessments: Remedies of the Association. To any assessment not paid within thirty (30) days after the due date shall be added a late charge calculated from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay any assessment, or foreclose a lien against the property. No Owner may waive or otherwise escape liability for the assessment by reason of non-use or abandonment.

Section 6. Subordination of the Lien to Mortgages. The assessment lien shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer, but only to that extent, and otherwise the lien shall survive such foreclosure or other proceedings. No sale or transfer shall relieve such Lot from liability of any assessments thereafter becoming due or from the lien thereof.

Section 7. Exempt Properties. All properties dedicated to and accepted by a municipal authority and all properties owned by charitable or non-profit organizations, which are exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein. The Board may make other exceptions where in its determination there is a beneficial result to the development plan for the Property.

Section 8. Addition to the Property. Declarant may from time to time at Declarant's sole discretion add or annex additional land into the Association and thereby subject such land to this Declaration including the assessments, conditions, covenants, easements, reservations, and restrictions contained herein as if said land had been a part of the original Property. Such addition or annexation shall be accomplished by the execution by Declarant and filing for record of an instrument setting forth the land being added or annexed provided that said land is all or part of a recorded plat that has been duly filed for record in the Map Records of Harris County, Texas, and that said land is a part of the area designated by Declarant.

ARTICLE V.

RESTRICTIONS OF USE

Section 1. Single Family Residential Construction. Subject to Sections 4 and 5 below, no building shall be erected, altered or permitted to remain on any Lot other than one (1) detached single-family residential structure not to exceed three (3) stories in height, and a private garage for

not more than three (3) cars, which garage shall not exceed the main residential structure in height or number of stories. No such residence shall be constructed on less than the equivalent of one full Lot as shown on the latest recorded subdivision plat. In no event shall any part of the main structure or garage be used as a second dwelling unit for rental purposes.

Section 2. ARC Approval Required. No buildings, additions or improvements shall be erected or placed on any Lot until the construction plans and specifications including, but not limited to, site layout, building location, building materials, colors, and elevations, have been submitted to and approved in writing by the ARC as hereinafter provided. Approval of plans and specifications shall not cover or include approval for any other purpose and specifically, but without limitation, shall not be construed as any representation as to or responsibility for the design of the improvement or the ultimate construction thereof. In the event ARC fails to approve or disapprove such plans and specifications within thirty (30) days after the receipt thereof, they shall be deemed to be approved and the related conveyance set out herein shall be deemed to have been fully satisfied. If the ARC disapproves plans and specifications submitted by Owner and the ARC and Owner are not able to resolve their differences within (30) days thereafter, then, following Owner's written request therefore, Declarant may at Declarant's option, repurchase the land from Owner, for the original purchase price in cash, and Owner shall thereupon reconvey the land to Declarant by special warranty deed free and clear of all liens and encumbrances other than those to which this Declaration is subject. The failure of Declarant to exercise said repurchase option shall in no way impair or alter the obligations of Owner as set forth in this Declaration. The ARC or its assignee, at its sole discretion, is hereby permitted to approve deviations in the general use restrictions set forth in Article V in instances where, in its judgment, such deviation will result in a more common beneficial use and enhance the overall development plan for the Property. Such approvals must be granted in writing and when given, will become a part of these restrictions.

Section 3. Minimum Home Sizes. The minimum square footage of the main structure (as measured on the exterior) allowed on residential Lots for dwelling units exclusive of garage and patio areas is set forth as follows:

2300 square feet

Declarant reserves the right to modify these minimum size requirements for any additional land made subject to this Declaration.

Section 4. Location of Improvements Upon the Lot. Buildings shall not be located on any Lot nearer to the front, side, or rear property lines than as set forth below. In cases of conflict between these setback criteria and the recorded plat and/or recorded easements, the larger setback number shall be observed. The garage setback will not apply to garages in cases where the garage door is approximately perpendicular to the front curb line of the street. In such cases, the garage setback shall be governed by the house setback requirement.

<u>Front Street</u>	<u>Side/Rear Street</u>	<u>Interior</u>
<u>Property Line</u>	<u>Property Line</u>	<u>Property Line</u>