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160-01-0372

DECLARATION OF COVENANTS, CONDITIONS,
ASSESSMENTS, CHARGES, SERVIDUDES,
LIENS, RESERVATIONS, AND EASEMENTS

REAL PROPERTY RECORDS

8244223

DEL LAGO ESTATES

THIS DECLARATION of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations, and Easements (herein called the "Declaration") is made as of the 22 day of September, 198,, by MPB EQUITIES, INC., a Texas Corporation (herein called "Declarant") and T. O. R. Corporation, a Texas Corporation (herein called T.O.R.).

W I T N E S S E T H:

WHEREAS, Declarant and T.O.R.owns approximately acres of land adjacent to Lake Conroe in Montgomery County, Texas, and may acquire additional lands in the same area; and

WHEREAS, in order to enable Declarant and T.O.R. to accomplish such development in a consistent manner with continuity, Declarant desires to subject the Property, as hereinafter defined, to the covenants, conditions, assessments, charges, servitudes, liens, reservations, and easements hereinafter set forth (herein collectively called the "Covenants").

NOW, THEREFORE, Declarant and T.O.R. hereby declares that the Property shall be held, sold, and conveyed subject to the Covenants.

ARTICLE I

DEFINITIONS

The following words, phrases, or terms used in this Declaration shall have the following meanings:

A. "Additional Properties" shall mean properties added in accordance with Article XV hereof.

B. "Amenities" shall mean the parts of the Open Areas which are designed for recreational or social activities, including without limitation the golf course, clubhouse, tennis courts, and swimming pool.

C. "Annual Assessment" shall mean the charge levied and assessed each year against each Lot.

D. "Assessable Property" shall mean the entire Property, except such part or parts thereof as may from time to time constitute Exempt Property.

E. "Assessment Lien" shall mean the lien created and imposed by Article IV.

F. "Association" shall mean the Texas non-profit corporation to be organized by Declarant to administer and enforce the Covenants and to exercise the rights, powers, and duties set forth in the Declaration.

G. "Association Land" shall mean such part or parts of the Property, together with the buildings, structures, and improvements thereon, if any, as may be owned at any time hereafter by the Association, for as long as the Association is the Owner thereof.

H. "Board" shall mean the Board of Directors of the Association.

T

I. "Bylaws" shall mean the Bylaws of the Association as the same may from time to time be amended or supplemented.

J. "Condominium Unit" shall mean a condominium unit and all common elements appurtenant thereto, created by the formation of a condominium regime pursuant to Texas law and actually constructed and completed on a part of the Property.

K. "Covenants" shall mean the covenants, conditions, assessments, charges, servitudes, liens, reservations, and assessments set forth herein.

L. "Declarant" shall mean MPB Equities, Inc., a Texas Corporation, and the successors and assigns of Declarant's rights and powers hereunder.

M. "Declaration" shall mean this Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations, and Easements, as amended or supplemented from time to time.

N. "Deed" shall mean a deed or other instrument conveying the fee simple title to all or any portion of the Property.

O. "Dwelling Unit" shall mean any portion of a building situated on the Property designed and intended for use and occupancy as a residence by a single family.

P. "Exempt Property" shall mean the following parts of the Property:

(1) All land and Permanent Improvements owned by or dedicated to and accepted by the United States, the State of Texas, Montgomery County, or any political subdivision thereof, for as long as such entity or political subdivision is the Owner thereof, or for so long as said dedication remains effective;

(2) All Association Land for as long as the Association is the Owner thereof.

(3) All Lots owned by Declarant, until such time as ninety percent (90%) of all of the Lots have been sold to Owners (other than persons or entities who are successors in interest or assignees of Declarant with respect to Declarant's rights and powers hereunder).

(4) All Open Areas as defined in Paragraph T below.

Q. "Lot" shall mean any lot, tract, or parcel of the Property (with the exception of any common area, if any, and any Open Areas reserved by Declarant on any plat) shown upon a plat or plats of the Property or any part thereof now or hereafter filed for record in the Map and Plat Records of Montgomery County, Texas (as such plat or plats may be amended from time to time); provided, however, with respect to any such lot, tract or parcel on which there is constructed one or more Condominium Units, the term "Lot" shall, from the date of completion of the first such Condominium Unit, mean each Condominium Unit located thereon (together with its interest in the common elements of the condominium regime), and the term "Lot" shall not thereafter be deemed to refer separately to any part of the common elements of such regime, including without limitation the land included therein.

R. "Maintenance Charges" shall mean any and all costs assessed pursuant to Sections 11.02 and 11.03.

S. "Member" shall mean each and every Owner.

T. "Open Areas" shall mean those areas of the Property (including without limitation streets, water plant, sewer plant, drill sites, golf course, clubhouse, tennis courts and swimming pool) which are not designated by number as lots on the Plat, the ownership of such areas being reserved to Declarant and its successors and assigns. The streets shown on such plats, unless otherwise stated on such plats, have not been dedicated to the public and are private streets.

U. "Owner" shall mean the person or persons, entity or entities, who either own of record fee simple title to a Lot, or have entered as an original party, successor or assignee, into a Contract for Deed with Declarant; the term "Owner" to exclude any person or persons, entity or entities, having an interest in a Lot merely as security for the performance of an obligation; the term "Owner" to include Declarant if Declarant is a record owner of fee simple title to a Lot, but only if with respect to such Lot, Declarant has not entered into a Contract for Deed. For the purposes hereof, the term "Contract for Deed" shall be any contract executed by Declarant with another person containing as its title or as part of its title the term "Contract for Deed" pursuant to which such person is acquiring a Lot on an installment basis whereby Declarant does not transfer fee simple title to the Lot until such person has satisfied all of the terms and conditions of such contract.

V. "Permanent Improvements" shall mean all buildings, structures, and other matters and things which, at the time of the assessment of each Annual Assessment, are taxable by the State of Texas or a political subdivision thereof (including without limitation Montgomery County) as real property under applicable law.

W. "Plat" shall mean the subdivision plat of a portion of the Property presently on file in the Map and Plat Records of Montgomery County, Texas, and any other plat or plats of all or any portion of the Property now or hereafter filed for record in the Map and Plat Records of Montgomery County, Texas, (as such plat or plats may be amended from time to time).

X. "Property" shall mean:

(1) At the time of recordation of this Declaration, the land described on Exhibit "A" attached hereto and made a part hereof for all purposes; and

(2) From and after the addition of each parcel of land subjected to this Declaration pursuant to Article XV hereof, each such new parcel of land.

Y. "Residential Lots" shall mean any Lot which is zoned or used for residential purposes.

Z. "Special Assessment" shall mean any assessment levied and assessed pursuant to Section 3.02.

AA. "Special Use Fees" shall mean special fees which an Owner or any other person is obligated by his Deed or by contract to pay to the Association over, above and in addition to any such assessments, charges, and fees as are levied, assessed, imposed or payable hereunder.

BB. "Subsidiary Association" shall mean any Texas non-profit corporation which is organized and exists pursuant to or for the purpose of administering and enforcing the provisions of any Subsidiary Declaration.

CC. "Subsidiary Declaration" shall mean any declaration of covenants, conditions, assessments, charges, servitudes, liens, reservations, easements, or restrictions applicable to any portion of the Property which is recorded after the effective date hereof or which is otherwise subject hereto.

DD. "Supplemental Declaration" shall mean a supplement to this Declaration recorded as provided in Article XV.

EE. "Voting Owners" shall mean those Owners who, pursuant to Section 8.02, have voting rights.

ARTICLE II

COVENANTS BINDING ON PROPERTY, OWNERS, AND ASSOCIATION

2.01 Property Bound. From and after the date of recordation of this Declaration, the Property shall be subject to the Covenants, and the Covenants shall run with, be for the benefit of, bind, and burden the Property.

2.02 Owners Bound. From and after the date of recordation of this Declaration, the Covenants shall be binding upon and inure to the benefit of each Owner and his heirs, executors, administrators, personal representatives, successors, and assigns, whether or not so provided or otherwise mentioned in the Deed. Each Owner, for himself, his heirs, executors, administrators, personal representatives, successors, and assigns, expressly agrees to pay, and to be personally liable for, the assessments provided for hereunder, and to be bound by all of the Covenants herein set forth. Each Owner shall be and remain personally liable, regardless of whether he has transferred title to his Lot, for the amount of assessments (together with interest, costs, and attorneys' fees as provided in Section 3.04) which fell due while he was an Owner. No Owner shall escape personal liability for the assessments herein provided by non-use of Association Land, the Open Areas or the Amenities, or by transfer or abandonment of his Lot.

2.03 Association and Subsidiary Association Bound. Upon the incorporation of the Association or any Subsidiary Association, the Covenants shall be binding upon and shall inure to the benefit of the Association and any such Subsidiary Association.

ARTICLE III

ASSESSMENTS

3.01 Annual Assessments. In order to provide funds for the purposes and uses specified in Article VI hereof, the Board in each year, commencing with the year in which the Association is incorporated, shall assess against the Assessable Property such charges as the Board in its discretion deems appropriate; provided, however, that the first Annual Assessment, commencing in 1981, shall not exceed \$250.00 for each Residential Lot, such amount to be prorated by the Board if the first Assessment Period is less than twelve (12) months.

3.02 Special Assessments. In addition to the Annual Assessments authorized above, the Association may at any time and from time to time levy Special Assessments to meet other needs or requirements of the Association and the properties for which it is responsible, including without limitation, assessments for the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Association Land. The Board shall

establish Special Assessments in the manner provided in the Bylaws of the Association; provided, however, that no Special Assessment shall be levied without the prior approval of at least two-thirds (2/3) of all Voting Owners who are voting in person or by proxy at a meeting duly called for that purpose in accordance with the provisions of the Bylaws.

3.03 The Board shall establish either a calendar or fiscal year (herein called the "Assessment Period") for which the Annual Assessment is to be levied. The Board in its sole discretion may from time to time change the Assessment Period.

3.04 Allocation of Assessments. The Owners of all Assessable Property shall share in the responsibility for payment of the Annual Assessments and the Special Assessments as follows:

(a) All Residential Lots (including all Condominium Units) shall bear the Annual and Special Assessments equally. The proportionate share of Annual and Special Assessments to be borne by any Lot which is not a Residential Lot shall be a percentage which the Board in its discretion shall determine; provided, however, that the ratio of (i) the proportion of such assessments allocated to any such Lot which is not a Residential Lot to (ii) the proportion of such assessments borne by each Residential Lot, shall not exceed the fraction obtained by dividing (x) the number of square feet contained in such Lot which is not a Residential Lot (or if greater, the number of total square feet of enclosed, air conditioned floor space contained in buildings located thereon) by (y) 6,000. For example, if each Residential Lot is required to pay .5% of the total Annual and Special Assessments, then a commercial Lot with 12,000 square feet of land and 5,000 square feet of enclosed, air conditioned floor space could not be required to pay more than 1% of such assessments: $.5\% \text{ times } (12,000 \text{ divided by } 6,000) = 1\%$. The Annual Assessment for the first Assessment Period applicable to a Lot shall be prorated over the number of months during such Assessment Period that the Lot or Condominium Unit is subject to such assessments.

(b) The Board shall make the calculations required in subparagraph (a) above, and shall prepare and forward to each Owner a statement setting forth the amount of the Annual Assessment or Special Assessment assessed against each Lot, stated in terms of the total sum due and owing, and the amounts payable if paid in installments; provided that the dates of any installment payments shall be set forth, and no installment shall be due less than thirty (30) days from the date of the mailing of such statement.

(c) All delinquent payments of Annual Assessments and Special Assessments shall bear interest at the rate of eighteen percent (18%) per annum from such due date until paid, and the Owner shall be deemed to have agreed in writing to the payment of such interest and all costs, including attorneys' fees which may be incurred by the Association in collecting same.

3.05 Rules Regarding Billing and Collection Procedures. The Association shall have the right to adopt rules and regulations setting forth procedures for the purpose of making the assessments provided herein and for the billing and collection of the Annual and Special Assessments and the Maintenance Charges, provided that said procedures are not inconsistent with the provisions hereof.

ARTICLE IV

IMPOSITION OF LIEN; EXEMPTIONS; OWNERS' AGREEMENT

4.01 Imposition of Assessment Lien and Priority of the Lien. Each Lot shall be charged with and subject to a continuing servitude and lien from the date of recordation of this Declaration for the amount of the Annual and Special Assessments assessed and levied against each such Lot, and for Maintenance Charges. The lien (herein called the "Assessment Lien") against each such Lot shall be superior to any and all other charges, liens, or encumbrances which hereafter in any manner may arise or be imposed upon each such Lot, except that such Assessment Lien shall be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior.

4.02 Owners' Promises. Each Owner, for himself, his heirs, executors, administrators, personal representatives, successors, and assigns, covenants and agrees:

(i) That he will pay to the Association when due the Annual and Special Assessments assessed by the Association in each year against his Lot, together with any Maintenance Charges imposed;

(ii) That he acquires his Lot subject to the Annual and Special Assessments and Maintenance Charges and Assessment Lien; and

(iii) That by accepting a Deed to his Lot, he shall be, and remain, personally liable for any and all Annual and Special Assessments and Maintenance Charges assessed against his Lot while he is (or was) the Owner thereof, regardless of whether such covenants or agreements are expressed in such Deed and regardless of whether he signed the Deed.

ARTICLE V

ENFORCEMENT OF PAYMENT OF ANNUAL AND SPECIAL ASSESSMENTS AND MAINTENANCE CHARGES AND OF ASSESSMENT LIEN

5.01 Association as Enforcing Body. The Association, as the agent and representative of the Owners, shall have the exclusive right to enforce the provisions of this Declaration. However, if the Association shall fail or refuse to enforce this Declaration for an unreasonable period of time, after written request to do so, then any Owner may enforce them on behalf of the Association by any appropriate action, whether at law or in equity.

5.02 Association's Enforcement Remedies. If the Owner of any Lot fails to pay the Annual or Special Assessments or installments when due, or to pay Maintenance Charges assessed; the Association may enforce the payment of the Annual or Special Assessments, Maintenance Charges, and/or the Assessment Lien by taking either or both of the following actions, concurrently or separately (and, by exercising either of the remedies hereinafter set forth, the Association does not prejudice or exercise the other remedy):

(a) Bring an action at law and recover judgment against the Owner personally obligated to pay the Annual or Special Assessments or the Maintenance Charges;

(b) Enforce the Assessment Lien against the Lot by any means available at law or in equity, including without limitation a non-judicial foreclosure sale of the Lot, such sale

to be conducted in the manner set forth in Article 3810 of the Revised Civil Statutes of Texas, as the same may be amended or supplemented from time to time. The Association or any other Owner may be the purchaser at any such foreclosure sale.

5.03 Subordination of the Lien to First Mortgage or Deed of Trust. The Assessment Lien provided for herein shall be subordinate to any first mortgage lien held by, or deed of trust of which the beneficiary is an institutional lender which is chartered (or licensed) by the United States or any state within the United States. Sale or transfer of any Lot shall not affect the Assessment Lien, provided, however, that if the sale or transfer is pursuant to foreclosure of such a mortgage or deed of trust, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot free of the Assessment Lien for all Annual and Special Assessments and Maintenance Charges that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure; but upon the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure, the Assessment Lien immediately shall become and remain superior to any and all other charges, liens, or encumbrances (except liens for taxes or other public charges which by applicable law are expressly made superior), and such mortgage or deed of trust foreclosure sale purchaser or grantee shall take subject to all Annual and Special Assessments, Maintenance Charges, and the Assessment Lien therefor accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu of foreclosure.

5.04 Costs to be Borne by Owner in connection with Enforcement. In any action taken pursuant to Section 5.02 of this Article, the Owner shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Annual and Special Assessments and Maintenance Charges together with interest and the Association's costs and attorneys' fees.

ARTICLE VI

USE OF FUNDS; BORROWING POWER

6.01 Purposes For Which Association's Funds May Be Used. The Association shall apply all funds and property collected and received by it (including the Annual and Special Assessments, fees, loan proceeds, surplus funds, and all funds and property received by it from any other source) for the common good and benefit of the Property, the Owners and Residents by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision, and operation, by any manner or method whatsoever, of any and all land, properties, improvements, facilities, services, projects, programs, studies, and systems, within or without the Property, which may be necessary, desirable, or beneficial to the general common interests of the Property, the Owners, and the Residents. The following are some, but not all, of the areas in which the Association may seek to aid, promote, and provide for such common benefit: landscaping, recreation, communications, education, transportation, health, utilities, public services, culture, and safety. The Association may also expend its funds for any purposes which any municipality may expend its funds under the law of the State of Texas or such municipality's charter, including by way of illustration all purposes (enumerated or implied) for which the City of Houston may expend its funds pursuant to the charter of the City of Houston. Without limiting the foregoing, it is expressly provided that the Association shall have the responsibility for maintaining all of the streets and roads constructed on the Property by Declarant and shown on the Plat, unless such streets have been expressly

dedicated to the public and accepted by the appropriate governmental authority. The record ownership of such streets shall be conveyed by Declarant to the Association as and when they are completed, and the Association shall hold title to same subject to the terms and provisions of this Declaration and any Subsidiary Declaration. Notwithstanding anything to the contrary contained herein, the Association shall include in each Annual Assessment an amount (herein called the "Amenities Fee") which shall be paid by the Association to Declarant no less frequently than each three (3) months, and shall be used by Declarant to defray the cost of maintaining, repairing, and/or replacing the Amenities, or any of them, in such manner as Declarant in its discretion shall determine. The Amenities Fee for the first Assessment Period shall be \$120.00 for each Residential Lot, such amount to be prorated by the Board if the first Assessment Period is less than twelve (12) months. The Amenities Fee shall be increased at the beginning of each Assessment Period by an amount equal to eight percent (8%) times the amount of the Amenities Fee for the immediately preceding Assessment Period; provided, however, Declarant may waive any such increase or any portion of the Amenities Fee with respect to one or more Assessment Periods without waiving its right to demand same for any subsequent Assessment Periods, and the amount of the Amenities Fee for such subsequent Assessment Periods shall be computed as if the maximum amount of the Amenities Fee had been charged for all prior Assessment Periods. In the event the Association fails to timely collect and pay the Amenities Fee to Declarant, Declarant shall have the right to enforce payment of same by proceeding directly against the Association and/or the Owners, or any of them. Declarant shall have a lien, identical to the Assessment Lien in all respects (including without limitation the right of non-judicial foreclosure as set forth in Section 5.02), against each and every Lot and all Association Land, to secure the prompt payment of the Amenities Fee.

6.02 Borrowing Power. The Association may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as is necessary or appropriate.

6.03 Association's Rights in Spending Funds from Year to Year. The Association shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Annual or Special Assessments, fees, or otherwise), and may carry forward as surplus any balance remaining. Nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the Annual Assessment in the succeeding year, but may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the effectuation of its purpose.

6.04 Administration of Special Use Fees. The Association is authorized to bill for, sue for, collect, administer, and disperse all Special Use Fees and the payment thereof shall be secured by the Assessment Lien; provided, however, that all Special Use Fees collected shall, if imposed in connection with a particular improvement, be separately accounted for as to each separate improvement to which they pertain and shall be expended on the particular improvement to which they pertain.

ARTICLE VII

RIGHTS AND POWERS

7.01 Association's Rights and Powers as Set Forth in Articles and Bylaws. In addition to the rights and powers of the Association set forth in this Declaration, the Association shall have such rights and powers as are set forth in its Articles of

Incorporation (as amended from time to time) and its Bylaws. Such rights and powers, subject to the approval thereof by any agencies or institutions deemed necessary by Declarant, may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles and Bylaws are not inconsistent with the provisions of this Declaration and are necessary, desirable, or convenient for effectuating the purposes set forth in this Declaration. After incorporation of the Association, a copy of the Articles and Bylaws of the Association shall be available for inspection at the office of the Association during reasonable business hours. Copies of said Articles and Bylaws may be purchased for such reasonable fees as may be prescribed by the Association.

7.02 Association's Right of Enforcement. The Association, as the agent and representative of the Owners, shall have the right to enforce the Covenants set forth in this Declaration and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens, or easements provided for in any contract, deed, declaration, or other instrument affecting all or any part or parts of the Property. Any such instrument shall have been executed pursuant to, or subject to, the provisions of this Declaration, or otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association, by Declarant, or by any Subsidiary Association; provided, however, that any such instrument that is recorded subsequent to recordation of this Declaration shall at all times be subordinate and inferior to this Declaration whether or not so provided in such instrument.

7.03 Contracts with Owners for Performance of Association's Duties. Subject to the restrictions and limitations contained herein, the Association may enter into contracts and transactions with others, including Declarant, its subsidiaries, and affiliated companies, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more directors of the Association is employed by or otherwise connected with Declarant, its subsidiaries and affiliates, provided that the fact of such interest shall be disclosed or known to the other directors acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable; and any such director may be counted in determining the existence of a quorum at that meeting of the Board which shall authorize any such contract or transaction and may vote thereat to authorize any such contract or transaction with like force and effect as if he were not so interested.

7.04 Mergers, Consolidations, and Federations. The Association shall have the right and power to participate in mergers, consolidations, and federations with any other non-profit corporations or associations regardless of whether the objects, purposes, rights, and powers of such non-profit corporations or associations are less than, the same as, or greater than those of the Association. Any proposed merger, consolidation, or federation shall not be effective or voted upon by the Owners without prior approval of the Board of the Association. Any such mergers, consolidations, or federations shall be consummated only upon an affirmative vote of two-thirds (2/3) of the votes cast by the Voting Owners at an election held for such purpose in the manner provided in Section 13.03. Upon any such merger or consolidation, all of the properties, rights, and obligations of the other non-profit corporation or association shall be transferred to and assumed by the Association as the survivor, or alternatively, all the properties, rights, and obligations of the Association shall be transferred to and assumed by the surviving or newly created non-profit corporation or association.

MEMBERSHIP

8.01 Membership in the Association. Immediately upon the organization of the Association, each and every Owner, by virtue of being an Owner, automatically shall be a Member of the Association, and shall thereafter remain such for as long as such ownership continues. Such membership shall be appurtenant to and pass with the title of any Lot and may not be in any manner alienated or encumbered except as an appurtenance thereto as part and parcel thereof; provided, however, that no such change of ownership shall be effective for voting purposes, unless and until the Association is given actual notice and is provided satisfactory proof thereof. When more than one person holds an interest in any Lot, all such persons shall be Members.

8.02 Voting Rights. Voting rights, which shall be exercisable only at such time and in such manner as shall be provided in the Articles, shall be vested in all members who are Owners of Assessable Property. The Voting Owners, initially, shall comprise two classes:

Class A: The Class A Voting Owners shall, initially, include all such Owners, except Declarant; and each such Voting Owner shall be entitled to one vote for each Lot owned; provided, however, that there shall not be more than one Voting Owner on account of ownership in any single Lot. If the Voting Owner consists of more than one person, such persons shall decide who among themselves shall cast the vote.

Class B: The only Class B Voting Owner shall be the Declarant, who shall be entitled to five (5) votes for each Lot owned by Declarant. Declarant's Class B voting rights shall cease and be converted to Class A voting rights upon the first to occur of the following:

(a) When the number of Dwelling Units constructed upon portions of the Property not owned by Declarant exceeds the number of Class B votes to which Declarant is entitled; or

(b) On December 31, 1996.

From that date forward, unless and until the Class B Membership is reinstated, Declarant shall be entitled, as in the case of other Voting Owners, to only one vote for each Lot owned. Nothing contained herein shall preclude Declarant from constructing Condominium Units or other Permanent Improvements, or adding land pursuant to the provisions of Article XV, for the purpose of maintaining or reinstating the Class B Membership, and all Condominium Units, other Permanent Improvements and land so constructed or added shall be included in the determination of the existence and voting rights of the Class B Membership. The Class B Membership may be reinstated by the addition of such property.

8.03 Board of Directors. The Articles of Incorporation of the Association basically will provide that the Board, which shall have the exclusive right of determining and transacting the affairs of the Association, initially will consist of three (3) directors, each of whom, and each of whose replacement, shall be an employee, representative, or designee of Declarant, and who shall be elected and subject to removal by Declarant only. The directors of the Association may also serve as directors of one or more Subsidiary Associations.

ARTICLE IX

EASEMENTS AND RIGHTS OF ENJOYMENT IN
ASSOCIATION LANDS; RESERVATIONS OF DECLARANT

9.01 Owners' Easements and Rights of Enjoyment in Association Lands. Subject to the controls and limitations set forth in this Declaration, every Owner, by reason of such ownership, and his family members, licensees and invitees, shall have a right and easement of enjoyment in and to all Association Lands, and such easement shall be appurtenant to and shall pass with the title to every Lot upon transfer. All residents shall have a non-transferable privilege to use and enjoy all Association Lands for as long as they remain residents.

9.02 Rules Regulating Use of Association Lands. All rights, easements, and privileges granted and conferred under Section 9.01 shall be subject to the exclusive right of the Association to adopt from time to time reasonable rules and regulations pertaining to the use of Association Lands. Said rules and regulations shall be such that they serve to promote the best interests of the Owners with respect to the preservation of the Association Lands or the safety and convenience of the users thereof.

9.03 Fees Chargeable to Certain Classes of Users of Association Lands. All rights, easements, and privileges granted and conferred under Section 9.01 further shall be subject to the exclusive right of the Association to charge Owners and others initiation, admission, and other fees in connection with the use of any or all of the Association Lands. In establishing or adjusting the amounts of such fees from time to time, the Board in its absolute discretion may establish reasonable classifications as or among Owners and other persons. Such fees must be uniform within each such class but need not be uniform from class to class.

9.04 Suspension of Rights of Enjoyment in Connection with Enforcement of the Covenants. The Association shall have the right to suspend the aforesaid rights of enjoyment of any Owner (and the privilege of other persons claiming through such Owner) for (a) any period during which the Annual and Special Assessments or Maintenance Charges assessed to such Owner under Article III hereof remain delinquent and unpaid, or (b) any reasonable period up to but not in excess of ninety (90) days in connection with the enforcement of any of the Association's rules or regulations relating to Association Lands.

9.05 Reservations of Declarant. The following reservations are hereby made by Declarant:

(a) The utility easements shown on the Plat are dedicated with the reservation that such utility easements are for the use and benefit of any public utility operating in Montgomery County, Texas, as well as for the benefit of Declarant to allow for the construction, repair, maintenance and operation of a system or systems of electric light and power, telephone lines, television cable lines, gas, water, sanitary sewers, storm sewers and any other utility or service which Declarant may find necessary or proper.

(b) Declarant reserves the right from time to time to make changes in the location, shape, and size of, and additions to, the easements described in paragraph 9.05(a) for the purpose of more efficiently or desirably installing utilities therein and thereon.

(c) The title conveyed to any of the Property shall not be held or construed to include the title to the water, gas, electricity, telephone, storm sewer or sanitary sewer lines, poles, pipes, conduits or other appurtenances or facilities constructed by Declarant or public utility companies upon, under, along, across or through such utility easements; and the right (but no obligation) to construct, maintain, repair and operate such systems, utilities, appurtenances and facilities is reserved to Declarant, its successors and assigns.

(d) The right to sell or lease the lines, utilities, appurtenances and other facilities described in paragraph 9.05(c) to any municipality, governmental agency (including any water control or utility district created under Article XVI, Section 59 of the Texas Constitution covering the Property as well as other lands), public service corporation or other party is hereby expressly reserved to Declarant.

(e) Neither Declarant nor its successors or assigns shall be liable for any damage done by any of such parties or any of their agents or employees to shrubbery, trees, flowers or other property of a Owner situated on the Lots covered by the above described utility easements.

(f) The right to enter upon any Lot or Lots during installation of streets for the purpose of performing street excavation, construction, and paving is hereby reserved to Declarant, its successors and assigns, and neither Declarant, nor its successors or assigns shall be liable for any damage done by any such parties or any of their agents or employees to shrubbery, trees, flowers or other property of the Owner which is necessitated by such street construction.

ARTICLE X

ARCHITECTURAL CONTROL

No building, fence, wall, sign, exterior light, or other structure or apparatus, either permanent or temporary, shall be commenced, erected, placed, or maintained upon the Property (or any Lot constituting a part thereof), nor shall any exterior addition thereto, change therein or alteration, excavation, subdivision, or resubdivision thereof, including without limitation changes in or alteration of grade, landscaping, roadways, and walkways, be made until the plans and specifications showing the nature, kind, shape, height, materials, color, location, and other material attributes of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by Declarant or by an architectural committee composed of three (3) or more representatives appointed by Declarant. In the event Declarant, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article X will be deemed to have been fully complied with.

ARTICLE XI

MAINTENANCE

11.01 Association Lands. The Association, or its duly delegated representative, shall maintain and otherwise manage all Association Land, including, but not limited to, the landscaping, walkways, riding paths, parking areas, drives, streets, and

recreational facilities, roofs, interiors and exteriors of the buildings and structures located upon said properties. The Board shall use a reasonable standard of care in providing for the repair, management, and maintenance of said property. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of said properties shall be taken by the Board or by its duly delegated representative.

11.02 Assessment of Costs of Maintenance and Repair of Association Lands. In the event that the need for maintenance or repair of Association Land is caused through the willful or negligent act of any Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Owner's Lot is subject and shall be secured by the Assessment Lien.

11.03 Improper Maintenance of Other Portions of the Property. In the event any portion of the Property other than Association Lands, is so maintained as to present a public or private nuisance or as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Property which are substantially affected thereby or related thereto, the Board may by resolution make a finding to this effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within thirty (30) days, the Board will cause such action to be taken at said Owner's cost. If at the expiration of said thirty (30) day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become a part of the assessment to which the offending Owner's Lot is subject and shall be secured by the Assessment Lien.

ARTICLE XII

USE RESTRICTIONS

12.01 All Properties. All Lots within the Property are hereby restricted as follows:

(a) Antennas. No exterior television, radio, or other antenna of any type shall be placed, allowed, or maintained upon any Lot without prior written approval and authorization of the Association.

(b) On Street Parking. On street parking is restricted to approved deliveries, pick-up or short-time guests and invitees and shall be subject to such reasonable rules and regulations as shall be adopted by the Association.

(c) Storage. No exterior storage of any items of any kind shall be permitted, except with prior written approval and authorization of the Association. Any such storage as is approved and authorized shall be in areas attractively screened or concealed (subject to all required approvals as to architectural control) from view from neighboring property, dwelling units, pathways, and streets. This provision shall apply, without limitation, to woodpiles, camping trailers, boat trailers, travel trailers, boats, mobile homes, and unmounted pick-up camper units. Also, without limitation, no automobile, truck, or other vehicle, regardless of ownership, age, condition, or appearance, shall remain on any Lot in any manner which could be construed as being stored, neglected, abandoned, or otherwise not in frequent use, except pursuant to written approval and authorization of the Association.

(d) Garbage. No garbage or trash shall be placed on the exterior of any building, except in containers meeting the specifications of the Association, and the placement, maintenance, and appearance of all such containers shall be subject to reasonable rules and regulations of the Association. All rubbish, trash, and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon.

(e) Outside Speakers and Amplifiers. No radio, stereo, broadcast, or loudspeaker units and no amplifiers of any kind shall be placed upon or outside, or be directed to the outside of any building without prior written approval and authorization of the Association.

(f) Outside Lighting. No outside lighting, other than indirect lighting, shall be placed, allowed, or maintained on any Lot without prior written approval and authorization of the Association.

(g) Animals. No animals, reptiles, fish, or birds of any kind shall be raised, bred, or kept on any Lot except pursuant to prior written approval of and in accordance with rules and regulations promulgated by the Association, provided, however, that dogs, cats, birds, or fish may be kept thereon as household pets so long as, in the discretion of the Association, such pet is not, or does not become, a nuisance, threat, or otherwise objectionable to other Owners.

(h) Re-subdivision. Except with respect to any of the Property owned by Declarant, no Lot shall be further subdivided and no portion less than all of any such Lot, or any easement or other interest therein, shall be conveyed by any Owner without the prior written authorization and approval of the Association.

(i) Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed, or harbor plant disease or noxious insects.

(j) Sidewalk Encroachments. No tree, shrub, or plant of any kind on any Lot shall be allowed to overhang or otherwise encroach upon any sidewalk or any other pedestrian way from ground level to a height of seven (7) feet without the prior written approval and authorization of the Association.

(k) Machinery, Fixtures, and Equipment. No machinery, fixtures, or equipment of any type, including without limitation, air conditioning or refrigeration equipment and clothes lines, shall be placed, allowed, or maintained upon the ground on any Lot, except with prior written approval and authorization of the Association in areas attractively screened or concealed (subject to all required approvals as to architectural control) from view of neighboring property, dwelling units, pathways, and streets; and no such machinery, fixtures, or equipment shall be placed, allowed, or maintained anywhere other than on the ground (such as on the roof) except if screened or concealed (subject to all required approvals as to architectural control) in such manner that the screening or concealment thereof appears to be part of the integrated architectural design of the building and does not have the appearance of a separate piece or pieces of machinery, fixtures, or equipment.

(l) Utility and Service Lines. No gas, electric, power, telephone, water, sewer, cable television, or other utility or service lines of any nature or kind shall be placed, allowed, or

maintained upon or above the ground on any Lot, except to the extent, if any, underground placement thereof may be prohibited by law or would prevent the subject line from being functional. The foregoing shall not prohibit service pedestals and above ground switch cabinets and transformers where required.

(m) Burning and Incinerators. No open fires or shall be permitted on any Lot at any time and no incinerators or like equipment shall be placed, allowed, or maintained upon any Lot. The foregoing shall not be deemed to preclude the use, in customary fashion, of outdoor residential barbecues or grills.

(n) Signs. No exterior signs or advertisements of any kind may be placed, allowed, or maintained on any Lot without prior approval and authorization of the Association, except that mailboxes, residential nameplates, and "for sale" and "for rent" signs may be placed and maintained in conformity with such common specifications, including without limitation, reasonable restrictions as to size, as may be adopted by the Association.

(o) Repairs. No repairs of any detached machinery, equipment, or fixtures, including without limitation motor vehicles, shall be made upon any portion of any Lot within view of neighboring property, dwelling units, pathways, and streets, without prior written approval and authorization of the Association.

(p) Oil, Gas, and Mineral Activity. With respect only to the Property as defined herein (and excluding any additional land added pursuant to Article XV), it is expressly provided that no oil or gas exploration, drilling, development, or refining operations and no quarrying or mining operations of any kind, including oil wells, surface tanks, tunnels, or mineral excavations or shafts shall be permitted upon or under any Lot; and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted on any Lot. By instrument dated _____, Developer's predecessor in title to the Property caused to be executed by the owner of the oil, gas, and other mineral lease executive rights in the Property, an agreement (the "Drill Site Agreement") designating _____ drill sites and certain Mineral Owner's Ingress and Egress Easements, from which oil, gas, coal, and other minerals and commodities of value in and under the Property and other properties in which the said Mineral Owner owns a mineral interest, or lands pooled therewith, would be required to conduct operations. As required by the Drill Site Agreement, Developer hereby reserves the right, without the joinder of any of the Owners of any of the Lots in the Property, to agree in writing with the Mineral Owner that the Mineral Owner, its successors or assigns, may purchase, free and clear of these Covenants but subject to the provisions of the Drill Site Agreement as to use and occupancy, additional drill sites at other locations within the Property other than portions of the Property which are platted for residential uses, for the purposes of providing, at a price and upon terms set forth in such future agreement, if any, substitute surface sites and easements to replace any of the "Surface Sites and Easements" (as defined in the Drill Site Agreement) that may be taken or rendered useless to the Mineral Owner by eminent domain or otherwise. With respect to additional land which may be added pursuant to Article XV, such land shall be subject to the foregoing unless Declarant at the time of such addition does not own all of the mineral rights therein. If Declarant does not own all of the mineral rights, Declarant shall cause such restrictions on exploration, drilling, development, refining,

mining, and quarrying to be placed on said additional land as Declarant in good faith can negotiate (with no monetary obligation required on the part of Declarant), and such land shall be subject to the foregoing provisions of this Section 12.01(p) except to the extent of any conflict herein with the rights of the owners of such mineral rights.

(g) Septic Tanks and Sewage Disposal. No septic tank or other means of sewage disposal may be installed unless previously approved in writing by all governmental authorities having jurisdiction with respect thereto, and by the Association and Declarant. No outside toilets of any kind are permitted, and no installation of any type of device for disposal of sewage shall be allowed which would result in raw or untreated or unsanitary sewage being carried into any body of water.

(r) Water Wells. At no time shall the drilling, usage or operation of any water well be permitted on any Lot.

(s) Firearms and Weapons. No Lot or any other portion of the Property shall be used or permitted for hunting or for the discharge of any pistol, rifle, shotgun, or any other firearm, or any bow and arrow or any other device capable of killing or injuring.

(t) Motor Vehicles. The operation of any and all motorized vehicles within the Property shall be subject to such rules and regulations as shall from time to time be established by Declarant or the Association.

(u) Change in Intended Use. No portion of the Property may be developed or redeveloped otherwise than in accordance with its original intended use, without the prior written authorization of the Association.

(v) Misuse and Mismaintenance. No Lot shall be maintained or utilized in such manner as to present an unsightly appearance (including but not limited to clothes drying within public view) or as to unreasonably offend the morale of or as to constitute a nuisance or unreasonable annoyance to, or as to endanger the health of, other Owners or residents of the Property; and no noxious or otherwise offensive condition or activity shall be allowed to exist or be conducted thereon.

(w) Violation of Statutes, Ordinances, and Regulations. No Lot shall be maintained or utilized in such manner as to violate any applicable statute, ordinance, or regulation of the United States of America, the State of Texas, the County of Montgomery, or any other governmental agency or subdivision having jurisdiction over the Property.

(x) Violation of Association Rules or of Covenants, Conditions, or Restrictions. No Lot shall be maintained or utilized in violation of the rules and regulations of the Association or any covenants, conditions, or restrictions applicable to and binding upon said Lot.

ARTICLE XIII

TERM; AMENDMENTS; TERMINATIONS

13.01 Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect to and including

December 31, 2011. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by the then Voting Owners casting seventy-five percent (75%) of the total votes authorized at an election held for such purpose within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension. This Declaration may be terminated at any time if seventy-five percent (75%) of the votes authorized to be cast by each class of Voting Owners shall be cast in favor of termination at an election held for such purpose.

13.02 Amendments. This Declaration may be amended or changed in whole or in part at any time by the affirmative vote of fifty-one percent (51%) of the votes authorized to be cast by each class of Voting Owners and the written approval of the Board.

13.03 Election Procedures for Amendments and Termination. The affirmative votes required under Section 13.01 or 13.02 may be obtained and evidenced either by a written consent to any such amendment or termination, as the case may be, signed by the requisite percentage of Owners (which such consent shall be in recordable form and presented to the Board) or by the requisite vote by the Owners at a meeting of Owners duly called by at least ten (10) Owners or by the Board pursuant to notice in writing mailed to all of the Owners at their last known addresses on or prior to ten (10) days before the date of the meeting at which meeting the requisite percentage of Owners, in person or by proxy, vote to so amend or terminate this Declaration (and the Covenants herein). The notice of the meeting must set forth the proposal as to amendment or termination of this Declaration (and/or the Covenants therein) and the affirmative vote of the requisite percentage of Owners must be evidenced by minutes of the meeting duly certified by the Owners who called the meeting or the Board. In any event, a copy of the minutes must be delivered to the Board.

13.04 Recording of Amendments or Termination. Upon the requisite percentage of Owners duly voting to amend or terminate this Declaration (and/or the Covenants contained herein) and upon the other conditions set forth in Section 13.01 or 13.02 (as the case may be) and Section 13.03 of this Article being satisfied, then:

(a) In the case of amendment, each amendment shall be executed by the Board, placed in recordable form, and filed of record in the Real Property Records of Montgomery County, Texas, accompanied by a statement that the requisite percentage of Owners have voted to make such amendment to this Declaration.

(b) With respect to terminations, the Board shall cause to be recorded in the Real Property Records of Montgomery County, Texas, a certificate of termination duly signed by the Board.

13.05 Effect. Upon the recording of the certificate of termination as required by Section 13.04(b), these Covenants and this Declaration shall have no further force or effect. Upon the filing of an amendment in accordance with Section 13.04(a), this Declaration and the Covenants, as amended, shall remain in full force and effect.

13.06 Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by any federal, state, or local agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration, or by any

federally chartered lending institution as a condition precedent to lending funds upon the security of the Property or any portion thereof. Any such amendment shall be effected by the recordation, by Declarant, of a Certificate of Amendment signed by a duly authorized agent of Declarant, with his signature acknowledged, specifying the federal, state, or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when recorded, shall be binding upon the Property and all persons having an interest in the Property. Except as provided in this Section 13.06, Declarant shall not have any right to amend this Declaration otherwise than in accordance with and pursuant to the provisions of Section 13.02 hereof.

ARTICLE XIV

RESERVATION OF RIGHT TO RESUBDIVIDE AND REPLAT LOTS

Subject to the approval of any and all appropriate governmental agencies having jurisdiction, Declarant hereby reserves the right at any time while it is the Owner thereof to resubdivide and replat any Lot or Lots without the consent of any of the other Owners.

ARTICLE XV

SUBJECTING ADDITIONAL LANDS TO THE DECLARATION

From time to time the size of the Property may be increased, in the manner provided in this Article, by recording in the Real Property Records of Montgomery County, Texas, a supplement to this Declaration (hereinafter called "Supplemental Declaration"). The Supplemental Declaration shall be signed and acknowledged by or on behalf of the Board and by the Owner of record of the additional land to be included within the Property and subjected to the Covenants set forth in this Declaration. Each such Supplemental Declaration shall:

(a) describe the land to be included as a part of the Property;

(b) state that such land and the Permanent Improvements thereon are expressly subjected to all of the Covenants set forth in this Declaration; and

(c) state that the Owner, for and on behalf of his heirs, executors, administrators, successors, and assigns, agrees that he shall be personally liable for the Annual and Special Assessments and Maintenance Charges imposed hereunder and shall be personally bound by all Covenants set forth in this Declaration.

ARTICLE XVI

OWNERSHIP OF UTILITIES AND AMENITIES

All of the Amenities and all utilities constructed by Declarant (including without limitation all such water, gas, electricity, telephone, television, storm sewer or sanitary sewer lines, poles, pipes, conduits or other appurtenances or facilities) shall be owned by Declarant and may be sold or dedicated by Declarant at any time to any private or public entity on such terms and in such manner as Declarant in its sole discretion may determine. Declarant shall have the absolute right to charge fees for the use of any and all of the

Amenities and such utilities, it being understood that no Owner shall have any right to the use of same merely by reason of his or its ownership of any portion of the Property.

ARTICLE XVII

MISCELLANEOUS

17.01 Interpretation of the Covenants. Except for judicial construction, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive, and binding as to all persons and property benefited or bound by the Covenants and provisions hereof.

17.02 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

17.03 Rule Against Perpetuities. If any interest purported to be created by this Declaration is challenged under the Rule against Perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be (a) those which would be used in determining the validity of the challenged interest, plus (b) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

17.04 Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate, or modify any of the provisions of this Declaration.

17.05 Rules and Regulations. In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association shall have the right to adopt rules and regulations with respect to all other aspects of the Association's rights, activities, and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

17.06 Declarant's Disclaimer of Representations. Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth on a recorded plat or other instrument recorded in the Real Property Records of Montgomery County, Texas, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the community can or will be carried out, or that any land now owned or hereafter acquired by it is or will be subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect.

17.07 Successors and Assigns of Declarant. Any reference in this Declaration to Declarant shall include any successors or assigns of Declarant's rights and powers hereunder.

17.08 Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

17.09 Captions and Titles. All captions, titles, or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only, and are not to be deemed to limit, modify, or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

17.10 Notices. Any notice required or permitted to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, delivery shall be deemed to have been made twenty-four (24) hours after a copy of the notice has been deposited in the United States mail, postage prepaid, registered or certified mail, addressed to each such person at the address given by such person to the party sending the notice or to the address of the Dwelling Unit of such person if no address has been given. Such address may be changed from time to time by notice in writing.

17.11 Prior Recorded Instruments. This Declaration and all of the provisions hereof are expressly subject to all prior recorded documents affecting the Property, including without limitation, that certain Reservation of Architectural Control, executed by Declarant and recorded in the Real Property Records of Montgomery County, Texas.

17.12 Enforcement of the Covenants. Notwithstanding anything to the contrary herein, in the event of any violation or attempted violation of any of the provisions hereof, including any of the Covenants, enforcement shall be authorized by any proceedings at law or in equity against any person or persons violating or attempting to violate any of such provisions, including proceedings to restrain or prevent such violation or attempted violation by injunction, whether prohibitive in nature or mandatory in commanding compliance with such provisions; and it shall not be a prerequisite to the granting of any such injunction to show inadequacy of legal remedy or irreparable harm. Likewise, any person entitled to enforce the provisions hereof may recover such damages as such person has sustained by reason of the violation of such provisions.

17.13 Suspension of the Covenants. The Association shall have the right during the period of construction, development, and sale, to grant reasonable and specifically limited exemptions from the Covenants to Declarant and any other developer or contractor. Any such exemptions shall be granted only upon specific written request, itemizing the exemption requested, the location thereof, the need therefor, and the anticipated duration thereof; and any authorization and approval thereof shall be similarly itemized. No such exemption shall be broader in terms of activity, location, or time than is reasonably required.

17.14 Approval and Subordination. The undersigned, Earl D. Elliott, Trustee, Chris Richardson, Cherokee Properties, a Texas General Partnership, by and thru Emit Odem, its general partner, and James V. Blacklock, Individually and as Independent Executor of the Estate of C. E. Stanley, Deceased, Lillian V. Stanley and Moriel Stanley Blacklock, joining in the execution hereof for the purpose of approving and they do hereby approve, the terms of this Reservation of Architectural Control and for the purpose of subordinating, and they do hereby subordinate, to all of the provisions hereof, any liens, security interests, and rights which all or any of them now have or hereafter may have against that portion (and only that portion) of the above described real property which is located within the boundaries of that certain subdivision known as Del Lago Estates, a subdivision of Montgomery County, Texas, according to the plat thereof recorded in the Map Records of Montgomery County, Texas.

160-01-0392

MPB EQUITIES, INC.

BY: Judd Kassuba
JUDD KASSUBA, VICE PRESIDENT

T. O. B. CORPORATION
R. F. Scott, President
BY: Adell Hudson Secretary

Earl D. Elliott, Trustee
EARL D. ELLIOTT, TRUSTEE

Chris Richardson
CHRIS RICHARDSON

Emit Odem
CHEROKEE PROPERTIES, a Texas General Partnership, by and thru Emit Odem, its general partner.

James V. Blacklock
JAMES V. BLACKLOCK, Individually and as Independent Executor of the Estate of C. E. Stanley, Deceased.

Lillian V. Stanley
LILLIAN V. STANLEY

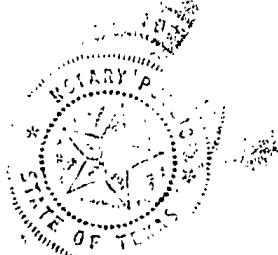
Moriel Stanley Blacklock
MORIEL STANLEY BLACKLOCK

(Acknowledgment)

THE STATE OF TEXAS X
COUNTY OF MONTGOMERY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Judd Kassuba, Vice President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MPB EQUITIES, INC., a Texas Corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27 day of September, 1982.



Carol Murray
Notary Public in and for
County, Texas. **CAROL MURRAY**
Printed name: Notary Public for the State of Texas
Commission expires: My Commission Expires 8-22-84

T

(Acknowledgment)

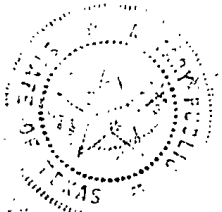
160-01-0393

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Edell Hudson & R. F. Speed, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said T. O. R. CORPORATION, a Texas Corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27 day of September, 1982.



Carol Murray
Notary Public in and for _____
County, Texas.
Printed name: CARDL MURRAY
Commission expires My Commission Expires 8-23-84

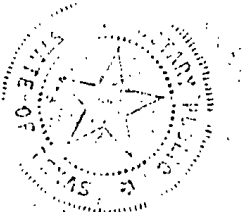
(Acknowledgment)

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EARL D. ELLIOTT, TRUSTEE, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18 day of September, 1982.



Norman Griffin
Notary Public in and for _____
County, Texas.
Printed name: Norman Griffin
Commission expires: 10/18/84

(Acknowledgment)

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared CHRIS RICHARDSON, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27 day of September, 1982.



Carol Murray
Notary Public in and for _____
County, Texas.
Printed name: CARDL MURRAY
Commission expires: My Commission Expires 8-23-84

(Acknowledgment).

160-01-0394

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Emmit Otton its general partner, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said CHEROKEE PROPERTIES, a Texas General Partnership, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 17 day of September, 1982.



Carol Murray
Notary Public in and for
County, Texas. **CAROL MURRAY**
Printed name: Notary Public for the State of Texas
Commission expires My Commission Expires 6-23-84

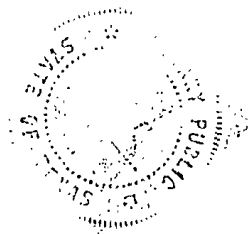
(Acknowledgment)

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared JAMES V. BLACKLOCK, Individually and as Independent Executor of the Estate of C. E. Stanley, Deceased, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said individual.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 17 day of September, 1982.



Norman Griffin
Notary Public in and for Montgomery
County, Texas.
Printed name: Norman Griffin
Commission expires: 10/18/84

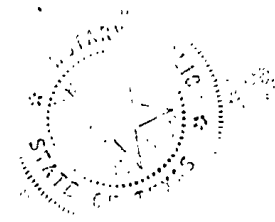
(Acknowledgment)

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared LILLIAN V. STANLEY known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 21 day of September, 1982.



Norman Griffin
Notary Public in and for Montgomery
County, Texas.
Printed name: Norman Griffin
Commission expires: 10/18/84

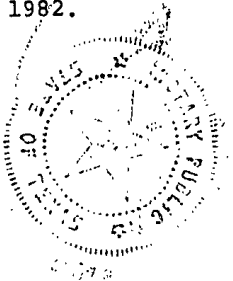
(Acknowledgment)

160-01-0395

THE STATE OF TEXAS X
COUNTY OF MONTGOMERY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MORIEL STANLEY BLACKLOCK, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22 day of September, 1982.



Norman Griffin
Notary Public in and for Montgomery
County, Texas.
Printed name: Norman Griffin
Commission expires: 10/18/89

30.800 ACRES OF LAND IN THE JOHN CORNER SURVEY, A-8, MONTGOMERY COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at a 1/2" Iron Rod for the upper southwest corner of the herein described tract, and being S. 9° 43' 00" E., 3,642.14 feet from the northwest corner of that certain 867.45 acre tract described in Volume 236, Page 240 of the deed records of Montgomery County;

THENCE N. 9° 43' 00" W., with the west line of said 867.45 acre tract, a distance of 504.27 feet to a point for the lower northwest corner of the herein described tract;

THENCE N. 80° 17' 00" E., a distance of 488.60 feet to a point for an inner corner;

THENCE N. 9° 43' 00" W., a distance of 131.79 feet to a point in the 201' Contour Line of Lake Conroe, for the upper northwest corner of the herein described tract;

THENCE with said 201' Contour Line, the following courses;

N. 86° 51' E., 123.04 feet;

N. 56° 40' E., 346.3 feet;

N. 59° 42' E., 125.7 feet;

S. 83° 25' E., 238.5 feet;

S. 57° 20' E., 168.2 feet;

S. 36° 47' E., 115.7 feet;

S. 31° 26' E., 254.0 feet;

S. 47° 00' E., 303.4 feet;

S. 30° 27' E., 106.9 feet;

S. 17° 25' E., 286.5 feet;

S. 10° 04' E., 313.7 feet;

S. 19° 59' W., 147.8 feet and

S. 57° 16' W., 269.0 feet to a 1/2" Iron Rod for the lower southwest corner of the herein described tract;

THENCE N. 3° 13' 00" W., a distance of 712.97 feet to a 1/2" Iron Rod in the centerline of a 100 foot Road Easement, for an inner corner of the herein described tract;

THENCE S. 86° 47' 00" W., with said centerline, a distance of 1,577.57 feet to the place of BEGINNING, and containing 30.800 acres of land.

160-01-0397

EXHIBIT "A"

BEING 25.000 acres of land in the JOHN CORNER SURVEY, A-8, Montgomery County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" iron rod for the northwest corner of the herein described tract, and being S 9° 43' E, 3.642.14 ft. from the northwest corner of that certain 867.45 acre tract described in Volume 236, Page 240, of the Deed Records of Montgomery County, Texas;

THENCE: N 86° 47' E, with the centerline of a 100 ft. road easement, a distance of 1,069.17 ft. to a 1/2" iron rod for the northeast corner of the herein described tract;

THENCE: S 31° 28' E, a distance of 871.11 ft. to a 1/2" iron rod at the shoreline of Lake Conroe for the southeast corner of the herein described tract;

THENCE: Westerly, with said shoreline the following courses:

S 57° 16' W, 49.10 ft.;
S 18° 41' W, 219.5 ft.;
S 34° 23' W, 75.50 ft.;
S 70° 25' W, 81.50 ft.;
N 84° 06' W, 129.1 ft.;
N 65° 03' W, 179.6 ft.;
N 75° 03' W, 280.1 ft.;
N 44° 13' W, 145.9 ft.;
N 73° 48' W, 178.0 ft.;
S 87° 57' W, 155.5 ft.;
N 70° 05' W, 206.2 ft. to a 1/2" iron rod in the west line of the afore-said 867.45 acre tract for the southwest corner of the herein described tract;

THENCE: N 9° 43' W, with said west line, a distance of 636.05 ft. to the Place of Beginning, and containing 25.000 acres of land,

160-01-0398

EXHIBIT "A"

BEING 5.265 acres of land in the JOHN CORNER SURVEY, A-8, Montgomery County, Texas, out of a 30.265 acre tract, said 5.265 acres being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod in the centerline of a one hundred (100) foot road easement for the northeast corner of said 30.265 acre tract;

THENCE: S 03° 13' E along the east line of said 30.265 acre tract, a distance of 712.97 ft. to a 1/2" iron rod in the 201 contour line of Lake Conroe for the southeast corner of said 30.265 acre tract;

THENCE: S 57° 16' W along said 201 foot contour line of Lake Conroe, a distance of 110.40 ft. to a point for corner;

THENCE: N 31° 28' W, a distance of 871.11 ft. to a 1/2" iron rod in the centerline of said one hundred (100) foot road easement and the north line of said 30.265 acre tract for a corner;

THENCE: S 86° 47' W with the centerline of said one hundred (100) foot road easement and the north line of said 30.265 acre tract, a distance of 508.40 ft. to the POINT OF BEGINNING and containing 5.265 acres of land:

Page 3 of 3

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ADDENDUM TO DECLARATION OF COVENANTS, CONDITIONS,
ASSESSMENTS, CHARGES, SERVIDUTES, LIENS, RESERVATIONS AND
EASEMENTS - DEL LAGO ESTATES

This document is an Addendum to that one certain Declaration of Covenants, Conditions, Assessments, Charges, Servituds, Liens, Reservations and Easements - Del Lago Estates entered into by and between M.P.B. EQUITIES, INC. and T.O.R. CORPORATION and approved by CHRIS RICHARDSON. In the event of conflict or inconsistency between this Addendum and that one certain Declaration, the terms and conditions of this Addendum shall control.

1. The undersigned, CHRIS RICHARDSON, joins in the execution thereof for the purposes of approving and does hereby approve the terms of the Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations and Easements - Del Lago Estates. The undersigned however does not in any manner subordinate its lien on the above-described real property to any of the provisions contained therein.

Chris Richardson
CHRIS RICHARDSON

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared CHRIS RICHARDSON, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27th day of September, 1982.

FILED FOR RECORD
1982 OCT -6 PM 2:53

Carol Murray
Notary Public In and For
The State of T E X A S

Printed Name: **CAROL MURRAY**
Notary Public for the State of Texas
My Commission Expires 6-23-84



STATE OF TEXAS
COUNTY OF MONTGOMERY
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
Montgomery County, Texas.

OCT 6 1982

Roy Harris
COUNTY CLERK,
MONTGOMERY COUNTY, TEXAS

CERTIFICATE OF LEGALITY AND AUTHENTICITY
FOR MICROFILM RECORDS

160-01-0400

OFFICIAL PUBLIC RECORDS OF REAL PROPERTY
DIVISION: REAL PROPERTY - RECORDS DEPARTMENT
MONTGOMERY COUNTY, TEXAS

I, ROY HARRIS, COUNTY CLERK OF MONTGOMERY COUNTY, TEXAS, HEREBY CERTIFY THAT THE PUBLIC RECORDS NOW OF RECORD IN THE OFFICE OF THE COUNTY CLERK OF MONTGOMERY COUNTY, TEXAS, ARE BEING MICROFILMED UNDER AND BY VIRTUE OF THE PROVISIONS OF ARTICLE 1941 (A), VERNON'S TEXAS CIVIL STATUTES (1971), FOR THE PURPOSE OF RECORDING, PRESERVING AND PROTECTING THE SAME AND FOR THE PURPOSE OF REDUCING SPACE REQUIRED FOR FILING, STORING AND FOR SAFEKEEPING OF THE SAME.

FURTHER, IT IS HEREBY CERTIFIED THAT, FROM AND AFTER JANUARY 1, 1980, RECORDS FILED IN THE OFFICE OF THE COUNTY CLERK OF MONTGOMERY COUNTY, TEXAS, ALSO, ARE BEING RECORDED ON MICROFILM UNDER AND BY VIRTUE OF ARTICLE 1941 (A), VERNON'S TEXAS CIVIL STATUTES (1971).

FURTHER, IT IS HEREBY CERTIFIED THAT THE FOREGOING SERIES OF PHOTOGRAPHS IN THIS ROLL OF MICROFILM, BETWEEN THE TITLE PAGE GUIDE IDENTIFYING THE KIND OF RECORD AND THIS CERTIFICATE OF LEGALITY AND AUTHENTICITY, HAVE BEEN MADE IN ACCORDANCE WITH THE ABOVE AUTHORITY AND ARE CORRECT, LEGIBLE AND EXACT COPIES OF THE ORIGINAL RECORDS IN MY OFFICE, OR OF THE ORIGINAL DOCUMENTS AND INSTRUMENTS FILED IN MY OFFICE FOR RECORD, AS FOLLOWS:

OFFICIAL PUBLIC RECORDS OF REAL PROPERTY
DIVISION: REAL PROPERTY - RECORDS DEPARTMENT

FILMED ON 10-7, 1982
FILE NUMBER 8244171 THRU FILE NUMBER 8244223
STARTING WITH FILM CODE NO. 160-01-0202 ENDING WITH FILM CODE NO. 160-01-0400

ROY HARRIS, COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

BY Letha Moore
DEPUTY

160-01-0401

FILM TITLE PAGE FOR
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY
DIVISION: REAL PROPERTY - RECORDS DEPARTMENT
MONTGOMERY COUNTY, TEXAS

INSTRUMENTS AFFECTING REAL PROPERTY TITLE WHICH WERE FILMED
IN THE OFFICE OF THE COUNTY CLERK OF MONTGOMERY COUNTY, TEXAS,
ON 6th DAY October, 1982
STARTING WITH FILE NUMBER 8244224

ROY HARRIS, COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

BY Peggy Jackson
DEPUTY

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