

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE OAKS OF ATASCOCITA, SECTION ONE
(EXCEPT LOTS 33 AND 34 IN BLOCK 10 AND RESERVE D)
A SUBDIVISION IN HARRIS COUNTY, TEXAS

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

JOHNSON-LOGGINS, INC., a Delaware corporation, having its principal office in Houston, Harris County, Texas, hereinafter called "Declarant"

W I T N E S S E T H:

WHEREAS, Declarant is the owner of that certain property known as THE OAKS OF ATASCOCITA, SECTION ONE, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 223, Page 107, of the Map Records of Harris County, Texas; and

WHEREAS, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against such property (except Lots 33 and 34 in Block 10 and Reserve "D" thereof) , in order to establish a uniform plan for the development, improvement and sale of such property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of lots in said subdivision:

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon THE OAKS OF ATASCOCITA, SECTION ONE, and declares the following reservations, easements, restrictions, covenants and conditions applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the land which reservations, easements, covenants, restrictions and conditions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein, or any part thereof and shall inure to the benefit of each owner thereof, provided however that there is excepted from the effect of this Declaration Lots 33 and 34 in Block 10 and Reserve "D", as shown on the Subdivision Plat, and none of the restrictions, easements, covenants or conditions set forth herein shall be applicable to such Lots 33 and 34 in Block 10 and Reserve "D".

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to THE OAKS OF ATASCOCITA COMMUNITY IMPROVEMENT ASSOCIATION, its successors and assigns, provided for in Article V hereof.

Section 2. “Properties” shall mean and refer to THE OAKS OF ATASCOCITA, SECTION ONE (except Lots 33 and 34 in Block 10 and Reserve “D”), and any additional properties which may hereafter be made subject to the terms hereof pursuant to the provisions set forth herein and hereafter brought within the jurisdiction of the Association.

Section 3. “Lot” and/or “Lots” shall mean and refer to the Lots shown upon the Subdivision Plat which are restricted hereby to use for residential purposes. “Reserves A, B, C, E and F” shall mean and refer to such specific Reserves as shown upon the Subdivision Plat.

Section 4. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, or any portion of Reserves A, B, C, E and F, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.

Section 5. “Subdivision Plat” shall mean and refer to the map or plat of THE OAKS OF ATASCOCITA, SECTION ONE, recorded in Volume 223, Page 107, of the Map Records of Harris County, Texas.

Section 6. “Architectural Control Committee shall mean and refer to THE OAKS OF ATASCOCITA, SECTION ONE Architectural Control Committee provided for in Article IV hereof.

Section 7. “Declarant” shall mean and refer to Johnson-Loggins Inc., a Delaware corporation, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

Reservations, Exceptions and Dedications

Section 1. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, the streets and easements shown thereon, and such Subdivision plat further establishes certain restrictions applicable to the Properties, including, without limitation, certain minimum set back lines, and all dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying said property or any part thereof, whether specifically referred to therein or not.

Section 2. Declarant reserves the easements and rights-of-way as shown on the Subdivision Plat for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas, sewers, or any other utility Declarant sees fit to install in, across and/or under the Properties.

Section 3. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements, but such changes and additions must be approved by the Federal Housing Administration and Veterans Administration.

Section 4. Neither Declarant nor any utility company using the easements herein referred to, shall be liable for any damages done by them or their assigns, their agents, employees or servants, to fences, shrubbery, trees or flowers or other property of the owner situated on the land covered by said easements.

Section 5. It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land within the Properties by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone purposes and shall convey no interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances there constructed by or under Declarant or any easement owner, or their agents through, along or upon the premises affected thereby, or any part thereof, to serve said land or any other portion of the Property and where not affected the right to maintain, repair, sell or release such appurtenances to any municipality, or other governmental agency or to any public service corporation or to any other party, such right is hereby expressly reserved.

ARTICLE III

Use Restrictions

Section 1. Land Use and Building Type. All Lots shall be known and described as Lots for residential purposes only (hereinafter sometimes referred to as “residential lots”), and, except as specifically provided in Section 13. below, no structure shall be erected, altered, placed, or permitted to remain on any residential Lot other than one single-family dwelling not to exceed two (2) stories in height and a detached or an attached garage for not less than two (2) or more than four (4) cars. Carports on Lots are prohibited. Except as specifically provided in Section 13. below, as used herein, the term “residential purposes” shall be construed to prohibit the use of said Lots for duplex houses, garage apartments, or apartment houses; and no Lot shall be used for business or professional purposes of any kind, nor for any commercial or manufacturing purpose. No building of any kind or character shall ever be moved onto any Lot within said Subdivision, it being the intention that only new construction shall be placed and erected thereon.

All exterior construction of the primary residential structure, garage, porches and any other appurtenances or appendages of every kind and character on any Lot and all interior construction (including, but not limited to, all electrical outlets in place and functional, all plumbing fixtures installed and operational, all cabinet work completed, all interior wall, ceilings, and doors completed and covered by paint, wallpaper, paneling, or the like, and all floors covered by wood, carpet, tile or other similar floor covering) shall be completed not later than one (1) year following the commencement of construction. For the purposes hereof, the

term “commencement of construction” shall be deemed to mean the date on which the foundation forms are set.

Section 2. Architectural Control. No building shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the structure thereon have been approved by the Architectural Control Committee as to harmony with existing structures, with respect to exterior design and color with existing structures, as to location with respect to topography and finished grade elevation, and as to compliance with minimum construction standards more fully provided for in Article IV hereof.

Section 3. Dwelling Size. The ground floor of the main residential structure, exclusive of open porches and garages, shall not be less than 1,200 square feet for a one-story dwelling, nor shall the ground floor area plus the upper floor area of the main residential structure of a one and one-half (1-1/2) , or a two story dwelling be less than 1,400 square feet.

Section 4. Type of Construction, Materials, and Landscape.

(a) No residence shall have less than fifty-one percent (51%) masonry construction or its equivalent on its exterior wall area, except that detached garages may have a wood siding of a type and design approved by the Architectural Control Committee.

(b) No external roofing material other than wood shingles shall be constructed or used on any building in any part of the Properties without the written approval of the Architectural Control Committee.

(c) A concrete sidewalk four (4) feet wide shall be constructed parallel to the curb two (2) feet from the property line along the entire front of all Lots. In addition thereto, four (4) foot wide sidewalks shall be constructed parallel to the curb two (2) feet from the property line along the entire side of all corner Lots, and the plans for each residential building on each of said Lots shall include plans and specifications for such sidewalk and same shall be constructed and completed before the main residence is occupied.

(d) No window or wall type air conditioners shall be permitted to be used, erected, placed or maintained on or in any building in any part of the Properties.

(e) Each kitchen in each dwelling or living quarters situated on any Lot shall be equipped with a garbage disposal unit, which garbage disposal unit shall at all times be kept in a serviceable condition.

(f) Before any landscaping shall be done in the front of any newly constructed dwelling, the landscape layout and plans shall have been first approved by the Architectural Control Committee. Such landscaping is to be done in the parkway area and on the front of the Lot at the time the dwelling is being completed and before occupancy.

(g) No fence or wall shall be erected, placed, or altered on any Lot nearer to the street than the minimum building setback lines as shown on the Subdivision Plat. No fence or wall shall be erected placed, or altered on any portion of any Lot that lies within the boundaries of the

Harris County Flood Control Drainage Easement designated as Unit No. "G" 103-37-02.1 (hereinafter referred to the "HCFCD Drainage Easement"), as shown on the Subdivision Plat. All side or rear fences and walls must be at least six (6) feet in height unless otherwise approved in writing by the Architectural Control Committee. Fences must be of ornamental metal, wood or masonry construction. The erection of chain link fences on any Lot is expressly prohibited.

(h) A solid wood or masonry fence, at least six (6) feet in height, shall be constructed and thereafter maintained in a good state of repair on and along:

1. the rear Lot lines of Lots One (1) through Eleven (11) and Thirteen (13) through Seventeen (17) in Block Six (6);
2. the rear Lot lines of Lots One (1) through Seventeen (17) and Nineteen (19) through Twenty-three (23) in Block Twelve (12);
3. the southerly side Lot line of Lot One (1) in Block Eight (8), subject to the other provisions of this subparagraph (h);
4. the rear Lot lines of Lots One (1) through Six (6) and Twenty-seven (27) through Thirty-two (32) in Block Ten (10);
5. the Lot lines of Lots Twenty-five (25) and Twenty-six (26) in Block Ten (10) which abut Unrestricted Reserve "E" as shown on the Subdivision Plat;
6. the southerly boundary of the HCFCD Drainage Easement, as shown on the Subdivision Plat, insofar as such easement affects Lots Twenty-nine (29) through Thirty-five (35) in Block Eight (8) and Lots Twenty (20) through Thirty-seven (37) in Block Seven (7).

The obligation contained in this paragraph shall be binding upon the respective Owners of the Lots specified.

Section 5. Building Location. No structure shall be located on any lot between the building setback lines shown on the Subdivision Plat and the street. No building shall be located nearer than five (5) feet to any interior Lot line, except that a garage or other permitted accessory building located sixty-five (65) feet or more from the front Lot line may be located within three (3) feet of an interior Lot line. Notwithstanding the foregoing minimum side yard provisions to the contrary, in no event shall the sum of the widths of the yards of any Lot (except in the case of a garage or other permitted accessory building set back sixty-five (65) feet as above provided) be less than fifteen percent (15%) of the width of the Lot measured (to the nearest foot) along the front setback line shown on the recorded plat. For the purposes hereof, the term "side yard" shall mean and refer to that portion of the Lot lying between the side Lot line and a line coincident with the exterior wall of the structure situated on such Lot which is nearest such side Lot line. No main residence building nor any part thereof shall be located on any Lot nearer than fifteen (15) feet to the rear Lot line. For the purposes of this section, eaves, steps and open porches shall not be considered as a part of the building; provided, however, that the foregoing shall not be

construed to permit any portion of a building on any Lot to encroach upon another Lot. For the purposes of this Declaration, the front of each Lot shall coincide with and be the property line having the smallest or shortest dimension abutting a street. Unless otherwise approved in writing by the Architectural Control Committee, each main residence building will face the front of the Lot, and each detached garage will be located at least sixty-five (65) feet from the front of the Lot on which it is situated and will be provided with driveway access from the front of the Lot; provided that such access may be from the front or side of corner Lots unless such side access would be from a major thoroughfare (more than 100 feet in width) , in which event access must be from the front of the Lot.

Section 6. Minimum Lot Area. No Lot shall be resubdivided, nor shall any building be erected or placed on any such resubdivided Lot, unless such resubdivided Lot shall have an area of not less than 7,000 square feet; provided, however, that nothing contained herein shall be construed to prohibit the resubdivision of any Lot or Lots within the Properties if such resubdivision results in each resubdivided Lot containing not less than the minimum Lot area aforesaid.

Section 7. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance to the neighborhood.

Section 8. Temporary Structures. No structure of a temporary character, whether trailer, basement or tent shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portions of the Properties as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Such facilities may include, but not necessarily be limited to sales and construction offices, storage areas, model units, signs and portable toilet facilities. No truck, trailer, boat, automobile, motor home or other vehicle shall be stored, parked, or kept on any Lot or in the street in front of the Lot unless such vehicle is in day-to-day use off the premises and such parking is only temporary, from day-to-day; provided however, that nothing herein contained shall be construed to prohibit the storage of an unused vehicle in the garage permitted on any Lot covered hereby.

Section 9. Signs and Billboards. No signs, billboards, posters or advertising devices of any character shall be erected, permitted or maintained on any Lot or plot except (i) one sign of not more than ten (10) square feet advertising the particular lot or plot on which the sign is situated for sale or rent and (ii) one sign of not more than five (5) square feet to identify the particular lot or plot as may be required by the Federal Housing Administration or Veterans Administration during the period of actual construction of a single-family residential structure thereon. The right is reserved by Declarant to construct and maintain such signs, billboards or advertising devices as is customary in connection with the general sale of property in the Subdivision. In no event shall any sign, billboard, poster or advertising device of any character, other than as specifically prescribed in the first sentence of this Section 9, be erected, permitted or maintained on any Lot or plot without the express prior written consent of the Architectural Control Committee.

The term "Declarant" as used in this Section 9. and Section 8. above shall refer to Johnson-Loggins, Inc. and such of its successors or assigns to whom the rights under this Section 9. and/or Section 8. above are expressly and specifically transferred.

Section 10. Oil and Mining Operations. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind, or drilling of water wells shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts or water wells be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil, natural gas or water shall be erected, maintained or permitted upon any Lot.

Section 11. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry material with sanitary covers or lids. Equipment for the storage or disposal of such waste materials shall be kept in clean and sanitary condition. No Lot shall be used for the open storage of any materials whatsoever which storage is visible from the street, except that new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

Section 12. Underground Electric System. An underground electric distribution system will be installed in that part of The Oaks of Atascocita Subdivision, Section One, designated herein as Underground Residential Subdivision, which underground service area embraces all of the Lots which are platted in The Oaks of Atascocita Subdivision, Section One. In the event that there are constructed within the Underground Residential Subdivision structures containing multiple dwelling units such as townhouses, duplexes or apartments, then the underground service area embraces all of the dwelling units involved. The Owner of each Lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure, the Owner/Developer, shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment at such company installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has either by designation on the Subdivision plat or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the Owner of each Lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure the Owner/Developer, shall at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the

location and installation of the meter of such electric company for each dwelling unit involved. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each dwelling unit therein shall be underground, uniform in character and exclusively of the type known as single phase, 240/120 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided) upon Declarant's representation that the Underground Residential Subdivision is being developed for resident dwelling units, including homes, and if permitted by the restrictions applicable to such subdivision, townhouses, duplexes and apartment structures, all of which are designed to be permanently located when originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale or rent and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the Declarant or the Lot Owners in the Underground Residential subdivision be changed so as to permit the erection therein of one or more mobile homes, Company shall not be obligated to provide electric service to any such mobile home unless (a) Declarant has paid to the Company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision (b) the Owner of each affected Lot, or the applicant for service to any mobile home, shall pay to the Company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot or dwelling unit, plus (2) the cost of rearranging, and adding any electric facilities serving such Lot, which arrangement and/or addition is determined by Company to be necessary.

The provisions of the two preceding paragraphs also apply to any future residential development in the Reserves shown on the plat of The Oaks of Atascocita Subdivision, Section One, as such plat exists at the execution of the agreement for underground electric service between the electric company and Declarant or thereafter Specifically, but not by way of limitation, if a Lot Owner in a former Reserve undertakes some action which would have invoked the above per front lot foot payment if such action had been undertaken in the Underground Residential Subdivision, such Owner or applicant for service shall pay the electric company \$1.75 per front lot foot, unless Declarant has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future non-residential development in such Reserves.

Section 13. Duplex Lots. Notwithstanding any other provision hereof to the contrary, Lots One (1) through Twenty-nine (29) , both inclusive, Block One (1); Lots Twenty-six (26) through Thirty-five (35), both inclusive, Block Four (4) and Lots One (1) through Five (5), both inclusive, Block Nine (9), may be used for duplex houses of which the ground floor area of the main residential structure, exclusive of open porches and garages, shall be not less than 2,400 square feet for a one (1) story duplex house, nor less than 2,800 square feet on each floor for a two (2) story duplex house. The term "duplex house" shall mean and refer to a residential dwelling intended for two (2) families. Each Lot improved with a duplex house must have an attached or detached garage for not less than two (2) nor more than four (4) automobiles. No

carports shall be permitted. Except as noted in this Section, all duplex houses shall be subject to all other reservations restrictions, covenants and conditions stated and contained herein.

Section 14. Harmonious Use of Reserves A, B, C, E and F. Reserves A, B, C, E and F shall be used and utilized for purposes harmonious with the residential character of the remainder of the Properties; and such uses may include any residential structure, facilities for the sale of foods, beverages, clothing, services and other items for personal use, professional offices or clinics, apartments and other forms of multi-family use development, automobile service stations or facilities of a similar nature. Reference is here made to the fact that Declarant and the owners of the mineral estate of the property composing the Subdivision have designated a portion of Reserve C as a potential drill site for exploration for and production of oil, gas and other minerals, and Declarant anticipates the designation of Reserve D as the site of a water well and appurtenant facilities; such uses shall be deemed to comply with the provisions of this Section 14.

Section 15. Exempt Property. The provisions of Sections 1. through 11. and 13. in this Article III shall not apply to or affect in any manner Reserves A, B, C, E or F, as shown on the Subdivision Plat. The provisions of Sections 12. and 14. of this Article III are intended to apply to and to affect Reserves A, B, C, E and F.

ARTICLE IV

Architectural Central Committee

Section 1. Approval of Building Plans. No building shall be erected, placed, or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the structure, have been approved in writing as to harmony of exterior design and color with existing structures, as to location with respect to topography and finished ground elevation, and as to compliance with minimum construction standards by THE OAKS OF ATASCOCITA, SECTION ONE, Architectural Control Committee. A copy of the construction plans and specifications and a plot plan, together with such information as may be deemed pertinent, shall be submitted to the Architectural Control Committee, or its designated representative prior to commencement of construction. The Architectural Control Committee may require the submission of such plans, specifications, and plot plans, together with such other documents as it deems appropriate, in such form and detail as it may elect at its entire discretion. In the event the Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the same are submitted to it, approval will not be required and the requirements of this Section will be deemed to have been fully complied with; provided however, failure to timely approve or disapprove such plans and specifications shall not be deemed to permit the erection, construction, placing or altering of any structure on any Lot in a manner prohibited under the terms of this Declaration.

Section 2. Committee Membership. The Architectural Control Committee shall be initially composed of Glenn W. Loggins, William Sweitzer and Ralph Koepf, who by majority vote may designate a representative to act for them.

Section 3. Replacement. In the event of death or resignation of any member or members of said committee, the remaining member or members shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans submitted or to designate a representative with like authority.

Section 4. Minimum Construction Standards. The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline and such Architectural control Committee shall not be bound thereby.

Section 5. Term. The duties and powers of the Architectural Control Committee and of the designated representative shall cease on and after ten (10) years from the date of this instrument. Thereafter the approval described in this covenant shall not be required, and all power vested in said Committee by this covenant shall cease and terminate PROVIDED, that any time after Feb 1, 1985, by two-thirds (2/3) vote of the members present and voting, THE OAKS OF ATASCOCITA Community Improvement Association may assume the duties and powers of the Architectural Control Committee.

Section 6. Exempt Property. The provisions of this Article IV shall not apply to or affect Reserves A, B, C, E or F, as shown on the Subdivision Plat.

ARTICLE V

The Oaks of Atascocita Community Improvement Association

Section 1. Membership. Every Owner of a Lot or Reserve (or portion thereof) in the Properties which is subject to a maintenance charge assessment by the Association, including contract sellers, shall be a member of THE OAKS OF ATASCOCITA Community Improvement Association. No Owner shall have more than one membership. Member ship shall be appurtenant to and may not be separated from owner ship of the land which is subject to assessment by the Association. Ownership of such land shall be the sole qualification for membership.

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

Class A. Class A members shall be all those Owners as defined in Section 1. of this Article V., with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot or whole Reserve in which they hold the interest required for membership by Section 1. When more than one person holds such interest in any Lot, or Reserve, all such persons shall be members. The vote for such Lot or whole Reserve shall be exercised as they among them selves determine, but in no event shall more than one vote be cast with respect to any Lot or Reserve.

Class B. The Class B member shall be Johnson-Loggins, Inc., the Declarant defined in this Declaration. The Class B member shall be entitled to five (5) votes for each Lot or Reserve in which it holds the interest required by Section 1; provided however, that the 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. On January 1, 1984.

The Class A and Class B members shall have no rights as such to vote as a class, except as required by the Texas Non-Profit Corporation Act, and both classes shall vote together upon all matters as one group.

Section 3. Non-Profit Corporation. THE OAKS OF ATASCOCITA Community Improvement Association, a non-profit corporation, has been organized; and all duties, obligations, benefits, liens, and rights hereunder in favor of the Association shall vest in said corporation.

Section 4. Bylaws. The Association may make whatever rules or bylaws it may choose to govern the organization, provided that same are not in conflict with the terms and provisions hereof.

Section 5. Inspection of Records. The members of the Association shall have the right to inspect the books and records of the Association at reasonable times during normal business hours.

ARTICLE VI

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Lot is, and Reserves A, B, E and F are, hereby subjected to an annual maintenance charge, and the Declarant, for each Lot or portion of Reserves A, B, E or F owned by it within the Properties, hereby covenants, and each Owner of any Lot or any portion of Reserves A, B, E, or F, by 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 annual maintenance charge assessments, such assessments to be established and collected as hereinafter provided and shall constitute the proceeds of a fund (hereinafter called "the maintenance fund") to be used for the purposes hereinafter provided. The annual assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the

Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties, and the Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of THE OAKS OF ATASCOCITA, SECTIOP ONE, as well as all subsequent sections of THE OAKS OF ATASCOCITA Subdivision; provided, however, that each future section of THE OAKS OF ATASCOCITA, to be entitled to the benefit of this maintenance fund, must be impressed with and subject to the annual maintenance charge and assessment on a uniform, per Lot basis, equivalent to the maintenance charge and assessment imposed hereby, and further made subject to the jurisdiction of the Association in the manner provided in Article VIII hereof. The uses and benefits to be provided by said Association shall include, by way of clarification and not limitation at its sole option, any and all of the following: constructing and maintaining parkways, rights-of-way, easements, esplanades and other public areas, payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions, and conditions affecting the properties to which the maintenance fund applies, payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment, employing policemen and watchmen, caring for vacant Lots and doing other things necessary or desirable in the opinion of the Association to keep the Properties in the Subdivision neat and in good order, or which is considered of general benefit to the owners or occupants of the Properties, it is being understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

In the event Declarant shall designate, or the Association shall arrange for the designation of, recreational facilities for the use and benefit of the Owners in the Properties which are situated on property owned by Declarant (or affiliated or subsidiary entities), or owned by other persons or entities, but which is not a part of the Properties, the Association shall have the right and authority to allocate and expend such amounts from the Maintenance Fund for construction, repair, maintenance, upkeep, beautification, improvement or replacement of such recreational facilities as its Board of Trustees shall determine, in its sole discretion. Further, if all or any such recreational facilities situated on property which is not a part of the Properties also are for the use and benefit of persons or entities other than the Owners, the Association shall have the right and authority to enter agreements with other persons or entities owing and/or enjoying the use and benefit of such recreational facilities (or their designee), in such instances and on such terms as its Board of Trustees may deem appropriate and acceptable, obligating the Association to contribute, from the Maintenance Fund, a ratable portion of the amounts necessary from time to time to provide for the construction, repair, maintenance, upkeep, beautification, improvement or replacement of such recreational facilities, and providing for other agreements relative to the use and enjoyment of such recreational facilities (including limitations on the extent of the use and enjoyment thereof) by the various persons and entities entitled thereto.

Section 3. Maximum Annual Assessment. Until January 1, 1976, the maximum annual assessment shall be ONE HUNDRED FORTY-FOUR AND NO/100 DOLLARS (\$144.00) per

Lot, and SIXTY AND NO/100 DOLLARS (\$60.00) per acre (and a proportionate amount for each portion of an acre) per annum for each portion of Reserves A, B, F and F.

(a) From and after January 1, 1976, the maximum annual assessment may be increased each year not more than three percent (3%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1, 1976, the maximum annual assessment may be increased above 3% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Trustees may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3. shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Rate of Assessments. Annual assessments for the Lots and Reserves A, B, F and F shall be fixed on the following uniform rates:

(a) The rate for all Lots, and for all portions of Reserves A, B, E and F, other than those Lots and Reserves owned by Declarant, shall be fifty percent (50%) of the annual assessment until the first day of the month following completion and occupancy of a permanent structure on such Lot or any portion of such Reserves; thereafter, such rate shall be one hundred percent (100%) of the applicable annual assessment as to such Lot or to all that portion of such Reserve owned by the Owner on whose property such permanent structure has been erected.

(b) The rate for all lots owned by Declarant shall be separately determined by the Association, but in no event shall such rate be less than twenty-five percent (25%) , nor more than one hundred percent (100%) of the applicable annual assessment.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots and Reserves A, B, E and F on the date fixed by the Board of Trustees to be the date of commencement. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Thereafter, the Board of Trustees shall fix the amount of the annual assessment against each Lot and Reserves A, B, E and F at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due

dates shall be established by the Board of Trustees. The Association shall, upon demand,, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid.

Section 7. Effect of Nonpayment of Assessments: Remedies of The Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be secondary, subordinate and inferior to all liens, present and future, given, granted and created by or at the instance or request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot, and further provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting first mortgage lien, said beneficiary shall give the holder of such first mortgage lien sixty (60) days written notice of such proposed action, such notice, which shall be sent to the nearest office of such first mortgage holder by prepaid U. S. Register Mail, to contain the statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of any such first mortgage lien holder, said beneficiary shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular property covered by such first mortgage lien to the holder thereof. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. The provisions of this Article VI shall not apply to or affect Reserve C, as shown on the Subdivision Plat.

ARTICLE VII

Utility Standby Charge

Each Lot is hereby subjected to a “standby charge” in the amount of SIX AND NO/100 DOLLARS (\$6.00) per month, and Reserves A, B, E and F are hereby subjected to a “standby charge” in an amount equal to THIRTY AND NO/100 DOLLARS (\$30.00), per month, for each acre contained therein (and a proportionate amount for each portion of an acre contained therein), in favor of and payable to the Municipal Utility District in which such Lot or Reserve is located. In the event any or all of such Reserves is or are owned by more than one Owner, each such Owner shall be obligated to pay the standby charge attributable to the number of acres owned by him. Such charge shall be due and payable on the first day of each month for and during the period commencing on the first day of the thirteenth (13th) month following the date upon which water and sewer service is available at the property line of such Lot or Reserve (or portion thereof) and ending on the first day of the month preceding the date upon which water and sewer use charges become due and payable to said District for water and sewer service

supplied to such Lot or Reserve (or portion thereof). To secure the payment of such standby charge established hereby, a lien upon each Lot and Reserves A, B, E and F is hereby granted to said District. Such liens shall be enforceable through appropriate proceedings in law by such Beneficiary; provided, however, that each such lien shall be second, subordinate and inferior to all liens, present and future, given, granted and created by or at the instance or request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot; and further provided that, as a condition precedent to any proceeding to enforce such lien upon any Lot on which there is an outstanding valid and subsisting first mortgage lien, said beneficiary shall give the holder of such first mortgage lien sixty (60) days' written notice of such proposed action. Such notice, which shall be sent to the nearest office of such first mortgage holder by prepaid U. S. Registered Mail, shall contain the statement of the delinquent standby charges upon which the proposed action is based. Upon the request of any such first mortgage lien holder, said beneficiary shall acknowledge in writing its obligation to give the foregoing notice to such holder with respect to the particular property covered by such first mortgage lien. The lien referred to herein shall be deemed to have been reserved in any deed to any Lot or any part thereof, whether or not the same shall be specifically reserved. The provisions of this Article VII shall not apply to or affect Reserve C, as shown on the Subdivision Plat.

ARTICLE VIII

General Provisions

Section 1. Term. These covenants shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date these covenants are recorded after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by a majority of the then Owners of Lots has been recorded, either during such initial forty (40) year term or during any such extended term, agreeing to change or terminate said covenants in whole or in part. Upon any violation or attempt to violate any of the covenants herein, it shall be lawful for the Association or any other Lot Owner to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from doing so or to recover damages or other dues for such violations.

Section 2. Severability. Invalidation of any one of these covenants by judgment or other court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

Section 3. Additions to Existing Property. Additional lands may become subject to the scheme of this Declaration in the following manner:

(a) Additions by Declarant. The Declarant, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development, upon the approval of the Board of Trustees of the Association, in its sole discretion, and the approval of the Federal Housing Administration or the Veterans

Administration. Any additions authorized under this and the succeeding subsection, shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property and the execution thereof by members of the Board of Trustees of the Association shall constitute all requisite evidence of the required approval thereof by such Board of Trustees. Such Supplemental Declaration must impose an annual maintenance charge assessment on the property covered thereby, on a uniform, per lot basis, substantially equivalent to the maintenance charge and assessment imposed by this Declaration, and may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be applicable to the additional lands.

(b) Other Additions. Upon the approval of the Board of Trustees of the Association, in its sole discretion, and the approval of the Federal Housing Administration or the Veterans Administration, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association may file of record a Supplemental Declaration of Covenants and Restrictions upon the satisfaction of the conditions specified in subsection (a) above.

(c) Mergers. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions applicable to the properties of the other association as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration or any Supplemental Declaration.

Section 4. FHA/VA Approval. So long as the Declarant, its successors and assigns, are in control of THE OAKS OF ATASCOCITA Community Improvement Association, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, merger or consolidation of the Association with another association, dedication of common areas, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 5. Approval of Lienholder. GIBRALTAR SAVINGS ASSOCIATION, a Texas corporation, the holder of a lien or liens on THE OAKS OF ATASCOCITA, SECTION ONE, a Subdivision in Harris County, Texas, joins in the execution hereof to evidence its consent hereto, and hereby subordinates its lien or liens to the provisions hereof.

Section 6. Approval of Existing Owners. The undersigned existing Owners have joined in the execution hereof to evidence their consent hereto, and their adoption and ratification of the covenants, conditions, liens, charges and restrictions created and evidenced hereby.

EXECUTED this 18th day of June, 1975, A.D.