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

REAL PROPERTY RECORDS

THIS DECLARATION of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations, and Easements (herein called the "Declaration") is made as of the _____ day of _____, 1982, by LAKE CONROE LAND DEVELOPMENT ASSOCIATES, a Texas general partnership (herein called "Declarant").

W I T N E S S E T H :

WHEREAS, Declarant owns the Property (hereinafter described);
and

WHEREAS, in order to enable Declarant to implement a general plan of development and accomplish the development of the Property (hereinafter defined) in a consistent manner with continuity, and to insure the creation of an architecturally harmonious first class development of high quality and standards, Declarant desires to subject the Property to the covenants, conditions, assessments, charges, servitudes, liens, reservations, and easements hereinafter set forth (herein collectively called the "Covenants").

NOW, THEREFORE, Declarant 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 the real property described in Exhibit "B" attached hereto and made a part hereof.

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

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

D. "Assessment Lien" shall mean the lien created and imposed by Article IV which secures the payment of the Annual Assessment and the Maintenance Charge.

E. "Association" shall mean and refer to the entity which will, following the Development Period (hereinafter defined), or sooner if Declarant elects, have the power, duty and responsibility of maintaining and administering the Common Properties (hereinafter defined) and enforcing the Covenants and collecting and disbursing the assessments and charges hereinafter prescribed such entity succeeding to the Declarant's prerogatives with respect to such matters. Within one hundred eighty (180) days following the Development Period, or sooner if Declarant elects, the Association shall be created as a non-profit corporation under the laws of the State of Texas under a name then selected by Declarant and at Declarant's sole cost and expense.

F. "Common Properties" shall mean any and all areas of land within the Property which are shown on the Plat (hereinafter defined) as designated roads, easements, greenbelts or open spaces, including without limitation those areas designated on the Plat as Verde Lane, La Costa Drive, and the 1.0 acre area designated as "Mineral Reserve".

G. "Condominium Unit" shall mean any "apartment" within a horizontal property regime as that term is defined by Article 1301a of the Revised Civil Statutes of the State of Texas, as such statute may be amended from time to time.

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

I. "Declarant" shall mean Lake Conroe Land Development Associates, a Texas general partnership, and the successors and assigns (if any) of Lake Conroe Land Development Associates with respect to a voluntary disposition of all (or substantially all) of the assets of, or interests in, Lake Conroe Land Development Associates or with respect to the voluntary disposition of all or substantially all of the right, title and interest of Lake Conroe Land Development Associates in and to the Property (and, if the applicable, the Additional Properties) prior to the end of the Development Period. No person merely purchasing a Lot, or any portion of the Property or the Additional Properties in the ordinary course of business, including without limitation a Subdeclarant (hereinafter defined) shall be considered as "Declarant".

J. "Declarant Land" shall mean any and all 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 Declarant, for as long as Declarant is the owner thereof.

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

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

M. "Development Period" shall mean that period of time beginning on the date of recordation of the Declaration and ending on the earlier to occur of (i) five (5) years from the date of such recordation or (ii) the date on which Declarant has first conveyed the final parcel of Declarant Land.

N. "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.

O. "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 Common Properties.

P. "Lot" shall mean any platted lot (as shown on the Plat) or any Condominium Unit constructed within any Reserved Areas (as shown on the Plat) excluding any Common Properties.

Q. "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, as purchaser thereunder, or as successor or assignee thereof, 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. The term "Owner" shall include, collectively, all those persons who hold an undivided interest in a single Lot including without limitation those persons who have purchased a Time Interval Interest (hereinafter defined) in a Lot. For the purposes hereof, the term "Contract for Deed" shall be any contract executed by Declarant or a Subdeclarant 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 or a Subdeclarant does not transfer fee simple title to the Lot until such person has satisfied all of the terms and conditions of such contract.

R. "Permanent Improvements" shall mean with respect to any portion or parcel of the Property, any and all improvements, structures, and other materials and things (including, but without limitation, trees, berms, shrubs, hedges and fences) which, at the time of the assessment of each Annual Assessment, are located thereon.

S. "Plat" shall mean the subdivision plat 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). The streets shown on the Plat, unless otherwise stated on the Plat, have not been dedicated to the public and are private streets.

T. "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 its addition to this Declaration pursuant to Article XIV hereof (if same occurs) the Additional Properties.

U. "Reservation of Architectural Control" shall mean the Reservation of Architectural Control which has been filed in the Real Property Records of Montgomery County, Texas, under Clerk's File No. _____, and providing, among other things, for the reservation unto Declarant, or its delegate, or, if and when applicable the Architectural Control committee, the rights set forth in Section 9.01 hereof.

V. "Reserved Areas" shall mean those areas of the Property which are designated on the Plat by the term "Reserve" as well as any portions thereof.

W. "Residential Lots" shall mean any Lot which is zoned, platted, restricted or used for residential purposes including without limitation those Lots in which Time Interval Interests (hereinafter defined) have been sold.

X. "Subdeclarant" shall mean the declarant named in any Subsidiary Declaration.

Y. "Subsidiary Declaration" shall mean any condominium declaration or 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.

Z. "Supplemental Declaration" shall mean a supplement to this Declaration recorded as provided in Article XIV.

AA. "Time Interval Interests" shall mean an interest in any Lot which creates in the holder of such interest a right of usage of such Lot for definitive, though limited, periods of time.

ARTICLE II

COVENANTS BINDING ON PROPERTY AND OWNERS

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. Except with respect to the Exempt Property, 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. Except with respect to the Exempt Property, 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 the Common Properties, or by transfer or abandonment of his Lot.

ARTICLE III

ASSESSMENTS

3.01 Annual Assessments. In order to provide funds for the purposes and uses specified in Article VI hereof, the Declarant, prior to the end of the Development Period and thereafter the Association acting through its Board of Directors (herein so called) in each year, commencing with the year in which this Declaration is recorded, shall assess against the Assessable Property such charges as the Declarant, or the Board of Directors if applicable, determines are necessary and appropriate. The Annual Assessments will be based upon an annual budget prepared by Declarant, or the Board of Directors if applicable, which budget will be available for inspection by any Owner at the office of the Declarant, or the Association if applicable, during normal business hours. The budget shall contain an amount for the establishment of a reasonable reserve fund to cover extraordinary expenses for repairs to the Common Properties. If at any point during an Assessment Period it is determined that the prior Annual Assessment will be insufficient to meet the requirements, then such Additional Assessments as may be necessary may be made, which such additional assessments shall be deemed a part of the Annual Assessment for such Assessment Period.

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

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

(a) All Residential Lots (including all Condominium Units) shall bear the Annual Assessments and Special Assessments equally. Notwithstanding the foregoing, any Reserve Area exceeding one acre in size and upon which no Dwelling Unit has been constructed, shall be treated as not containing any Residential Lots solely for the purposes of the calculations set forth in this subsection until completion of one or more Dwelling Units thereon, following which each such Dwelling Unit shall be treated as a Residential Lot for the purpose of the calculations set forth in this subsection. The proportionate share of Annual Assessments to be borne by any Reserve Area which does not contain Dwelling Units shall be a percentage which the Declarant, or the Board of Directors if applicable, in its discretion shall determine; provided, however, that the ratio of (i) the proportion of such assessments allocated to any such Reserve Area 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 Reserve Area (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 Assessments, then a Reserve Area with 60,000 square feet of land and 5,000 square feet of enclosed, air conditioned floor space could not be required to pay more than 5% of such assessments: $.5\% \text{ times } (60,000 \text{ divided by } 6,000) = 5\%$. The Annual Assessment for the first Assessment Period applicable to any portion of the Property shall be prorated over the number of months during such Assessment Period that such portion of the Property is subject to such assessments.

(b) The Declarant, or the Board of Directors if applicable, 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 assessed against each Lot or Reserve Area, 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 Maintenance Charges (hereinafter defined) shall bear interest at the maximum rate of interest which may be charged under applicable law (including the laws of the United States of America) from such due date until paid (or at such a lesser rate as may be determined by Declarant, or the Board of Directors if applicable, in its sole discretion on a case by case basis from time to time), and each 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 in collecting same.

3.04 Rules Regarding Billing and Collection Procedures. The Declarant, or the Board of Directors if applicable, 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 Assessments and the Maintenance Charges, provided that said procedures are not inconsistent with the provisions hereof.

IMPOSITION OF LIEN; EXEMPTIONS; OWNERS' AGREEMENT

4.01 Imposition of Assessment Lien and Priority of the Lien. Each Lot and each Reserve Area 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 Assessments assessed and levied against each, for Maintenance Charges, for any interest accrued on any Annual Assessments or Maintenance Charges provided for herein, and for any and all costs, including attorneys' fees, which may be incurred in collecting same. The lien (herein called the "Assessment Lien") against each such Lot and Reserve Area 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 or Reserve Area, 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 owning a portion of the Assessable Property, for himself, his heirs, executors, administrators, personal representatives, successors, and assigns, covenants and agrees:

(a) That he will pay to the Declarant, or to the Association if applicable, when due the Annual Assessments assessed pursuant to the provisions of this Declaration, together with any Maintenance Charges imposed;

(b) That he acquires his Lot or Reserve Area subject to the Annual Assessments and Maintenance Charges and Assessment Lien as they may exist from time to time; and

(c) That by accepting a Deed to his Lot or Reserve Area, he shall be, and remain, personally liable for any and all Annual 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 ASSESSMENTS
AND MAINTENANCE CHARGES
AND OF ASSESSMENT LIEN

5.01 Enforcing Body. The Declarant, or if then applicable, the Association acting through the Board of Directors, shall have the exclusive right to enforce the provisions of this Declaration. However, if the Declarant, or the Board of Directors if then applicable, shall fail or refuse to enforce this Declaration for an unreasonable period of time, after written request from an Owner to do so, then any Owner may seek to enforce them by any appropriate action, whether at law or in equity.

5.02 Enforcement Remedies. If the Owner of any portion of the Assessable Property fails to pay the Annual Assessments or installments thereof when due, or to pay Maintenance Charges imposed, or to pay any interest accrued on any Annual Assessments or Maintenance Charges, or any and all costs (including court costs and attorneys' fees) incurred in collecting same, the Declarant, or the Board of Directors if applicable, may enforce the payment of the Annual Assessments, Maintenance Charges, and all interest accrued thereon and costs incurred in collecting same by taking either or both of the following actions, concurrently or separately without prejudicing its right to exercise any other remedy:

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

(b) Enforce the Assessment Lien against the applicable portion of the Assessable Property by any means available at law or in equity, including without limitation a non-judicial foreclosure sale of such portion of the Assessable Property, 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 Declarant, 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 (hereinafter called a "first mortgagee"). The voluntary sale or transfer of any Lot or Reserved Area 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 such first mortgagee taking by deed in lieu of foreclosure, shall take the Lot or Reserved Area free of the Assessment Lien for all Annual 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 except to the extent stated herein with respect to any subsequent first lien financing), and such mortgage or deed of trust foreclosure sale purchaser or grantee shall (i) take subject to all Annual Assessments or installments thereof, and 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, and (ii) be and remain personally liable for all assessments (together with interest, costs and attorneys' fees as provided in Section 3.04 hereof), which fall due while he is an Owner.

5.04 Costs to be Borne by Owner in connection with Enforcement. In any action taken pursuant to Section 5.02 or in connection with any collection or enforcement activities undertaken by the Declarant, or the Board of Directors if applicable, prior to the taking of action described in Section 5.02, the Owner shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Annual Assessments and Maintenance Charges together with interest and the costs and attorneys' fees involved in taking such actions.

ARTICLE VI

USE OF FUNDS

6.01 Purposes For Which Annual Assessments May Be Used. The Declarant, or the Board of Directors if applicable, shall apply all funds and property collected and received by it (including the Annual Assessments, loan proceeds, surplus funds, and all funds and property received by it from any other source) for the common good and benefit of the Common Properties, the Owners and residents by devoting said funds and property, among other things, to the alteration, maintenance, provision, and operation, by any reason-

able manner or method whatsoever, of the Common Properties and for the safeguarding of the residents and occupants of the Property. Such expenditures may include, without limitation, maintenance and improvement of roadways; installation and maintenance of fencing and other security devices; hiring of security guards and patrolman; and improvement and maintenance of park areas and control of aquatic vegetation.

6.02 Spending of Funds from Year to Year. The Declarant, or the Board of Directors if applicable, shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Annual Assessments or otherwise), and may carry forward as surplus any balance remaining. Nor shall the Declarant, or the Board of Directors if applicable, 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 Declarant, or the Board of Directors if applicable, in its discretion may determine to be desirable for the effectuation of the purposes set forth in this Declaration.

ARTICLE VII

RIGHTS AND POWERS

7.01 Enforcement of Covenants. The Declarant and the Board of Directors, if applicable or any aggrieved Owner 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 other instrument affecting all or any part or parts of the Property. Any instrument affecting all or any portion of the Property 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.

7.02 Delegation and Assignment of Rights and Powers. With respect to the Property, or any part thereof, and without assigning or transferring any portion of the Property, or any interest therein, the Declarant may, and hereby reserves the right prior to the end of the Development Period to, delegate all rights and powers contained in this Declaration to (i) a committee appointed, empowered and constituted by Declarant whose members shall serve and may be replaced at the pleasure of Declarant or (ii) a corporation or association, profit or non-profit, whose directors and officers may be elected and designated by Declarant. Any such delegation shall be made by written instrument filed of record in the Real Property Records of Montgomery County, Texas, and may be rescinded at any time by Declarant by filing an instrument so stating such act of rescission in such Real Property Records. Any such delegation made shall terminate coincidentally with the formation of the Association. As long as any such delegation is in effect, any person or entity owning any interest in the Property, or any part thereof, shall be required to deal with such committee, corporation or association and not Declarant, and Declarant shall have no responsibility or liability for the actions of such committee, corporation or association, as the case may be.

ARTICLE VIII

EASEMENTS AND RIGHTS OF ENJOYMENT IN THE COMMON PROPERTIES

8.01 Rights of Enjoyment in Common Properties. Each Owner shall have the right to use and enjoy the Common Properties subject only to such reasonable rules and regulations regarding such use as may be adopted by the Declarant or the Board of Directors if applicable.

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

(a) The utility easements, if any, shown on any 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 Section 8.02(a) for the purpose of more efficiently or desirably installing utilities therein and thereon provided that no such changes or additions shall materially interfere with any Owner's use and enjoyment of the portion of the Property owned by it.

(c) The title conveyed to any part 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, cable television lines 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 Section 8.02(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 an Owner situated on any portion of the Property 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.

(g) The Declarant reserves the right to make street, road and easement dedications to the public from time to time, notwithstanding that Common Properties may be involved in such dedications.

8.03 Conveyance of Common Properties. Declarant shall, within one hundred eighty (180) days following the end of the Development Period, or sooner if Declarant elects, convey in fee, by special warranty deed, the surface estate in the Common Properties (to the extent same have not been previously dedicated) to the Association. The Common Properties so conveyed shall be conveyed free and clear of any debt, charges or liens encumbering same.

ARCHITECTURAL CONTROL

9.01 Prior Approval. 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 portion 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 Architectural Committee (herein so called) composed of three (3) or more representatives appointed initially by Declarant and by the Board of Directors following the end of the Development Period, as to (i) compliance with the Covenants herein contained, and (ii) harmony of external design and location in relation to surrounding structures and topography which are now or hereafter existing or proposed, including, but not by way of limitation, as to architectural designs, setbacks, landscaping, color schemes and construction materials. In the event the Architectural 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 IX will be deemed to have been fully complied with. Non-exercise of the powers hereby reserved in one or more instances shall not be deemed to constitute a waiver of the right to exercise such power in other or different instances. Likewise, approval of any one set of plans and specifications shall not be deemed to constitute approval of any other or different plans and specifications. In the absence of gross negligence or willful misconduct attributable to the Architectural Committee, neither Declarant, the Board of Directors nor such Architectural Committee shall be liable for the improper enforcement or failure to exercise any of the powers reserved pursuant to this Article. In no event shall any approval obtained from such Architectural Committee pursuant to the terms of this Article be deemed to be a representation of any nature regarding the structural safety or engineering soundness of the structure or other item for which such approval was obtained, nor shall such approval represent in any manner compliance with any building or safety codes, ordinances or regulations; nor shall such approval be construed as a representation or warranty as to any matter which is the subject of such approval.

9.02 Reservation of Architectural Control. Nothing contained in Section 9.01 above shall in any manner restrict or limit the rights and powers reserved unto Declarant as set forth in the Reservation of Architectural Control, including the right to delegate the powers hereby and thereby reserved to (i) a committee appointed, empowered and constituted by Declarant, whose members shall serve and be replaced at the pleasure of Declarant, or (ii) a corporation or association, profit or non-profit, whose directors and officers may be elected and designated by Declarant, all as more fully set forth in the Reservation of Architectural Control.

ARTICLE X.

MAINTENANCE

10.01 Declarant Land. The Declarant, or its duly delegated representative, shall maintain and otherwise manage all Declarant Land, including, but not limited to, the landscaping located thereon and the interiors and exteriors of the buildings and

structures located upon the Declarant Land. The Declarant shall use a reasonable standard of care in providing for the repair, management, and maintenance of the Declarant Land.

10.02 Improper Maintenance of Other Portions of the Property. In the event any portion of the Property, other than Declarant Land, is, in the judgment of Declarant, or the Board of Directors if applicable, so maintained by the Owner thereof (or, if applicable, by any owner's association created by a Subsidiary Declaration) (i) as to present a public or private nuisance, (ii) as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Property or any adjacent land owned by Declarant, or its successors or assigns, not presently included in the Property but which is substantially affected thereby or related thereto, or (iii) as to not comply with the Covenants, the Declarant, or the Board of Directors if applicable, may make a finding to this effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner (or to such owner's association created by a Subsidiary Declaration if applicable) that unless corrective action is taken within thirty (30) days, the Declarant, or the Board of Directors if applicable, will cause such action to be taken at said Owner's (or such association's) cost. If at the expiration of said thirty (30) day period of time the requisite corrective action has not been taken, the Declarant shall be authorized and empowered to cause such action to be taken and the cost thereof, including but not limited to the costs of collection, court costs and attorneys' fees (such costs being herein collectively called the "Maintenance Charge"), together with interest accruing thereon from the expiration of said thirty (30) day period at the rate specified in Section 3.04(c) hereof, shall be added to and become a part of the assessment to which the offending portion of the Property is subject and shall be secured by the Assessment Lien.

ARTICLE XI

USE RESTRICTIONS

11.01 All Properties. Except with respect to the Exempt Property, 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 Architectural Committee.

(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 Declarant or the Board of Directors if applicable.

(c) Storage. No exterior storage of any items of any kind shall be permitted, except with prior written approval and authorization of the Architectural Committee. 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 portion of the Property 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 Architectural Committee.

(d) Garbage. No garbage or trash shall be placed at the exterior of any building, except in containers meeting the specifications of the Architectural Committee, and the placement, maintenance, and appearance of all such containers shall be subject to reasonable rules and regulations of the Declarant or the Board of Directors if applicable. All rubbish, trash, and garbage shall be regularly removed from each Lot and Reserved Area 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 Declarant or the Board of Directors if applicable.

(f) Outside Lighting. No outside lighting shall be placed, allowed, or maintained on any Lot or Reserved Area without prior written approval and authorization of the Architectural Committee.

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

(h) Re-subdivision. No Lot shall be further physically 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 Declarant or the Board of Directors if applicable. The foregoing provision shall not be deemed to preclude the sale of Time Interval Interests in Condominium Units.

(i) Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot or any Reserved Area 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 Architectural Committee.

(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 or any Reserved Area, except with prior written approval and authorization of the Architectural Committee and then 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 or any Reserved Area, 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 shall be permitted on any Lot or any Reserved Area at any time and no incinerators or like equipment shall be placed, allowed, or maintained upon any Lot or any Reserved Area. 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 Architectural Committee, 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 Declarant or the Board of Directors if applicable.

(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 Declarant or the Board of Directors if applicable.

(p) Oil, Gas, and Mineral Activity. With respect only to the Property as defined herein (and excluding any additional land added pursuant to Article XIV), 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 or pursued by any Owner other than Declarant 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, provided, however, that with respect to any outstanding mineral interest owned by any person or entity as of the date hereof other than Declarant, Declarant shall cause such restrictions on exploration, drilling, development, refining, mining and quarrying to be placed on such part of the Property as Declarant in good faith can negotiate (with no monetary obligation required on the part of Declarant to be paid for such purpose). With respect to the Additional Properties which may be added pursuant to Article XIV, such land shall be subject to the restrictions set forth in this Section 11.01(p) 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 such part of said additional land as Declarant in good faith can negotiate (with no monetary obligation required on the part of Declarant

to be paid for such purpose), and such land shall be subject to the foregoing provisions of this Section 11.01(p) except to the extent of any conflict herein with the rights of the owners of such mineral rights. Notwithstanding anything to the contrary stated herein however, as to any mineral interest which Declarant owns with respect to the Property or the Additional Properties, Declarant reserves the right to explore, drill, develop, refine, mine and quarry any minerals in, on or under the Property or such additional land provided however any such activities shall be subject to (i) Declarant's obtaining whatever permits or licenses are required, and (ii) Declarant's pursuing such activities in such a manner so as to not disrupt the surface rights of any Owner and the Lot(s) owned by such Owner.

(q) 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 Architectural Committee. 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 or water source.

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

(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 Board of Directors if applicable.

(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 Declarant or the Board of Directors if applicable.

(v) Misuse and Mismaintenance. No Lot or any Reserved Area 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 or any Reserved Areas 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 Rules or of Covenants, Conditions, or Restrictions. No Lot or any Reserved Area shall be maintained or utilized in violation of this Declaration or of the rules and regulations of the Declarant, or the Board of Directors

if applicable, or any covenants, conditions, or restrictions applicable to and binding upon said Lot or Reserved Area.

(y) Time Interval Interests. No Owner prior to _____, 19____, shall be permitted to sell any Time Interval Interests in any Dwelling Unit without the prior written consent of the Declarant.

ARTICLE XII

TERM; AMENDMENTS; TERMINATIONS

12.01 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, 2022. 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 Owners casting seventy-five percent (75%) of the total votes entitled to be cast (each Owner having one vote per Lot owned) and fifty-one percent (51%) of the first mortgagees holding liens against such Lots, within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension.

12.02 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 total votes entitled to be cast (each Owner having one vote per Lot owned) and fifty-one percent (51%) of the first mortgagees holding liens against the Reserved Areas.

12.03 Election Procedures for Amendments and Termination. The affirmative votes required under Section 12.01 or 12.02 may be obtained and evidenced by the requisite vote by the Owners (including Declarant) present at a meeting of Owners duly called by at least ten (10) Owners, by the Declarant or by the Board of Directors if applicable, 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 contained herein) and such 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 Declarant.

12.04 Recording of Amendments or Termination. Upon the requisite percentage of Owners duly voting or consenting to amend or terminate this Declaration (and/or the Covenants contained herein) and upon the other conditions set forth in Section 12.01 or 12.02 (as the case may be) and Section 12.03 of this Article being satisfied, then:

(a) In the case of amendment, each amendment shall be executed by the Declarant, or by the Board of Directors if applicable, 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 and first mortgagees have voted to make such amendment to this Declaration.

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

12.05 Effect. Upon the recording of the certificate of termination as required by paragraph 12.04(b), these Covenants and this Declaration shall have no further force or effect. Upon the filing of an amendment in accordance with paragraph 12.04(a), this Declaration and the Covenants, as amended, shall remain in full force and effect. The filing of such certificate or amendment in accordance with this Section 12.05 shall be conclusive as to the matters set forth therein and shall be binding upon all Owners, their heirs, executors, legal representatives, successors or assigns.

12.06. 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 or mortgage source (including without limitation The Federal Home Loan Mortgage Corporation and Federal National Mortgage Association) 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 Declarant, with its 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 12.06, Declarant shall not have any unilateral right to amend this Declaration otherwise than in accordance with and pursuant to the provisions of Section 12.02 hereof.

ARTICLE XIII

RESERVATION OF RIGHT TO RESUBDIVIDE AND REPLAT LOTS AND CONVEY AND MODIFY DECLARANT LAND

13.01 Resubdivide. 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 subdivide and resubdivide, as the case may be, and/or plat or replat, as the case may be, all or any portion of the Reserved Areas and any Lot or Lots without the consent of any Owner.

13.02 Further Conveyances and Modifications to Declarant Land. The Declarant shall have the absolute, exclusive and unrestricted right, exercisable in its sole discretion, without consent from any Owner, to (i) sell, transfer, convey, lease, dedicate, encumber or in any manner alienate to any public or private entity the Declarant Land or any part thereof or otherwise deal with the Declarant Land, or any part thereof, the Reserved Areas and any Permanent Improvements situated thereon, on such terms and in such manner as Declarant in its sole discretion may determine, or (ii) modify the nature, scope, location, configuration, construction, design or other characteristics of the Declarant Land, or any part thereof, Reserved Areas and any Permanent Improvements situated thereon.

ARTICLE XIV

SUBJECTING ADDITIONAL LANDS TO THE DECLARATION

At any time during the Development Period the size of the Property may be increased, in the manner provided in this Article XIV, 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 Declarant. Such Supplemental Declaration shall:

(a) describe the Additional Properties to be included as a part of the Property; and

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

ARTICLE XV

MISCELLANEOUS

15.01 Interpretation of the Covenants. Except for judicial construction, the Declarant, or the Board of Directors if applicable, 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 Declarant's, or the Board of Directors if applicable, 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.

15.02 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.

15.03 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), if applicable, those of the issue of Aron B. Katz who are living at the time the period of perpetuities starts to run on the challenged interest.

15.04 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.

15.05 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 the Additional Properties will be subjected to this Declaration, or that the Additional Properties (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 Additional Properties are once used for a particular use, such use will continue in effect.

15.06 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.

15.07 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.

15.08 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.

15.09 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, the Reservation of Architectural Control.

15.10 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 by any person or entity entitled to enforce any provision of this Declaration 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.

15.11 Suspension of the Covenants. The Declarant shall have the right during the Development Period to grant reasonable and specifically limited exemptions from the Covenants to Declarant to 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.

15.12 Limitation of Liability. In the absence of gross negligence or willful misconduct attributable to Declarant or its successors or assigns, neither Declarant nor its successors or assigns shall have any liability arising out of the performance or nonperformance of any of the rights and powers reserved unto Declarant, its successors or assigns, pursuant to this Declaration.

IN WITNESS WHEREOF, LAKE CONROE LAND DEVELOPMENT ASSOCIATES, a Texas general partnership, has hereunto caused its name to be

174-01-1477

Signed by the signature of its duly authorized official as of the day and year first above written.

LAKE CONROE LAND DEVELOPMENT ASSOCIATES,
a Texas general partnership

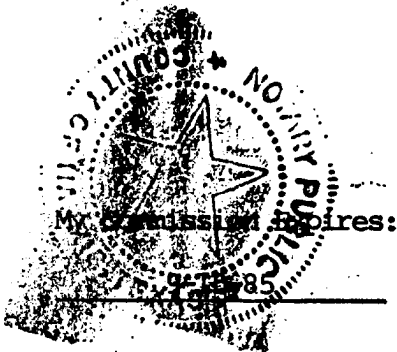
BY: MPB EQUITIES, INC.,
a Texas corporation,
General Partner

By: L. H. Homan, Jr. VP
L. H. Homan, Jr., Vice President

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

This instrument was acknowledged before me this 25th day of October, 1982, by L. H. HOMAN, JR., the Vice President of MPB EQUITIES, INC., a Texas corporation and the General Partner of LAKE CONROE LAND DEVELOPMENT ASSOCIATES, a Texas general partnership, on behalf of said partnership.



Sandra J. Nolan
Notary Public
Sandra J. Nolan

EXHIBIT "A"

DESCRIPTION OF PROPERTY

174-01-1478

Field Notes
September 22, 1982

del Lago Section Three

Being 26.1924 acres of land in the John Corner Survey, A-8, Montgomery County, Texas, and being out of a 57.2940 acre tract which is part of Tract #1, called 62.2957 acres in deed recorded under film code no. 55-01-1839 of the Real Property Records of Montgomery County, Texas, said 26.1924 acres of land being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found in the south right of way line of Walden Road for the northwest corner of said 57.2940 acre tract;

THENCE N 89° 57' 49"E along the south line of Walden Road, 554.41 feet to a point for a corner;

THENCE S 00° 02' 11" E, 100.00 feet to a point for a curve to the right;

THENCE along said curve to the right having a radius of 670.33 feet and a central angle of 08° 34' 46", an arc distance of 100.37 feet to a point of tangency with a curve to the left;

THENCE along said curve to the left having a radius of 670.33 feet and a central angle of 08° 34' 46", an arc distance of 100.37 feet to a point of tangency;

THENCE S 00° 02' 11" E, 295.54 feet to a point for a corner;

THENCE N 89° 57' 49" E, 120.00 feet to a point for a corner;

THENCE S 00° 02' 11" E, 69.03 feet to an angle point;

THENCE S 12° 23' 59" E, 82.20 feet to an angle point;

THENCE S 34° 45' 38" E, 71.05 feet to an angle point;

THENCE S 29° 28' 18" E, 71.05 feet to an angle point;

THENCE S 24° 41' 35" E, 64.46 feet to an angle point;

THENCE S 22° 33' 53" E, 54.20 feet to an angle point;

THENCE S 44° 56' 37" E, 170.00 feet to a point for an interior corner;

THENCE N 45° 03' 24" E, 774.17 feet to a point for a corner;

THENCE S 44° 58' 28" E, 450.00 feet to a point in the easterly line of said 57.2940 acres and the westerly line of del Lago Section One as shown on map recorded in Cabinet C Sheet 168B of the Map Records of Montgomery County, Texas;

THENCE S 45° 01' 32" W, 871.49 feet to a 5/8 inch iron rod set in the 201 foot contour line of Lake Conroe for the southwest corner of Lot 57, Block 5, said del Lago Section One;

THENCE southwesterly and northwesterly along said 201 foot contour line of Lake Conroe the following twenty-six (26) courses and distances:

1. S 78° 36' 41" W, 7.25 feet,
2. N 82° 16' 19" W, 72.37 " ,
3. N 59° 55' 08" W, 132.12 " ,
4. S 85° 17' 14" W, 144.56 " ,
5. S 89° 28' 13" W, 100.05 " ,

- 174-01-1479
6. N 49° 59' 07" W, 58.54 "
 7. N 03° 37' 44" E, 37.59 "
 8. N 55° 02' 00" E, 65.88 "
 9. N 28° 17' 44" W, 39.11 "
 10. N 76° 28' 34" W, 85.70 "
 11. N 44° 17' 22" W, 111.43 "
 12. N 17° 31' 05" W, 88.37 "
 13. N 13° 37' 14" W, 86.66 "
 14. N 31° 12' 33" W, 94.82 "
 15. N 44° 24' 46" W, 69.34 "
 16. N 54° 13' 21" W, 106.70 "
 17. N 59° 45' 40" W, 108.50 "
 18. S 25° 32' 55" W, 52.04 "
 19. S 77° 10' 01" W, 38.09 "
 20. N 73° 01' 41" W, 84.69 "
 21. N 37° 37' 03" W, 71.62 "
 22. N 56° 05' 42" W, 127.08 "
 23. N 62° 02' 04" W, 89.65 "
 24. N 26° 06' 43" W, 77.82 "
 25. N 10° 57' 34" E, 86.69 "
 26. N 27° 04' 19" W, 162.26 feet to a 5/8 inch iron rod for
the southwest corner of said 57.2940 acres;

THENCE N 34° 47' 35" E along the westerly line of said 57.2940 acres, 386.72 feet to
the POINT OF BEGINNING and containing 26.1924 acres of land.

DESCRIPTION OF ADDITIONAL PROPERTIES

F I E L DN O T E S

BEING 57.2940 acres of land in the John Corner Survey, A-8, Montgomery County, Texas, and being a part of Tract #1 Called 62.2957 acres in deed to Odell Hudson, Tr. and recorded under film code #55-01-1839 of the Real Property Records of Montgomery County, said 57.2940 acres being more particularly described as follows:

BEGINNING at a 5/8" iron rod for the northeast corner of above mentioned 62.2957 acre tract and the northeast corner of herein described tract in the south line of Walden Road (100 foot wide right-of-way);

THENCE S.45°01'32"W., along the east line of said 62.2957 acre tract for a distance of 2094.83 feet to a 5/8" iron rod for the southeast corner of same and the southeast corner of herein described tract in the 201 contour line of Lake Conroe as established by the San Jacinto River Authority;

THENCE along the 201 contour line of Lake Conroe as set by the San Jacinto River Authority as follows:

S.78°36'41"W.,	7.25 feet;
N.82°16'19"W.,	72.37 "
N.59°55'08"W.,	132.12 "
S.85°17'14"W.,	144.56 "
S.89°28'13"W.,	100.05 "
N.49°59'07"W.,	58.54 "
N.03°37'44"E.,	37.59 "
N.55°02'00"E.,	65.88 "
N.28°17'44"W.,	39.11 "
N.76°28'34"W.,	85.70 "
N.44°17'22"W.,	111.43 "
N.17°31'05"W.,	88.37 "
N.13°37'14"W.,	86.66 "
N.31°12'33"W.,	94.82 "
N.44°24'46"W.,	69.34 "
N.54°13'21"W.,	106.70 "

N.59°45'40"W.,	108.50 feet;
S.25°32'55"W.,	52.04 "
S.77°10'01"W.,	38.09 "
N.73°01'41"W.,	84.69 "
N.37°37'03"W.,	71.62 "
N.56°05'42"W.,	127.08 "
N.62°02'04"W.,	89.65 "
N.26°06'43"W.,	77.82 "
N.10°57'34"E.,	86.69 "
N.27°04'19"W.,	162.26 feet to a 5/8"

iron rod for the southwest corner of herein described tract and the southeast corner of a previously described 5.0017 acre tract;

THENCE N.34°47'35"E., along the east line of said 5.0017 acre tract for a distance of 386.72 feet to a 5/8" iron rod for the northeast corner of same in the north line of said 62.2957 acre tract and the south line of Walden Road;

THENCE N.89°57'49"E., along the north line of said 62.2957 acre tract and the south line of Walden Road for a distance of 971.02 feet to a 5/8" iron rod for an angle point in same;

THENCE S.89°48'44"E., continuing along the north line of said 62.2957 acre tract and the south line of Walden Road for a distance of 1506.70 feet to an angle point in same;

THENCE N.88°42'56"E., continuing along the north line of said 62.2957 acre tract and the south line of Walden Road for a distance of 174.53 feet to the point of beginning and containing 57.2940 acres of land.

SAVE AND EXCEPT THE FOLLOWING DESCRIBED PROPERTY

Field Notes
September 22, 1982

del Lago Section Three

Being 26.1924 acres of land in the John Corner Survey, A-8, Montgomery County, Texas, and being out of a 57.2940 acre tract which is part of Tract #1, called 62.2957 acres in deed recorded under film code no. 55-01-1839 of the Real Property Records of Montgomery County, Texas, said 26.1924 acres of land being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found in the south right of way line of Walden Road for the northwest corner of said 57.2940 acre tract;

THENCE N 89° 57' 49"E along the south line of Walden Road, 554.41 feet to a point for a corner;

THENCE S 00° 02' 11" E, 100.00 feet to a point for a curve to the right;

THENCE along said curve to the right having a radius of 670.33 feet and a central angle of 08° 34' 46", an arc distance of 100.37 feet to a point of tangency with a curve to the left;

THENCE along said curve to the left having a radius of 670.33 feet and a central angle of 08° 34' 46", an arc distance of 100.37 feet to a point of tangency;

THENCE S 00° 02' 11" E, 295.54 feet to a point for a corner;

THENCE N 89° 57' 49" E, 120.00 feet to a point for a corner;

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THENCE S 12° 23' 59" E, 82.20 feet to an angle point;

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THENCE S 24° 41' 35" E, 64.46 feet to an angle point;

THENCE S 22° 33' 53" E, 54.20 feet to an angle point;

THENCE S 44° 56' 37" E, 170.00 feet to a point for an interior corner;

THENCE N 45° 03' 24" E, 774.17 feet to a point for a corner;

THENCE S 44° 58' 28" E, 450.00 feet to a point in the easterly line of said 57.2940 acres and the westerly line of del Lago Section One as shown on map recorded in Cabinet C Sheet 168B of the Map Records of Montgomery County, Texas;

THENCE S 45° 01' 32" W, 871.49 feet to a 5/8 inch iron rod set in the 201 foot contour line of Lake Conroe for the southwest corner of Lot 57, Block 5, said del Lago Section One;

THENCE southwesterly and northwesterly along said 201 foot contour line of Lake Conroe the following twenty-six (26) courses and distances:

1. S 78° 36' 41" W, 7.25 feet,
2. N 82° 16' 19" W, 72.37 "
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13. N 13° 37' 14" W, 86.66 "
14. N 31° 12' 33" W, 94.82 "
15. N 44° 24' 46" W, 69.34 "
16. N 54° 13' 21" W, 106.70 "
17. N 59° 45' 40" W, 108.50 "
18. S 25° 32' 55" W, 52.04 "
19. S 77° 10' 01" W, 38.09 "
20. N 73° 01' 41" W, 84.69 "
21. N 37° 37' 03" W, 71.62 "
22. N 56° 05' 42" W, 127.08 "
23. N 62° 02' 04" W, 89.65 "
24. N 26° 06' 43" W, 77.82 "
25. N 10° 57' 34" E, 86.69 "
26. N 27° 04' 19" W, 162.26 feet to a 5/8 inch iron rod for
the southwest corner of said 57.2940 acres;

THENCE N 34° 47' 35" E along the westerly line of said 57.2940 acres, 386.72 feet to the POINT OF BEGINNING and containing 26.1924 acres of land.

FILED FOR RECORD
1982 DEC 17 AM 10:41

Roy Harris
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

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.

DEC 17 1982



Roy Harris
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS