

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CENTURY OAKS ESTATES**

STATE OF TEXAS § KNOW ALL MEN BY THESE
PRESENTS:
COUNTY OF WALLER §

This Declaration is made on the date hereinafter set forth by HOUSTON LIPAR, LTD., a Texas Corporation, duly authorized to do business in the State of Texas, hereinafter referred to as "Developer."

WITNESSETH:

WHEREAS, Developer is the owner of that certain tract of land known as "CENTURY OAKS ESTATES" being a Subdivision of 263.949 acres of land situated in the Samuel McCarley Survey, A-43, Waller County, Texas as more fully described on Exhibit "A" attached hereto and according to the plat ("Plat") of said Century Oaks Estates recorded in the office of the County Clerk of Waller County, Texas in Cabinet _____, Sheet _____ of the Map Records of Waller County, Texas (hereinafter referred to as the "Property" or the "Subdivision"); and

WHEREAS, it is the desire of Developer to place certain restrictions, easements, covenants, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against such Property in order to establish a uniform plan for the development, improvement and sale of the 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, Developer hereby adopts, establishes and imposes upon the Subdivision known as Century Oaks Estates, and declares the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said Property, which Restrictions shall run with said Property and title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof, except that no part of this Declaration or the Restrictions shall be deemed to apply in any manner to the areas identified or platted as a Reserve or Unrestricted Reserve on the Plat or to any area not included in the boundaries of said Plat. Developer also declares that this Subdivision shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

ARTICLE I

DEFINITIONS

Section 1.01. "Annexable Area" shall mean and refer to any additional property made subject to the jurisdiction of the Association pursuant to the provisions set forth herein, including, without limitation any other Sections of Century Oaks Estates Subdivision, if any, Developer may plat any property adjacent to or in the proximity of the Property which the Developer may wish to include in the jurisdiction of the Association.

Section 1.02 "Association" shall mean and refer to Century Oaks Estates Property Owners Association, and its successors and assigns.

Section 1.03 "Century Oaks Estates" shall mean and refer to this Subdivision and any other sections of Century Oaks Estates hereafter made subject to the jurisdiction of the Association.

Section 1.04 "Board of Directors" shall mean and refer to the Board of

RECORDER'S MEMORANDUM:
No Exhibit "A" Attached.

Directors of the Association.

Section 1.05 "Builders" shall mean and refer to persons or entities that purchase Lots and build speculative or custom homes thereon for third party purchasers.

Section 1.06 "Contractor" shall mean and refer to the person or entity with whom an Owner contracts to construct a residential dwelling on such Owner's Lot.

Section 1.07 "Developer" shall mean and refer to Houston Lipar, LTD., and its successors and assigns. Provided, however, no person or entity merely purchasing one or more Lots from Houston Lipar, LTD. in the ordinary course of business shall be considered a "Developer".

Section 1.08 "Lot" shall mean and refer to any plot of land identified as a Lot or tract on the plat of the Subdivision. For purposes of this instrument, "Lot" shall not be deemed to include any portion of any "Common Areas," "Reserves," "Restricted Reserves" or "Unrestricted Reserves," (defined herein as any Common Areas, Reserves, Restricted Reserves, Restricted Open Space Reserves, or Unrestricted Reserves shown on the Plat) in the Subdivision, regardless of the use made of such area. No Lot may be resubdivided without the prior written consent of the Association.

Section 1.09 "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 1.10 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot or Reserve which is a part of the Subdivision, including (i) contract sellers (a seller under a Contract-for-Deed), but excluding those having such interest merely as security for the performance of an obligation, (ii) Developer (except as otherwise provided herein), and (iii) Builders.

Section 1.11 "Living Area" shall mean and refer to the area computed using exterior dimensions of the entire living area of a residence that is heated and cooled; e.g. both floors of a two-story residence, excluding attic, garage, basement, breezeway or porch.

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

Section 2.01 Recorded Subdivision Map of the Property. The plat ("Plat") of the Subdivision dedicates for use as such, subject to the limitations as set forth therein, the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable to the Property. All dedications, restrictions and reservations created herein or shown on the Plat, replats or amendments of the Plat of the Subdivision recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Developer, conveying said Property or any part thereof whether specifically referred to therein or not.

Section 2.02 Easements. Developer reserves for public use the utility easements shown on the Plat or that have been or hereafter may be created by separate instrument recorded in the Real Property Records of Waller County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, or any other utility the Developer sees fit to install in, across and/or under the Property. Developer and its assigns further expressly reserves the right to enter upon any Lot for the purpose of improving, constructing or maintaining any natural drainage pattern, area or easement. All utility easements in the Subdivision may be used for the construction of drainage swales in order to provide for improved

surface drainage of the Reserves, Common Area and/or Lots. Should any utility company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Developer, without the joinder of any other Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof. Any utility company serving the Subdivision and/or any Utility District serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Developer nor any utility company, water district, political Subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees and lawns or any other property of the Owner on the property covered by said easements.

Section 2.03 Title Subject to Easements. It is expressly agreed and understood that the title conveyed by Developer to any of the Lots by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water line, gas, sewer, electric lighting, electric power, telegraph or telephone purposes and other easements hereafter granted affecting the Lots. The Owners of the respective Lots shall not be deemed to own pipes, wires, conduits or other service lines running through their Lots which are utilized for or service other Lots, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Lot. The Developer may convey title to said easements to the public, a public utility company or the Association.

Section 2.04 Utility Easements.

(a) Utility ground and aerial easements have been dedicated in accordance with the Plat and by separate recorded easement documents.

(b) No building, swimming pool or other structure shall be located over, under, upon or across any portion of any utility easement. The Owner of each Lot shall have the right to construct, keep and maintain concrete drives, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Lots, provided, however, any concrete drive, fence or similar improvement placed upon such Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and, as such, the Owner of each Lot subject to said Utility Easements shall be responsible for (i) any and all repairs to the concrete drives, fences and similar improvements which cross or are located upon such Utility Easements and (ii) repairing any damage to said improvements caused by the Utility District or any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Utility Easements.

Section 2.05 Drill Site and Multipurpose Easements. The area designated as a Drill Site and Easements thereto on the Plat are the designated drill site and related easement locations, provided said Drill Site and Easements located on any Lots may be used by the Lot Owner, their families, guests and invitees on whose Lot the Drill Site or easement is located for recreation, outdoor activities, grazing or other activities other than construction of improvements until such time as the mineral owners desire to use said area for a drill site or easement thereto for the exploration and/or of oil, gas or other minerals. The use of the Drill Site and Easements are specifically subject to the superior right of the mineral owners to use the area as a drill site for the exploration and development of oil, gas or other minerals.

Section 2.06 Private Streets. The entry gate or other entry security device, streets, and roads with the Subdivision shall be and are "private" and constitute a portion of the Common Area which are subject to the jurisdiction and administration by the Century Oaks Estates Property Owners Association. The roads and streets in this Subdivision are not dedicated to the public, but shall be conveyed to the Century Oaks Estates Property Owners Association ("Association") and operated

as private streets by the Association, with each Owner having an easement for the use and benefit of such Owner of a Lot fronting thereon or adjacent thereto, which easements shall include rights of ingress, egress, and passage over and along said streets in favor of the Developer, the Association, the Owners and their respective legal representatives, successors and assigns, guests, invitees, licensees, designees, and the successors-in-title to each Lot Owner and in favor of the invitees and designees of each successor-in-title to each Lot Owner, but not in favor of the public.

Subject to the terms and conditions of this Section 2.05, the private roads and streets in this Subdivision, as shown on the Plat, are hereby dedicated as utility easements strictly for the purpose of constructing, operating, maintaining or repairing a system(s) of electric lighting, electrical power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground) or any other utilities that the Developer sees fit to install (or permit to be installed) in, across and/or under the Property. The dedication of the private roads and streets as utility easements shall not affect the Association or the Association's operation of the roads and streets in this Subdivision as private roads and streets, as set forth above in this Section 2.05.

Notwithstanding the Association's operation of the roads and streets in the Subdivision as private streets, Developer hereby grants to law enforcement agencies and officers of Waller County and the State of Texas, other governmental law enforcement bodies, fire equipment, ambulances, school buses, Waller County officials and personnel and other governmental officials and personnel, rights of ingress and egress and passage over and along said private roads and streets of the Subdivision in connection with the performance of their official functions. In addition to the other provisions appearing within this Article, the Board of Directors of the Association and the Association is specifically authorized to recommend, adopt implement and enforce rules, regulations, mechanisms and procedures governing use of the entry gate, streets and roads covering items such as (but not necessarily limited to):

- (a) Entry gate identification and/or entry programs for Owners and their respective immediate families, their guests and invitees and vehicles owned or driven by any of them;
- (b) speed limits, designated parking areas, restricted parking areas and no-parking areas;
- (c) signs and graphics to provide announcements to unauthorized personnel concerning potential criminal trespass matters;
- (d) a "fines" system through which the Association can levy and collect fines from its Members for violations of the applicable rules and regulations; and
- (e) disclaimers of liability for any and all matters or occurrences on or related to the Common Areas.

The streets and roads in the Subdivision are dedicated for the private use and benefit of lot owners within the subdivision. The Association shall be responsible for the maintenance and upkeep of the streets and roads and shall be authorized to assess and collect a maintenance fee against the subdivision lots and to expend funds so collected for such purposes. The Association may make an offer of public dedication of private streets if such dedication is authorized by the affirmative vote of two-thirds (2/3) of all of lot owners within the Subdivision and all other two Sections of Century Oaks Estates Subdivision. To be effective, an offered public dedication must be accepted by a formal vote of the governing body of the public entity which has jurisdiction over the streets. Until formally accepted, private streets which are offered for public dedication remain the responsibility of the Association.

2.07 Restricted Reserve A -Family Cemetery. The area designated as Restricted Reserve A on the Plat is a family burial plot and cemetery which shall not be used by the Owners, their guests or invitees. This area may be used solely by the family and may be maintained by the family, Waller County or the Association. the family or Waller County shall have access to this Reserve through the streets in the Subdivision.

2.08 Drill Site. The area designated as a Drill site on the Plat is a designated drill site location for use by the mineral owners in exploring and developing the oil, gas and other minerals, provided said Drill Site area may also be used solely by the Lot Owner, their families, guests and invitees upon whose Lot the Drill Site is located for recreation, outdoor activities, grazing or other activities other than construction of improvements until such time as the mineral owners desire to use said area for a drill site for the exploration and/or development of oil, gas and other minerals. the use of this Drill Site is specifically subject to the superior right of the mineral owners to use the area as a drill site for the exploration and development of oil, gas or other minerals.

ARTICLE III

USE RESTRICTIONS

Section 3.01 Single Family Residential Construction. No building shall be erected, altered, placed or permitted to remain on any Lot or Building Site other than one dwelling unit ("Dwelling") per each Lot to be used solely for residential purposes except that one guest/servants house may be built provided it matches the same design as main Dwelling and said guest/servants house must contain a minimum of 500 square feet and a maximum of not more than 50% of the square footage of the main dwelling, and be built after or while the main dwelling is being built and be approved in writing by the Architectural Control Committee prior to construction. Each Dwelling shall have a fully enclosed garage for not less than two (2) cars, which garage is available for parking automobiles at all times without any modification being made to the interior of said garage. Detached garages, work shops, and barns may be constructed on the property after or while the main dwelling is being built, so long as they are of good construction, kept in good repair, and are not used for residential purposes provided, however, garages must be built for at least two (2) vehicles and not more than five (5) vehicles. All dwellings, detached garages, work shop, and barns must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on the property and according to the guidelines adopted by the Committee. The term "dwelling" does not include single or double wide manufactured or mobile homes, or any old or used houses to be moved on the Lot or any log homes and said manufactured or mobile and used homes or log homes are not permitted within the Subdivision. All dwellings must have at least 3,000 square feet of living area, excluding porches, and be built with new construction materials. There shall be a minimum of 1,800 square feet of living area on the first floor of any multi-story home. Any building, structure or improvement commenced on any tract shall be completed as to exterior finish and appearance within twelve (12) months from the setting of forms for the foundation of said building or structure. The exterior of the dwelling and any garages must be made of at least sixty-five (65%) percent brick, stone or stucco. The roof of any Dwelling shall be constructed of either composition shingles, copper, tile, slate, standing seam metal or other material approved by the Architectural Control Committee and according to the guidelines adopted by the Committee, prior to construction. The use of sheet metal or similar material on the roof or exterior sides of any Dwelling other than as flashing is prohibited. As used herein, the term "residential purposes" shall be construed to prohibit mobile homes, trailers, modular homes, pre-fabricated or log homes being placed on said Lots, or the use of said Lots for duplex houses, churches, condominiums, townhouses, garage apartments, or apartment houses; and no Lot shall be used for business, educational or professional purposes of any kind whatsoever, nor for any commercial or manufacturing purposes. Provided, however, an Owner may maintain a home office in a dwelling with no advertising signs or regular visits by

customers or clients.

Section 3.02 Composite Building Site. Any Owner of one or more adjoining Lots (or portions thereof) may, with prior written approval of the Architectural Control Committee, consolidate such Lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting composite site, in which case the side set-back lines along the common lot lines shall be eliminated and said set-back lines shall thereupon be measured from the resulting side property lines rather than from the center adjacent Lot lines as indicated on the Plat. Further, any utility easements along said common lot lines shall be eliminated and abandoned upon approval of a Composite Building Site provided such easements are not then being used for utility purposes. Any such Composite Building Site must have a front building set-back line of not less than the minimum front building set-back line of all Lots in the same block, and such Composite Building Site will still be considered as individual Lots for purposes of the Maintenance Charge set forth in Article VI hereof.

Section 3.03 Location of the Improvements upon the Lot. No building of any kind shall be located on any Lot nearer to any side or rear property line, or nearer to any public road or waterway than as may be indicated on the Plat; provided, however, as to any Lot, the Architectural Control Committee may waive or alter any such setback line if the Architectural Control Committee, in the exercise of the Architectural Control Committee's sole discretion, deems such waiver or alteration is necessary to permit effective utilization of a Lot. Any such waiver or alteration must be in writing and recorded in the Deed of Records of Waller County, Texas. All dwellings placed on Property must be equipped with septic tank or other sewage disposal system meeting all applicable laws, rules, standards and specifications, and all such dwellings must be served with water and electricity. The main residential structure on any Lot shall face the front of the Lot towards the street or road, unless a deviation is approved in writing by the Architectural Control Committee. On corner lots, the Front of lot is defined as (i) on a rectangular lot; the narrowest property line facing a street or on a (ii) square lot the property line facing a the secondary road. The Recorded plat will show all building line set-back lines and in the event of a conflict with these Restrictions, said Plat shall control.

The minimum dimensions of any Lot and the building set back lines shall be as follows (provided, any conflict with the building set back lines set forth on the Plat shall be controlled by the Plat):

- i) The building set back line along the front of each Lot shall be one hundred (100') feet on all Lots, unless otherwise shown on the Plat.
- ii) The building set back line along the side of each Lot shall be twenty-five (25') feet, on all Lots, unless otherwise shown on the Plat.
- iii) The building set back line along the rear of each Lot shall be twenty-five (25') feet, on all Lots, unless otherwise shown on the Plat.

Section 3.04 Residential Foundation Requirements. All building foundations shall consist of concrete slabs, with the entire building being skirted with brick or materials which match the outside of the building as may be approved by the Architectural Control Committee. Provided, however, the Architectural Control Committee may approve a different type of foundation when circumstances such as topography of the Lot make it impractical to use a concrete slab foundation for all or any portion of the foundation of the building improvements constructed on the Lot. Minimum finished slab elevation for all structures shall be 2 (two) feet above 100 year flood plain or 2 (two) feet higher than the crown of any down gradient roadway, or such other level as may be established by the Commissioner's Court or County Engineer of Waller County, Texas, and other applicable governmental authorities.

Section 3.05 Type of Construction, Materials and Landscaping.

(a) Dwellings, garages and carports shall be of at least sixty-five (65%) percent masonry construction or its equivalent on its exterior wall area, unless another type of material is approved in writing by the Committee, (stucco, stone and brick are considered masonry). All chimneys shall be of masonry construction.

(b) No external roofing material other than slate, tile, metal, built up roof, composition (where the type, weight, quality and color has been specifically approved by the Committee) shall be used on any building in any part of the Properties without the written approval of the Committee. All roofing material must be applied in accordance with the manufacturer's specifications. Roof vents, vent stacks, galvanized roof valleys and other roof items must be painted to match the roof materials. Galvanized roof valleys must be primed before being painted to insure the prevention of peeling.

(c) 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.

(d) Landscape layout and plans shall first be approved by the Committee before work commences.

(e) All roof ventilation (other than ridge ventilators) shall be located to the rear of the roof ridge line and/or gable of any structure and shall not extend above the highest point of such structure, so as not to be visible from any street. The Committee shall have the right to approve the exceptions to the foregoing in cases where energy conservation and heating/cooling efficiency require ventilators that, because of the particular roof design, cannot be hidden from view.

Section 3.06 Driveways. All driveways in the Subdivision shall be constructed of concrete or asphalt and shall be completed within twelve (12) months from the setting of forms for the foundation of said building or structure as indicated in Section 3.01. Further, the driveway or entrance to each Lot from the pavement of the street shall be paved with concrete or asphalt and shall include concrete headwalls and County approved culverts installed to cross any roadside drainage ditch.

Section 3.07 Use of Temporary Structures and Sales Offices. No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, either temporarily or permanently; provided, however, that Developer reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Subdivision as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements within the Subdivision. As long as a Builder purchases five or more lots in the Subdivision, said Builder may maintain a model home on a Lot as a sales office. At such time as a Builder shall own less than two Lots, said Builder may no longer use a model home as a sales office. Any Builder may advertise the sale of a dwelling constructed by Builder or advertise the sale by "will build to suit" by placing a sign on said Lot in accordance with the size requirements in Section 3.16 herein.

Section 3.08 Water Supply. All residential Dwellings in this Subdivision shall be equipped with and served by a water well installed, operated and continuously maintained by the Owner of each Lot in accordance with applicable governmental requirements, and no water wells shall be made, bored or drilled without obtaining the approval of the appropriate governmental authorities. Any well or pump facilities shall be hidden from public view in accordance with the guidelines adopted by the Committee.

Section 3.09 Electric Utility Service. Prior to beginning any construction on a Lot, each Lot owner, at his expense, shall be required to install electric service lines from the transformer or source of feed to the meter location on said Lot.

Further, each Lot owner may expect to pay a charge for connection to such electric utility service, and the owner is obligated to contact the electric utility company providing service to the Subdivision to determine such charge and make arrangements for the installation of said electrical service lines and connection to the electrical distribution system. Owner shall also be responsible for all charges for all utility service furnished to Owner's Lot.

Section 3.10 Sanitary Sewers. No outside, open or pit type toilets will be permitted in this Subdivision. Prior to occupancy, all dwellings constructed in this Subdivision must have a septic or sewage disposal system installed by the Owner to comply with the requirements of the appropriate governing agency. The aerobic type septic systems are preferred.

Section 3.11 Walls, Fences and Hedges. No wall, fence, planter or hedge in excess of six (6') feet in height shall be erected, planted or maintained (i) shall be not closer than the front street property lines and no closer than the property boundary line along any side street or (ii) on corner Lots nearer to the side Lot line. Except as otherwise provided in this Section 3.11, no wall, fence, planter or hedge along side or rear lot lines shall be more than six (6') feet high. The following restrictions shall apply to fences constructed on the Lots described below:

All fences and walls will be constructed of ornamental iron, cedar, redwood, or treated lumber, masonry or synthetic materials in harmony with the guidelines established and adopted by the Committee, provided no electric wire or temporary fences shall be allowed unless the Architectural Control Committee approves a variance to allow such type of fence prior to its construction. Decorative wood frame or split rail type fence shall have a minimum of three rails attached in an aesthetically pleasing design. No barbed wire or chain link fences shall be allowed, provided, however, an Owner may obtain approval from the Committee to construct a cage, kennel or dog run out of chain link fence. Any such outside pen, cage, kennel, shelter, concrete pet pad, run, track or other building, structure or device directly or indirectly related to animals which can be seen, heard or smelled by anyone other than the subject Lot Owner must be approved as to materials, size and location by the Architectural Control Committee in its sole and absolute discretion. Driveway entrances may be constructed of masonry columns, ornamental iron or similar materials in harmony with the Dwelling on said Lot as may be approved by the Architectural Control Committee. The Owner of any Lot upon which the Developer may have constructed a fence shall be responsible for the maintenance and repair of said fence. Further, any fence constructed across any pipeline easement shall include a gate or gates sufficient to allow the pipeline company access along and use of said pipeline right-of-way or easement. No fences shall be constructed on any Lot until the setting of forms for the main Dwelling foundation.

Section 3.12 Prohibition of Offensive Activities. Without expanding the permitted use of the Lots, no activity, whether for profit or not, shall be conducted on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the Subdivision. This restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision and for home offices described in Section 3.01 hereof. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. Without limitation, the discharge or use of firearms is expressly prohibited. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance. Activities expressly prohibited, include, without limitation, (1) the use or discharge of firearms, firecrackers or other fireworks within the Subdivision, (2) the storage of ammonium nitrate, flammable liquids in excess of five gallons, or (3) other activities which may be offensive by reason of odor, fumes, dust, smoke, noise, vibration or pollution, or which are hazardous by reason of excessive danger, fire or explosion.

Section 3.13 Swimming Pools. No swimming pool may be constructed on any Lot without the prior written approval of the Committee. Each application made to the Committee shall be accompanied by two sets of plans and specifications for the proposed swimming pool construction to be done on such Lot, including a plot plan showing the location and dimensions of the swimming pool and all related improvements, together with the plumbing and excavation disposal plan. The Committee's approval or disapproval of such swimming pool shall be made in the same manner as described in Article IV hereof for other building improvements. The Owner shall be responsible for all necessary temporary erosion control measures required during swimming pool construction on said Lot to insure that there is no erosion into Lakes or natural waterways. Swimming pool drains shall be piped into the ditch in the front of the Lot or other approved drainage area. In no event shall swimming pools be drained or discharge water into the Lakes. The swimming pool drain outfall shall be terminated through a concrete pad constructed flush with the slope of the ditch so as not to interfere with the maintenance or mowing of the ditch.

Section 3.14 Excavation. The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as may be necessary in conjunction with the landscaping of or construction on such Lot.

Section 3.15 Removal of Trees, Trash and Care of Lots During Construction of Residence.

(a) All Owners, during their respective construction of a residence, are required to burn or remove and haul from the Lot all tree stumps, trees, limbs, branches, underbrush and all other trash or rubbish cleared from the Lot for construction of the residence, construction of other improvements and landscaping. No materials or trash hauled from the Lot may be placed elsewhere in the Subdivision or on land owned by Developer whether adjoining the Subdivision or not.

(b) All Owners, during their respective construction of a residence, are required to continuously keep the Lot in a reasonably clean and organized condition. Papers, rubbish, trash, scrap, and unusable building materials are to be kept picked up and hauled from the Lot. Other usable building materials are to be kept stacked and organized in a reasonable manner upon the Lot.

(c) No trash, materials, or dirt is allowed in the street or street ditches. All Owners shall keep street and street ditches free from trash, materials, and dirt. Any such trash, materials, or excess dirt or fill inadvertently spilling or getting into the street or street ditch shall be removed by the Owner causing same without delay, not less frequently than daily. Erosion control fences must be used by an Owner to control silt from entering roadside ditches until grass is established.

(d) No Owner or Contractor may enter onto a lot adjacent to the Lot upon which he is building for purposes of ingress and egress to his Lot during or after construction, unless such adjacent Lot is also owned by such Owner, and all such adjacent Lots shall be kept free of any trees, underbrush, trash, rubbish and/or any other building or waste materials during or after construction of building improvements by the Owner of an adjacent Lot.

(e) All Builders, Owners and their Contractors shall be responsible for any damage caused to the roads, roadside ditches and easements during the construction of improvements on a Lot. Further, any Builder or Contractor shall be required to deliver to the Association a minimum damage deposit of \$1,000.00 or such reasonable amount as may be determined by the Architectural Control Committee prior to beginning construction of any Dwelling or other building. This damage deposit shall be returned to the Builder or Contractor upon completion of said Dwelling or other building provided the Association determines that no damage to the roads, ditches or easements was caused by said Builder or Contractor.

Further, any Owner, Builder, Contractor shall supply and maintain a portable toilet and trash bins for construction trash during the construction of a Dwelling in the Subdivision. All Builders, Owners and their Contractors shall be responsible for keeping construction site free of debris and trash and a concrete clean out area must be provided by the builder, concrete clean out in roadside ditches is prohibited.

Section 3.16 Inspections. A minimum Fee of \$225 or a reasonable amount to be determined by the Committee, must be paid to the Committee at such time as application for architectural approval is made to the Committee, which fee shall be used for an independent inspection and to defray the expense for before and after building inspections. In the event construction requirements are incomplete or rejected at the time of inspection and it becomes necessary to have additional building inspections; a fee, in an amount to be determined by the Committee, must be paid to the Committee prior to each building inspection.

Section 3.17 Garbage and Trash Disposal. Garbage and trash or other refuse accumulated in this Subdivision shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence of this Subdivision is or may be created. No Lot shall be used or maintained as a dumping ground for rubbish or landfill. Trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 3.18 Junked Motor Vehicles Prohibited. No Lot shall be used as a depository for abandoned or junked motor vehicles. An abandoned or junked motor vehicle is one without a current, valid state vehicle inspection sticker and license plate. No junk of any kind or character, or dilapidated structure or building of any kind or character, shall be kept on any Lot. No accessories, parts or objects used with cars, boats, buses, trucks, trailers, house trailers or the like, shall be kept on any Lot other than in a garage or other structure approved by the Architectural Control Committee.

Section 3.19 Signs. Except as authorized herein and in Section 3.06, no signs, advertisement, billboard or advertising structure of any kind may be erected or maintained on any Lot without the consent in writing of the Architectural Control Committee, except (i) one (1) professionally made sign not more than twenty-four inches by twenty-four inches (24" x 24"), advertising an Owner's Dwelling for sale or rent, may be placed on such improved Lot and (ii) one (1) sign not more than twenty-four inches by twenty-four inches (24" x 24") square advertising the builders of the Owner's dwelling may be placed on such Lot during the construction period of such residence from the forming of the foundation until completion not to exceed a twelve (12) month period. Other than as permitted in Section 3.06 hereof no signs shall be permitted on unimproved Lots. Developer or any member of such Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Lot in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from, any liability for trespass or other tort in connection therewith, or arising from such removal.

Section 3.20 Livestock and Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats, other common household pets or One (1) horse per acre may be kept on said Lots provided that they are not kept, bred or maintained for commercial purposes and do not become a nuisance or threat to other Owners. Provided, however, animals being raised for 4-H, or FFA school sponsored programs will be permitted on Lots in the Subdivision. No pigs, hogs, emus, peacocks, ostriches or reptiles will be permitted under any circumstances or other programs. No animal shall be allowed or permitted on any portion of the Subdivision except the property of the owner unless the same shall be under control of the Owner or another person by leash, rope, chain, or other restraining device, provided however that no animal shall be allowed on any property without permission of the Owner. No animals shall be kept on any Lot until the setting of forms of the main Dwelling foundation.

No animals shall be allowed to run loose in the Subdivision.

Section 3.21 Logging & Mineral Development. Except within the areas designated as Drill Site locations on the Plat, and easements related thereto, no commercial logging, oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot, and, no derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. Provided, however, that this provision shall not prevent the leasing of the Subdivision or any portion thereof, for oil, gas and mineral purposes and the development of same, it being contemplated that the portion or portions of the Subdivision may be developed from adjacent lands by directional drilling operations or from the Drill Sites designated on the Plat of various Sections of the Subdivision.

Section 3.22 Drainage.

(a) Each Owner of a Lot agrees for himself, his heirs, legal representatives, assigns or successors-in-interest that he will not in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots in the Subdivision, and he will make adequate provisions for the drainage of his Lot in the event it becomes necessary to change the established drainage over his Lot (which provisions for drainage shall be included in the Owner's plans and specifications submitted to the Committee and shall be subject to the Committee's approval). For the purposes hereof, "established drainage" is defined as the drainage which existed at the time that the overall grading of the Subdivision, including landscaping of any Lot in the subdivision, was completed by Developer.

(b) Each Owner (including Builders), unless otherwise approved by the Committee, must finish the grade of the Lot so as to establish good drainage from the rear of the Lot to the front street or from the building site to the front and rear of the Lot as dictated by existing drainage ditches, swales and Lakes constructed by Developer or Utility Districts for drainage purposes. No pockets or low areas may be left on the Lot (whether dirt or concrete) where water will stand following a rain or during watering. With the approval of the Committee, an Owner may establish an alternate drainage plan for low areas by installing underground pipe and area inlets or by installing an open concrete trough with area inlets, however, the drainage plan for such alternate drainage must be submitted to and approved by the Committee prior to the construction thereof.

(c) The Subdivision has been designed and constructed utilizing surface drainage in the form of ditches and swales and, to the extent these drainage ditches and swales are located in front, side or rear Lot easements, the Owners shall not regrade or construct any improvements or other obstruction on the Lot which adversely affects the designed drainage flow. The Owner shall be responsible for returning any drainage swale disturbed during construction or thereafter to its original line and grade, and the Owner shall be responsible for maintaining the drainage ditches or swales appurtenant to said Owner's Lot in their original condition during the term of his ownership.

(d) The Property Owners Association or its assigns may enter onto property owners drainage swales or easements on side or rear property lines from time to time to maintain such drainage swales or easements as far removing silt and/or re-grading to improve roadside drainage or to prevent damage to road system at The Property Owners Association's expense.

Section 3.23 Lot Maintenance. All Lots, at Owner's sole cost and expense, shall be kept at all times in a neat, attractive, healthful and sanitary condition, and the Owner or occupant of all Lots shall keep all weeds and grass thereon (outside of natural vegetation areas) cut and shall in no event use any Lot for storage of

materials or equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon, and shall not burn any garbage, trash or rubbish. Provided, however, the burning of underbrush and trees solely during Lot clearing shall be permitted and the burning of leaves or other natural debris shall be permitted on Lots containing at least two (2) acres, provided such burning shall not exceed twice a year on an such Lot. All yard equipment or storage piles shall be kept screened by a service yard or other similar facility as herein otherwise provided, so as to conceal them from view of neighboring Lots, streets or other property. Such maintenance includes, but is not limited to the following:

- a. Prompt removal of all litter, trash, refuse, and wastes.
- b. Lawn mowing (outside of the natural vegetation areas).
- c. Tree and shrub pruning (outside of the natural vegetation areas).
- d. Keeping exterior lighting and mechanical facilities in working order.
- e. Keeping lawn and garden areas alive, free of weeds, and attractive.
- f. Keeping parking areas, walkways and driveways in good repair.
- g. Complying with all government health and policy requirements.
- h. Repainting of improvements.
- i. Repair of exterior damage to improvements.

In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, in addition to any and all remedies, either at law or in equity, available for the enforcement of these restrictions, without liability to the Owner, Builder or any occupants of the Lot in trespass or otherwise, enter upon (and/or authorize one or more others to enter upon) said Lot, to cut, or cause to be cut, such weeds and grass and remove, or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with this Declaration, so as to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner, Builder or occupant of such Lot for the cost of such work and associated materials, plus a fee of \$25.00 for each instance. Payment thereof shall be collected as an additional Maintenance Charge and shall be payable on the first day of the next calendar month.

Section 3.24 Exterior Maintenance of Building. In the event the owner of any building in the Subdivision should allow such building to fall into disrepair and become in need of paint, repair or restoration of any nature and become unattractive and not in keeping with the neighborhood, the Association and/or the Developer will give such owner written notice of such conditions. Fifteen (15) days after notice of such condition to owner, and failure of owner to begin and continue at a diligent, reasonable rate of progress to correct such condition, the Association and/or the Developer in addition to any and all remedies, either at law or in equity, available for the enforcement of these Restrictions, may at its sole discretion enter upon said premises, without liability to Owner, to do or cause to be done any work necessary to correct said situation. The owner thereof shall be billed for cost of necessary repairs, plus ten (10%) percent.

All monies so owed the Association will be an additional Maintenance Charge and shall be payable on the first day of the next calendar month.

Section 3.25 Miscellaneous Use Restrictions. Without limiting the foregoing, the following restrictions shall apply to all Lots:

i) No boat, jet-ski, aircraft, travel trailer, motor home, camper body, tractor, lawn equipment or similar vehicle or equipment may be parked for storage in the front of any Dwelling or parked on any street in the Subdivision, nor shall any such vehicle or equipment be parked for storage to the side or rear of any Dwelling unless completely concealed from public view. All boats so parked or stored on any Lot must at all times also be stored on a trailer, provided any boat shall be stored in a garage. No such vehicle or equipment shall be used as a residence either temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a Dwelling in the Subdivision.

ii) Trucks with tonnage in excess of one and one-half tons shall not be permitted to park overnight within the Subdivision except those used by a builder during the construction of improvements in the Subdivision. No vehicle shall be permitted to park overnight on any street within the Subdivision except for those vehicles used by a builder during the construction of improvements on Lots or Common Areas in the Subdivision.

iii) No vehicle of any size which transports inflammatory or explosive cargo may be kept in the Subdivision at any time.

iv) No vehicles or similar equipment shall be parked or stored in an area visible from any Street except passenger automobiles, passenger vans, motorcycles and pick-up trucks that are in operating condition and have current license plates and inspection stickers and are in daily use as motor vehicles on the streets and highways of the State of Texas, and all such vehicles shall be parked in a driveway or garage and may not be parked in a yard.

Section 3.26 Views, Obstructions and Privacy. In order to promote the aesthetic quality of "view" within the Subdivision, the Committee shall have the right to review and approve any item placed on a Lot including, but not limited to the following:

- a. The probable view from second story windows and balconies and decks (particularly where there is potential invasion of privacy to an adjoining neighbor);
- b. Sunlight obstructions;
- c. Roof top solar collectors;
- d. Flagpoles, flags, pennants, ribbons, streamers, wind sock and weather vanes;
- e. Exterior storage sheds;
- f. Fire and burglar alarms which emit lights and sounds;
- g. Children playground or recreational equipment;
- h. Exterior lights;
- i. Ornamental statuary, sculpture and/or yard art visible from a street or common area excluding those which may be a part of an otherwise approved landscape plan;
- j. The location of the Residential Dwelling on the Lot; and
- k. The location of satellite dishes and antennas.

Prohibited Items. The following items are prohibited on any Lot:

- a. Clotheslines, reels, hanging circles and other exterior clothes drying devices;
- b. Above ground swimming pools;
- c. Window unit air conditioners;
- d. Signs (except for signs permitted in Section 3.18 hereof); and
- e. Unregistered, unlicensed or inoperable motor vehicles.

Section 3.27 Antennas and Satellite Dishes. No electronic antenna or device for receiving or transmitting any signal other than an antenna for receiving normal television, marine signals, citizens band signals or cellular telephone signals shall be erected, constructed, placed or permitted to remain on any Lot, house, garage or other buildings unless otherwise approved by the Committee. The Committee's decision shall be final.

No satellite dish may be maintained on any portion of any Lot outside the building lines of said Lot or forward of the front of the improvements thereon. A satellite dish may not exceed thirty inches in diameter and must be mounted as inconspicuously as possible to the rear of the home. However, in no event may the top of the satellite dish be more than two (2') feet above the roofline for roof mounted antennas or receivers. All dishes shall be of one solid color of black or earth tones of brown, grey, or tan. No multicolored dishes shall be permitted. Not more than two satellite dishes will be permitted on each Lot. No transmitting device of any type which would cause electrical or electronic interference in the neighborhood shall be permitted. Architectural approval is required prior to the installation of any satellite dish. The Association reserves the right to seek the removal of any device that was installed without first obtaining approval or any dish that violates these restrictions. The Committee may vary these restrictions only as is necessary to comply with the Federal Communications Act (the "Act") and the Committee may promulgate rules and regulations in accordance with the Act.

Section 3.28 Solar Panels. All Solar Panels installed shall be framed in such a manner so the structure members are not visible. The framing material shall be one that is in harmony with the rest of the structure. Architectural approval from the Committee is required prior to the installation of any solar panels. The Association reserves the right to seek the removal of any solar panel that was installed without first obtaining approval or for any solar panel that violates these restrictions. Solar panels shall be installed in a location not visible from the public street in front of the residence.

Section 3.29 Wind Generators. No wind generators shall be erected or maintained on any Lot if said wind generator is visible from any other Lot or public street.

Section 3.30 Drying of Clothes in Public View. The drying of clothes in public view is prohibited, and the Owners or occupants of any Lots at the intersection of streets or adjacent to parks, playgrounds, Lakes or other facilities where the rear yard or portion of the Lot is visible to the public, shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view.

Section 3.31 Hazardous Substances. No Lot shall be used or maintained as a dumping ground for rubbish or trash and no garbage or other waste shall be kept except in sanitary containers. All incinerators or other equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition. Notwithstanding the foregoing, no Hazardous Substance shall be brought onto, installed, used, stored, treated, buried, disposed of or transported over the

Lots or the Subdivision, and all activities on the Lots shall, at all times, comply with Applicable Law. The term "Hazardous Substance" shall mean any substance which, as of the date hereof, or from time to time hereafter, shall be listed as "hazardous" or "toxic" under the regulations implementing The Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§9601 et seq., The Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§6901 et seq., or listed as such in any applicable state or local law or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under applicable law. The term "Applicable Law" shall include, but shall not be limited to, CERCLA, RCRA, The Federal Water Pollution Control Act, 33 U.S.C. §§1251 et seq. and any other local, state and/or federal laws or regulations that govern the existence, cleanup and/or remedy of contamination on property, the protection of the environment from spill deposited or otherwise in place contamination, the control of hazardous waste or the use, generation, transport, treatment, removal or recovery of hazardous substances, including building materials.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

Section 4.01 Basic Control

(a) No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made in the design or exterior appearance thereof, or any addition or exterior alteration made thereto after original construction, or demolition or destruction by voluntary action made thereto after original construction, on any Lot in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Committee of the construction plans and specifications for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument, quality of materials, drainage, harmony of external design and color with existing and proposed structures in the Subdivision and location with respect to topography and finished grade elevation.

(b) Each application made to the Committee shall be accompanied by two sets of professionally drawn plans and specifications for all proposed construction (initial or alterations) to be done on such Lot, including the drainage plan for the Lot, plot plans showing the location and elevation of the improvements on the Lot and dimensions of all proposed walkways, driveways, and all other matters relevant to architectural approval. The address of the Committee shall be the address of the principal office of the Developer or the Association. If approved, one of the two sets of plans submitted shall be returned to the Owner with said approval noted thereon. The Committee may set reasonable application and inspection fees, as well as, the damage deposit set forth in Section 3.13 hereof. The Owner must obtain from the Committee a receipt for said plans indicating the date said plans are received by the Committee.

Section 4.02 Architectural Control Committee.

(a) The authority to grant or withhold architectural control approval as referred to above is initially vested in the Developer; provided, however, the authority of the Developer shall cease and terminate upon the election of the Architectural Control Committee of the Association (sometimes herein referred to as the "Committee"), in which event such authority shall be vested in and exercised by the Committee (as provided in (b) below), hereinafter referred to, except as to plans and specifications and plot plans theretofore submitted to the Developer which shall continue to exercise such authority over all such plans, specifications and plot plans. The term "Committee," as used in this Declaration, shall mean or refer to the Developer or to the Architectural Control Committee composed of members of the Association appointed by the Board of Directors, as applicable.

(b) At the discretion of the Developer or at such time as all of the Lots in all sections of the Subdivision are conveyed by Developer (from time to time hereafter referred to as the "Control Transfer Date"), the Developer shall cause an instrument transferring control to the Association to be placed of record in the Real Property Records of Waller County, Texas (which instrument shall include the Control Transfer Date). Thereupon, the Board of Directors of the Association shall elect a committee of three (3) members to be known as The Architectural Control Committee. From and after the Control Transfer Date, each member of the Committee must be an Owner of property in some Section of the subdivision. Additionally, the Developer shall have the right to discontinue the exercise of architectural control privileges and arrange for the transfer to the Association at any time prior to the Control Transfer Date by filing a statement and instrument to such effect in the Real Property Records of Waller County, Texas.

Section 4.03 Effect of Inaction. Approval or disapproval as to architectural control matters as set forth in the preceding provisions of this Declaration shall be in writing. In the event that the authority exercising the prerogative of approval or disapproval (whether the Developer or the Committee) fails to approve or disapprove in writing any plans and specifications and plot plans received by it in compliance with the preceding provisions within forty-five (45) days following such submission, such plans and specifications and plot plan shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plot plan and all of the other terms and provisions hereof. The time to approve or disapprove shall not commence until professionally drawn plans are submitted to the Committee. Professionally drawn plans shall mean those plans prepared by an architect, engineer or certified house planner in sufficient detail to allow the Committee to review in accordance with the criteria set forth herein.

Section 4.04 Effect of Approval. The granting of the aforesaid approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the Committee that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plot plan; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and plot plan, but, nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reason of the good faith exercise thereof.

Section 4.05 Minimum Construction Standards. The Developer or the 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 only and the Developer or Committee shall not be bound thereby.

Section 4.06 Variance. The Developer upon Transfer Control Date, the Committee, as the case may be, may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Developer or the Committee, when circumstances such as topography, natural obstructions, Lot configuration, Lot size, hardship, aesthetic or environmental considerations may require a variance. The Developer and the Committee reserve the right to grant variances as to building set-back lines, minimum square footage of the residence, fences, and other items. Such variances must be evidenced in writing and shall become effective when signed by the Developer or by at least a majority of the members of the Committee. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance affect in any way the

Owner's obligation to comply with all governmental laws and regulations affecting the property concerned and the Plat.

Section 4.07 No Implied Waiver or Estoppel. No action or failure to act by the Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Committee or Board of Directors with respect to the construction of any improvements within the Subdivision. Specifically, the approval by the Committee or Board of Directors of any such residential construction shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar residential construction or any similar proposals, plans, specifications or other materials submitted with respect to any other residential construction by such person or other Owners.

Section 4.08 Disclaimer. No approval of plans and specifications and no publication or designation of architectural standards shall ever be construed as representing or implying that such plans, specifications or standards will result in a properly designed structure or satisfy any legal requirements.

ARTICLE V

CENTURY OAKS ESTATES PROPERTY OWNERS ASSOCIATION

Section 5.01 Membership. Every person or entity who is a record owner of any Lot which is subject to the Maintenance Charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, including contract sellers, shall be a "Member" of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership for each Lot owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Lots. Regardless of the number of persons who may own a Lot (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Lot. Additionally, upon the Transfer Control Date, the Directors of the Association must be Members of the Association (as more particularly described in the By-laws). Ownership of the Lots shall be the sole qualification for membership. The voting rights of the Members are set forth in the Bylaws of the Association.

Section 5.02 Non-Profit Corporation. The Property Owners Association, Inc., a non-profit corporation, has been (or will be) organized and it shall be governed by the Articles of Incorporation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

Section 5.03 Bylaws. The Association has adopted or may adopt whatever Bylaws it may choose to govern the organization or operation of the Subdivision and the use and enjoyment of the Lots and Common Areas, provided that the same are not in conflict with the terms and provisions hereof.

Section 5.04 Owner's Right of Enjoyment. Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- (a) the right of the Association, with respect to the Common Areas, to limit the number of guests of Owners;
- (b) the right of the Association to make rules and regulations regarding use of any Common Area and to charge reasonable admission and other fees for the use of any facility situated upon the Common Areas;
- (c) the right of the Association, in accordance with its Articles and Bylaws (and until the Transfer Control Date, subject to the prior written approval of the

Developer), to (i) borrow money for the purpose of improving and maintaining the Common Areas and facilities (including borrowing from the Developer or any entity affiliated with the Developer) and (ii) mortgage said property, however, the rights of such mortgagee of said property shall be subordinate to the rights of the Owners hereunder;

(d) the right of the Association to suspend the Member's voting rights and the Member's and "Related Users" (as hereinafter defined) right to use any recreational facilities within the Common Areas during any period in which the Maintenance Charge or any assessment against his Lot remains unpaid;

(e) the right of the Association to suspend the Member's voting rights and the Member's and Related Users' right to use any recreational facilities within the Common Area, after notice and hearing by the Board of Directors, for the infraction or violation by such Member or Related Users of this Declaration or the "Rules and Regulations," defined in Article VIII hereof, which suspension shall continue for the duration of such infraction or violation, plus a period not to exceed sixty (60) days following the cessation or curing of such infraction or violation; and,

(f) the right of the Association, subject, until the Transfer Control Date, to the prior written approval of the Developer, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility, for such purposes and subject to the provisions of this Declaration.

Section 5.05 Delegation of Use. Any member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the Member's immediate family living in the Member's residence, and his contract purchasers who reside on the Lot (collectively, the "Related Users").

ARTICLE VI

MAINTENANCE FUND

Section 6.01 Maintenance Fund Obligation. Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association, in advance, an annual maintenance charge on January 10th of each year, (the "Maintenance Charge"), and any other assessments or charges hereby levied. The Maintenance Charge and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, including reasonable attorneys' fees, shall be a charge on the Lots and shall be a continuing lien upon the property against which each such Maintenance Charge and other charges and assessments are made.

Section 6.02 Basis of the Maintenance Charge

(a) The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund," which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Lot (or residential building site) to the Association annually, in advance, on or before the tenth day of January of each calendar year, or on such other basis (monthly, quarterly or semi-annually) as the Developer or the Board of Directors of the Association may designate in its sole discretion.

(b) Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the hereinafter described lien against the Owner's Lot. No Owner may waive or otherwise escape liability for the Maintenance Charge by non-use of any Common Areas or recreational facilities available for use by Owners

of the Subdivision or by the abandonment of his Lot.

(c) The exact amount of the Maintenance Charge applicable to each Lot will be determined by the Developer until the Transfer Control Date, and thereafter by the Board of Directors of the Association during the month preceding the due date of the Maintenance Charge. The initial annual Maintenance Charge shall be a minimum of \$500.00 per Lot. All other matters relating to the Maintenance Charge and the collection, expenditures and administration of the Maintenance Fund shall be determined by the Developer or the Board of Directors of the Association, subject to the provision hereof. A minimum of forty (40%) percent of all annual assessments (or such higher percentage as may be adopted by the Board of Directors of the Association) collected shall be held in a capital reserve fund and used solely for the maintenance of the roads and any security gate system within the Subdivision.

(d) The Maintenance Charge described in this Article VI and other charges or assessments described in this Declaration shall not apply to the Lots owned by the Developer. The Developer, prior to the Control Transfer Date, and the Association, from and after the Control Transfer Date, reserve the right at all times in their own judgement and discretion, to exempt any Lot ("Exempt Lot"), in the Subdivision from the Maintenance Charge, in accordance with Section 6.07 hereof. If an Exempt Lot is sold to any party, the Maintenance Charge shall be automatically reinstated as to the Exempt Lot and can only be waived at a later date pursuant to the provisions of the preceding sentence. The Developer, prior to the Control Transfer Date, and the Association, from and after the Control Transfer Date, shall have the further right at any time, and from time to time, to adjust or alter said Maintenance Charge from month to month as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association in order for the Association to carry out its duties hereunder.

(e) The Board of directors of the Association, from time to time by the adoption of a resolution for such purpose may levy and impose, against each Lot in the Subdivision, a special assessment for a specific amount, which shall be equal for each such Lot, for the purpose of purchasing equipment or facilities for Roadways, Common Areas or Common Facilities in the Subdivision and/or for defraying in whole or in part the cost of constructing new capital improvements or altering, remodeling, restoring or reconstructing previously existing capital improvements upon such Roadways, Common Area or Common Facilities, including fixtures and personal property related thereto. The Owner of each Lot subject to such assessment shall pay his special assessment to the Association at such time or times and in such manner as provided in such resolution.

Section 6.03 Creation of Lien and Personal Obligation. In order to secure the payment of the Maintenance Charge, and other charges and assessments (including, but not limited to, attorney's fees incurred in the enforcement of these Restrictions) hereby levied, a vendor's (purchase money) lien for the benefit of the Association, shall be and is hereby reserved in the deed from the Developer to the purchaser of each Lot or portion thereof, which lien shall be enforceable through appropriate judicial and non-judicial proceedings by the Association. As additional security for the payment of the Maintenance Charge and other charges and assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Lot which may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of a written instrument executed by the President or any Vice-President of the Association and filed for record in the Real Property Records of Waller County, Texas. In the event that the Association has determined

to nonjudicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale not less than twenty-one (21) days prior to the date on which said sale is scheduled by posting such notice through the U.S. Postal Service, postage prepaid, certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Real Property Records of Waller County, Texas. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorneys' fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and third, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgement for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In the event of nonpayment by any Owner of any Maintenance Charge or other charge or assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, upon ten (10) days prior written notice thereof to such nonpaying Owner, exercise all other rights and remedies available at law or in equity.

It is the intent of the provisions of this Section 6.03 to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale and, in the event of the amendment of said Section 51.002 of the Texas Property Code hereafter, the President or any Vice-President of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property Records of Waller County, Texas, amend the provisions hereof so as to comply with said amendments to Section 51.002 of the Texas Property Code.

Section 6.04 Notice of Lien. In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim or lien against the Lot of the delinquent Owner by recording a notice ("Notice of Lien") setting forth (a) the amount of the claim of delinquency, (b) the interest and costs of collection, including reasonable attorneys' fees, which have accrued thereon, (c) the legal description and street address of the Lot against which the lien is claimed and (d) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Trustees to cover the preparation and recordation of such release of lien instrument.

Section 6.05 Liens Subordinate to Mortgages. The liens described in this Article VI and the superior title herein reserved shall be deemed subordinate to a first lien or other liens of any bank, insurance company, savings and loan association, university, pension and profit sharing trusts or plans, or other bona fide, third party lender, including Developer, which may have heretofore or may hereafter lend money in good faith for the purchase or improvement of any Lot and any renewal, extension, rearrangement or refinancing thereof. Each such mortgagee

of a mortgage encumbering a Lot who obtains title to such Lot pursuant to the remedies provided in the deed of trust or mortgage or by judicial foreclosure shall take title to the Lot free and clear of any claims for unpaid Maintenance Charges or other charges or assessments against such Lot which accrued prior to the time such holder acquires title to such Lot. No such sale or transfer shall relieve such transferee of title to a Lot from liability for any Maintenance Charge or other charges or assessments thereafter becoming due or from the lien thereof. Any other sale or transfer of a Lot shall not affect the Association's lien for Maintenance Charges or other charges or assessments. The Association shall make a good faith effort to give each such mortgagee sixty (60) days advance written notice of the Association's proposed foreclosure of the lien described in Section 6.01 hereof, which notice shall be sent to the nearest office of such mortgagee by prepaid United States registered or Certified mail, return receipt requested, and shall contain a statement of delinquent Maintenance Charges or other charges or assessments upon which the proposed action is based provided, however, the Association's failure to give such notice shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article VI.

Section 6.06 Purpose of the Maintenance Charge. The Maintenance Charge levied by the Developer or the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners of the Subdivision and other portions of the Annexable Area which hereafter may become subject to the jurisdiction of the Association. In particular, the Maintenance Charge shall be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described in Article VIII, including the maintenance of the Common Areas, the Greenbelt or Drainage Easements, Roads, security devices, entry gate or rights-of-way, and the establishment and maintenance of a reserve fund for maintenance of the Common Areas, the Roads and entry gate. The Maintenance Fund may be expended by the Developer or the Association for any purposes which, in the judgement of the Developer or Association, will tend to maintain the property values in the Subdivision, including, but not limited to, providing funds for the actual cost to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Area, etc. as may from time to time be authorized by the Association. Payment of all legal and other expenses incurred in connection with the enforcement of all charges and assessments, conveyances, 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 charges and assessments, landscaping in common areas, utilities, insurance, taxes, employing policemen and a security force and doing any other things or things necessary or desirable in the opinion of the Association to keep the Properties neat and in good order, or which is considered a general benefit of the Owners or occupants of the properties, it being understood that the judgment of the Association in the expenditure of said fund shall be final and conclusive so long as such judgment is exercised in good faith. The Maintenance Charge is for the purpose of promoting the recreation, health, safety and welfare of the Owners of the Subdivision and other portions of the Annexable Area which may hereafter become subject to the jurisdiction of the Association.

Section 6.07 Exempt Property. The following property subject to this Declaration shall be exempt from the Maintenance Charge and all other charges and assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; and (c) all properties owned by the Developer or the Association or a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas; however, no land or improvements devoted to dwelling use shall be exempt from said Maintenance Charge.

Section 6.08 Handling of Maintenance Charges. The collection and management of the Maintenance Charge or other charge or assessment levied hereunder, shall be performed by the Developer until the Control Transfer Date, at which time the Developer shall deliver to the Association all funds on hand together with all books and records of receipt and disbursements. The Developer and, upon transfer, the Association, shall maintain separate special accounts for these funds,

and Owners shall be provided at least annually, information on the Maintenance Fund as provided in Section 8.07 hereof.

ARTICLE VII

DEVELOPER'S RIGHTS AND RESERVATIONS

Section 7.01 Period of Developer's Rights and Reservations. Developer shall have, retain and reserve certain rights as hereinafter set forth with respect to the Association from the date hereof, until the earlier to occur of (i) the Control Transfer date or (ii) Developer's written notice to the Association of Developer's termination of the rights described in Article VI hereof. The "Transfer Control Date" shall be at such time as the Developer conveys all of the Lots in the Subdivision, at which time the Developer shall cause an instrument transferring control under these Restrictions to the Association (the date of said instrument shall be the Transfer Control Date). The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of a Lot by Developer to an Owner whether or not specifically stated therein and in each deed or other instrument by which any property within the Common Area is conveyed by Developer. The rights, reservations and easements hereafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Developer's consent to any one such amendment shall not be construed as a consent to any other or subsequent amendment.

Section 7.02 Developer's Rights to Use Property in Promotion and Marketing of the Property and Annexable Area. Developer shall have and hereby reserves the right to reasonable use of the Property and of services offered by the Association in connection with the promotion and marketing of land within the boundaries of the Property and Annexable Area. Without limiting the generality of the foregoing, Developer may erect and maintain on any part of the Property such signs, temporary buildings and other structures as Developer may reasonably deem necessary or proper in connection with the promotion, development and marketing of land within the Property and Annexable Area; may use vehicles and equipment within the Property for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Property and Annexable Area, who are not Owners or Members of the Association.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01 Term. The provisions hereof shall run with all property in the Subdivision and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by not less than two-thirds (2/3rds) of the then Owners (including the Developer) of the Lots has been recorded agreeing to cancel, amend or change, in whole or in part, this Declaration.

Section 8.02 Amendments. This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or signed ballot of Owners (including the Developer) entitled to cast not less than two-thirds (2/3rds) of the votes of all of the Owners. If the Declaration is amended by a written instrument signed by those Owners entitled to cast not less than two-thirds (2/3rds) of all of the votes of the Owners of the Association, such amendment must be approved by said Owners within three hundred sixty-five (365) days of the date the first Owner executes such amendment. The date an Owner's signature is acknowledged shall constitute prima facia evidence of the date of execution of said amendment by such Owner. Those Members (Owners, including the Developer) entitled to cast not less than two-thirds (2/3rds) of all of the votes of the Members of the Association may also vote to amend this Declaration, in person, or by proxy, at a meeting of the Members (Owners, including the Developer) duly called for such purpose, written

notice of which shall be given to all Owners at least ten (10) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. Notwithstanding any provision contained in the Bylaws to the contrary, a quorum, for purposes of such meeting, shall consist of not less than seventy percent (70%) of all of the Members (in person or by proxy) entitled to vote. Any such amendment shall become effective when an instrument is filed for record in the Real Property Records of Waller County, Texas, accompanied by a certificate, signed by a majority of the Board of Trustees, stating that the required number of Members (Owners, including the Developer) executed the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination.

Section 8.03 Amendments by the Developer. The Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, oversight, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or his mortgagee. Additionally, Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of permitting the Owners to enjoy the benefits from technological advances, such as security, communications or energy-related devices or equipment which did not exist or were not in common use in residential Subdivisions at the time this Declaration was adopted. Likewise, the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of prohibiting the use of any device or apparatus developed and/or available for residential use following the date of this Declaration if the use of such device or apparatus will adversely affect the Association or will adversely affect the property values within the Subdivision.

Section 8.04 Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

Section 8.05 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

Section 8.06 Successors and Assigns. The provisions hereof shall be binding upon and inure to the benefit of the Owners, the Developer and the Association, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

Section 8.07 Effect of Violations on Mortgages. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien, or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

Section 8.08 Terminology. All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice

versa. Title of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein," "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear. All references in this Declaration to Exhibits shall refer to the Exhibits attached hereto.

Section 8.09 Developer's Rights and Prerogatives. Prior to the Control Transfer Date, the Developer may file a statement in the Real Property Records of Waller County, Texas, which expressly provides for the Developer's (ii) discontinuance of the exercise of any right or prerogative provided for in this Declaration to be exercised by the Developer or (i) assignment to any third party owning property in the Subdivision or Annexable Area, of one or more of Developer's specific rights and prerogatives provided in this Declaration to be exercised by Developer. The assignee designated by Developer to exercise one or more of Developer's rights or prerogatives hereunder shall be entitled to exercise such right or prerogative until the earlier to occur of the (i) Control Transfer Date or (ii) date that said assignee files a statement in the Real Property Records of Waller County, Texas, which expressly provides for said assignee's discontinuance of the exercise of said right or prerogative. From and after the date that the Developer discontinues its exercise of any right or prerogative hereunder and/or assigns its right to exercise one or more of its rights or prerogatives to an assignee, the Developer shall not incur any liability to any Owner, the Association or any other party by reason of the Developer's discontinuance or assignment of the exercise of said right(s) or prerogative(s). Upon the Developer's Assignment of its rights as of the Transfer Control Date to the Association, the Association shall be entitled to exercise all the rights and prerogatives of the Developer.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand as of this 24 day of December, 2000.

Limited HOUSTON LIPAR, LTD., a Texas Partnership

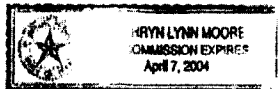
BY: LGI DEVELOPMENT CORP.
General Partner
By: Thomas E. Lipar
THOMAS E. LIPAR, President

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 27th day of December, 2000, by THOMAS E. LIPAR, President of LGI DEVELOPMENT CORP., General Partner of HOUSTON LIPAR, LTD., a Texas Limited Partnership, in the capacity therein stated on behalf of said Partnership.

Cathryn Lynn Moore
Notary Public, State of Texas



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FILED FOR RECORD

00 DEC 28 AM 8:27

Stephanie...

THE STATE OF TEXAS
COUNTY OF WALLER

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Official Public Records of Waller County, Texas, in the Volume and Page as noted hereon by me.



Cheryl Peters
County Clerk, Waller County, Texas

② 49.00
5.00
1.00
55.00 pd

Randy Druil
26115 J-45 N
The Woodlands TX 77380

114-391 - 28 - 310

**FIRST AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR CENTURY OAKS ESTATES**

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WALLER

§

WHEREAS, HOUSTON LIPAR, LTD., (herein and therein referred to as "Developer"), executed that certain Declaration of Covenants, Conditions and Restrictions, for Century Oaks Estates, (hereinafter referred to as the "Original Restrictions"), filed for record under County Clerk's File No. 008225, in the Real Property Records of Waller County, Texas; and,

WHEREAS, Section 8.02 of the Original Restrictions provides that the Original Restrictions may be amended by the written agreement of at least two-thirds (2/3) of the owners of lots in Century Oaks Estates Subdivision; and

WHEREAS, the Original Restrictions state that the name of the non-profit corporation Property Owners Association ("Association") is Century Oaks Estates Property Owners Association; and

WHEREAS, because there is a previously filed non-profit corporation with a name similar to Century Oaks Estates Property Owners Association, the Secretary of State of Texas would not permit the Association to be organized under the name Century Oaks Estates Property Owners Association; and

WHEREAS, the Association has been organization under the name of Property Owners Association of Century Oaks Estates; and

WHEREAS, the undersigned, being at least two-thirds of the owner of lots in Century Oaks Estates Subdivision, desire to amend the Original Restrictions to reflect the corret name of the Association;

WHEREAS, the Property Owners Association of Century Oaks Estates and Houston Lipar, Ltd., the Developer, desire to join in and consent to this First Amendment; and

NOW, THEREFORE, in consideration of the Premises, the Original Restrictions are hereby modified and amended as follows:

I.

Section 1.02 in Article I of the Original Restrictions is hereby modified and amended to read as follows:

Section 1.02 "Association" shall mean and refer to Property Owners Association of Century Oaks Estates, and its successors and assigns.

II.

The first paragraph of Section 2.06 in Article II of the Original Restrictions is modified and amended to read as follows:

Section 2.06 Private Streets. The entry gate or other entry security device, streets, and roads with the Subdivision shall be and are "private" and constitute a portion of the Common Area which are subject to the jurisdiction and administration by the Property Owners Association of Century Oaks Estates. The roads and streets in this Subdivision are not dedicated to the public, but shall be conveyed to the Property Owners Association of Century Oaks Estates ("Association") and operated as private streets by the Association, with each Owner having an easement for the use and benefit of such Owner of a Lot fronting thereon or adjacent thereto, which easements shall include rights of ingress, egress, and passage over and along said streets in favor of the Developer, the Association, the Owners and their respective legal representatives, successors and assigns, guests, invitees, licensees, designees, and the successors-in-title to each Lot Owner and in favor of the invitees and designees of each successor-in-title to each Lot Owner, but not in favor of the public.

III.

Article V heading is modified and amended to read as follows:

**ARTICLE V
PROPERTY OWNERS ASSOCIATION OF CENTURY OAKS ESTATES**

IV.

Section 5.02 in Article V of the Original Restrictions is hereby modified and amended to read as follows:

Section 5.02 Non-Profit Corporation. The Property Owners Association of Century Oaks Estates, a non-profit corporation, has been (or will be) organized and it shall be governed by the Articles of Incorporation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

Except as hereinabove modified, the Original Restrictions, as amended, remain unchanged and continue in full force and effect, binding within the Subdivision in accordance with their terms and provisions.

HOUSTON LIPAR, LTD., a Texas Limited Partnership

BY: LGI DEVELOPMENT CORP.
General Partner

By: *Thomas E. Lipar*
THOMAS E. LIPAR, President

PROPERTY OWNERS ASSOCIATION OF CENTURY OAKS ESTATES

By: *D. Ray Young*
Name: D. RAY YOUNG
Title: PRESIDENT

STATE OF TEXAS §
COUNTY OF MONTGOMERY §



This instrument was acknowledged before me on the 15th day of July, 2002, by THOMAS E. LIPAR, President of LGI DEVELOPMENT CORP., General Partner of HOUSTON LIPAR, LTD., a Texas Limited Partnership, in the capacity therein stated on behalf of said Partnership.

Cathryn Lynn Moore
Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 15th day of July, 2002, by *D. Ray Young*, PROPERTY OWNERS ASSOCIATION OF CENTURY OAKS ESTATES, in the capacity therein stated.

Shawn C. Lazenby
Notary Public, State of Texas



After Recording
Please return to:

LGI Development Corp.
19221 I 45 South, Ste 320
Conroe, TX 77385