

DEEDS

765331

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

PERMANENT HOME SECTION  
OF ROYAL FOREST

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

THAT this Declaration is made on the date hereinafter set forth by ROYAL FOREST CORPORATION, a Texas corporation (hereinafter referred to as "Declarant") and FBS FINANCIAL, INC., a Delaware corporation, RIVER OAKS BANK & TRUST COMPANY, a Texas banking corporation, FIDELITY BANK & TRUST COMPANY, a Texas banking corporation, and WESTERN NATIONAL BANK OF HOUSTON, a national banking association (hereinafter collectively referred to as "Lenders").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain Lots and Recreation and Common Areas in the subdivision known as the Permanent Home Section of Royal Forest located in Montgomery County, Texas and more particularly described as follows (hereinafter referred to as the "Subdivision"):

BEING 275.98406 acres of land, more or less, out of the Jose De La Garza Survey, Abstract No. 15, Montgomery County, Texas, and more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof for all purposes;

WHEREAS, Lenders are the present owners and holders of those certain Promissory Notes secured by the liens evidenced in the following instruments:

1. Deed of Trust dated July 3, 1974, from Royal Forest Corporation to A. Harrel Blackshear, Trustee, filed for record on July 12, 1974 in Volume 304, Page 303 of the Deed of Trust Records of Montgomery County, Texas, and securing a certain Promissory Note payable to the order of Western National Bank of Houston in the original principal amount of \$227,500.00, said Promissory Note subsequently extended by that certain agreement dated March 27, 1975 recorded in Volume 323, Page 733 of the Deed of Trust Records of Montgomery

County, Texas. The aforementioned Deed of Trust, insofar as it applies to a certain portion of the lots described therein, was subsequently assigned to Fidelity Bank & Trust Company on April 1, 1975 by instrument recorded in Volume 323, Page 405 of the Deed of Trust Records of Montgomery County, Texas.

2. Deed of Trust dated March 18, 1974 from Royal Forest Corporation to James W. Sawyer, Trustee, filed for record on April 10, 1974 in Volume 295, Page 884 of the Deed of Trust Records of Montgomery County, Texas, securing a certain Promissory Note payable to the order of FBS Financial, Inc. in the original principal amount of \$425,000.00, said Promissory Note being additionally secured by the security interest evidenced in the Financing Statement filed of record in Volume 295, Page 912 of the Deed of Trust Records of Montgomery County, Texas, and by an Assignment of Contracts for Deeds recorded in Volume 850, Page 374 of the Deed of Trust Records of Montgomery County, Texas.

3. Vendor's Lien retained in that certain Deed dated December 1, 1972, from Marvy A. Finger, Trustee to Tyler D. Todd and Richard G. Whitworth, d/b/a Royal Forest Company, recorded in Volume 801, Page 664 of the Deed Records of Montgomery County, Texas, securing the payment of that certain Promissory Note payable to the order of Marvy A. Finger, Trustee, in the original principal amount of \$360,199.50, said Promissory Note being additionally secured by that certain Deed of Trust of even date therewith to Clarence Mayer, Trustee, recorded in Volume 255, Page 557, of the Deed of Trust Records of Montgomery County, Texas. Said Promissory Note was subsequently assigned to River Oaks Bank & Trust Company on February 11, 1974 by that certain instrument recorded in Volume 945, Page 296 of the Deed Records of Montgomery County, Texas, and extended and modified by that certain Agreement dated February 12, 1975, recorded in Volume 323, Page 592 of the Deed of Trust Records of Montgomery County, Texas, and by that certain Agreement dated March 27, 1975, recorded in Volume 323, Page 621 of the Deed of Trust Records of Montgomery County, Texas. The liens on a portion of the properties covered by the aforementioned Vendor's Lien and Deed of Trust were assigned by River Oaks Bank & Trust Company to Fidelity Bank & Trust Company on April 1, 1975 by that certain instrument recorded in Volume 323, Page 826 of the Deed of Trust Records of Montgomery County, Texas, Fidelity Bank & Trust Company having previously entered into an extension and modification agreement with Royal Forest Corporation on March 27, 1975 as evidenced by that instrument recorded in Volume 325, Page 1 of the Deed of Trust Records of Montgomery County, Texas, wherein it was recited that an unpaid principal amount of \$422,286.48 was due and owing Fidelity Bank & Trust Company. Said Promissory Note was subsequently renewed and extended by those certain Agreements recorded in Volume 908, Page 88 and Volume 908, Page 91 of the Deed Records of Montgomery County, Texas. Said Promissory Note is additionally secured by that certain Assignment of Contracts from Royal Forest Corporation to River Oaks Bank & Trust Company dated March 27, 1976, and recorded in Volume 902, Page 687 of the Deed Records of Montgomery County, Texas.

4. Deed of Trust dated April 10, 1974, from Royal Forest Corporation to W. Lamar Boyle, Trustee, recorded in Volume 296, Page 220 of the Deed of Trust Records of Montgomery County, Texas, securing the payment of that certain Promissory Note payable to the order of Fidelity Bank & Trust Company in the original principal amount of \$253,000.00, said Promissory Note being additionally secured by the security interest evidenced in the Financing Statement recorded in Volume 296, Page 615 of the Deed of Trust Records of Montgomery County, Texas, and by an Assignment of Contracts Dated April 9, 1974, by and between Royal Forest Corporation, as "Assignor" and Fidelity Bank & Trust Company, as "Assignee", recorded in Volume 351, Page 496 of the Deed Records of Montgomery County, Texas, the security interest granted in said Assignment being additionally evidenced by that certain Financing Statement recorded in Volume 296, Page 615 of the Deed of Trust Records of Montgomery County, Texas.

5. Deed of Trust dated August 30, 1974 from Royal Forest Corporation to W. Lamar Boyle, Trustee, recorded in Volume 315, Page 431 of the Deed of Trust Records of Montgomery County, Texas, securing that certain promissory note dated April 10, 1974, payable to the order of Fidelity Bank & Trust Company in the original principal amount of \$253,000.00.

6. Supplemental Deed of Trust dated December 2, 1974 from Royal Forest Corporation to Douglas L. McKinna, Trustee, recorded in Volume 318, Page 131 of the Deed of Trust Records of Montgomery County, Texas, securing the payment of that certain Promissory Note of even date therewith payable to the order of Fidelity Bank & Trust Company in the original principal amount of \$422,707.31.

WHEREAS, it is deemed to be in the best interests of Declarant, Lenders and any other persons who may purchase property in the Subject Property, that there be established and maintained a uniform plan for the improvement and development of the Subject Property as a highly restricted and modern subdivision of the highest quality:

NOW, THEREFORE, Declarant and Lenders hereby declare that all of the properties described above as the Subject Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property. These easements, covenants, restrictions and conditions shall run with said real property and be binding upon all parties having or acquiring any right, title, or interest in said real property or any part thereof,

their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I.

Definitions

1. "Club" shall mean and refer to Royal Forest Colony Club, Inc., a Texas non-profit corporation, its successors and assigns.

2. "Declarant" shall mean and refer to Royal Forest Corporation, a Texas corporation, its successors and assigns, if such successors and assigns should acquire more than five (5) Lots in the Subdivision for purposes of development or resale.

3. "Lot" shall mean and refer to any of the numbered plots of land shown on the unrecorded map or plat of the Subdivision.

4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Subject Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any mortgage or lien holder who acquires fee simple title to any Lot through judicial or non-judicial foreclosure.

5. "Recreation and Common Areas" shall mean and refer to those portions of the Subdivision not included within the boundaries of any Lot.

6. "Subject Property" shall mean and refer to all those certain Lots and Recreation and Common Areas presently owned or hereinafter acquired by Declarant.

ARTICLE II.

Restrictions

1. The Subject Property shall be used only for residential purposes. All other uses of said property are hereby expressly prohibited, including, but not limited to, commercial uses.

2. No residence shall be erected, placed or constructed upon any Lot, if said residence contains less than nine hundred (900) square feet exclusive of open porches, breezeways, carports and garages. No garage may be erected except simultaneously with or subsequent to erection of the residence. All buildings must be completed within six (6) months after laying of foundation, and no structure or house trailer of any kind may be moved onto any part of the Subject Property without the prior written approval of Declarant or Declarant's assigns.

3. No improvements shall be erected or constructed on any Lot nearer than twenty-five (25) feet to the front property line of the Lot (the front property line being that facing the street) nor nearer than five (5) feet to any side property line. If it is a corner Lot, no improvements shall be erected or constructed within ten (10) feet of the side property line adjacent to a street.

4. No building or structure shall be erected, placed or constructed on any Lot until the building plans, specifications, plat plans and external design have first been approved in writing by Declarant or its assigns.

5. No advertising or "for sale" sign shall be erected or placed on the Subject Property without the prior written approval of Declarant or its assigns.

6. No outside toilets may be installed or maintained on any part of the Subject Property, and all plumbing shall be connected with a sanitary sewer or septic tank approved by the state and local departments of health. No building or structure shall be occupied or used until the exterior thereof is completely finished with not less than two coats of paint or Declarant or its assigns shall have specifically approved and noted that the building material employed need not be painted.

7. No Lot may be subdivided except with the written permission of Declarant.

8. All Owners and their families shall have the right of ingress and egress to the Recreation Areas designated by Declarant, subject to rules and regulations of Declarant and the Club, but all others must have written approval of Declarant or its assigns; said Recreation Areas and Ferguson Lake shall be available for use to Owners and their families at their own risk.

9. No noxious, offensive, unlawful or immoral use shall be made of the Subject Property.

10. No tree or trees may be sold, cut or removed from the Subject Property nor any excavations made by anyone without written permission from Declarant or its assigns.

11. The Subject Property shall not be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept only in sanitary containers. All equipment for storage or disposal of such material shall be kept in a clean and sanitary condition and such material shall be removed by each Owner from his Lot. Underbrush, weeds or grass shall not be permitted to grow in excess of 12 inches in height on any Lot. In the event that Declarant, Declarant's assignee, the Club or any Owner elects to enforce the above and thereby must mow the underbrush, weeds or grass on said Lot or remove or have removed any trash or junk therefrom, the cost of such mowing or removal will be charged to the Owner of said Lot and said Owner must make payment of such charges within thirty (30) days of demand for payment.

12. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Subject Property, except dogs, cats or other household pets.

13. A maintenance assessment of Two Dollars (\$2.00) per month per Lot (which shall be paid monthly, semi-monthly, or annually) shall run against each Lot not owned by Declarant, for maintenance of the Recreation and Common Areas and operating costs according to the rules and regulations of the Club.

This assessment shall be payable to the Club or its nominee in Houston, Texas on the first day of May of each year. The decision of the Club, its nominee or consignee, with respect to the use and expenditure of the maintenance assessment shall be conclusive and the Owners shall have no right to dictate how such funds shall be used. The above assessment, together with the fees of the Club shall be a charge on each Lot and shall be a continuing lien upon the Lot against which each such assessment or fee is made. This lien shall be subordinate to the lien of any purchase money mortgage. Each such assessment and fee together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner.

14. Subject to the terms and provisions of the By-Laws of the Club, every person or entity who is a record owner of a fee or undivided fee interest in a Lot which is a part of the Subject Property, including contract sellers, shall hold a membership in the Club. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Any mortgagee or lien holder who acquires title to any Lot which is a part of the Subject Property, through judicial or non-judicial foreclosure, shall be a member of the Club. Each member shall have such voting rights and other rights set forth in the By-Laws of the Club, as from time to time amended.

15. A water main assessment in the amount of Three Dollars (\$3.00) per foot of frontage of each Lot along the front property line shall run against each Lot. This assessment shall be and is hereby secured by a lien against each Lot in the same manner as the maintenance assessment, except that the water main assessment shall not become due and payable until such time as the water main has been completed in the street and/or easement running by each lot and water is made available to the Owner. At that time, the water main

assessment shall be due and payable on demand. This lien shall be subordinate to the lien of any purchase money mortgage. It is understood, however, that the cost of a tap and a water meter are the Owner's obligation exclusively and are not included in the assessment. No Owner shall drill any water well upon the Subject Property.

16. Declarant reserves to itself, its successors and assigns, an easement or right of way over a strip along the side, front and rear boundary lines of each Lot for the purpose of installation of public utilities, including, but not limited to gas, water, electricity, drainage and sewage and appurtenances to the supply lines therefor. Said easement shall include the right to remove and/or trim trees, shrubs or plants. This reservation is for the purpose of providing for the practical installation of such utilities as and when any public or private authority or utility company may desire to serve said Lot or Lots, but with no obligation on Declarant to supply such services.

17. These covenants and restrictions are to run with the land and shall be binding on Declarant, Lenders and all persons claiming under them until November 1, 1996, and shall automatically be extended thereafter for successive periods of ten (10) years each; provided, however, that the Owners of a majority of the total Lots, may revoke or alter such covenants and restrictions on either November 1, 1996, or at the end of any successive ten (10) year period thereafter by executing and acknowledging an appropriate agreement or agreements in writing for such purpose and filing the same of record in the office of the County Clerk, Montgomery County, Texas, at any time prior to November 1, 1996, or any time prior to the expiration of any successive ten (10) year period thereafter.