

Section 3: "Association" shall mean and refer to the Water Oak Property Owners Association, Inc.

Section 4: "Board of Directors" or "Board" shall mean the elected body of the Water Oak Property Owners Association, Inc.

Section 5: "Builder-Owner" shall mean and refer to the owner of a Lot who owns such lot for the sole purpose of building a residence for sale to third parties, and is designated in writing as a Builder-Owner by Declarant.

Section 6: "Canal Lots" shall mean and refer to all lots that have indirect access to Lake Conroe through an 80' or narrower canal, inclusive.

Section 7: "Declarant" shall mean and refer to Frontier II – Boardwalk on Lake Conroe, L.P., its successors and assigns.

Section 8: "Improvements" shall mean and refer to any dwelling, garage, carport, swimming pool, boat slip, wall, fence and any other object placed on, in or under the Properties.

Section 9: "Interior Lot" shall mean and refer to all lots that do not have at least one side of the lot abutting Lake Conroe or on a canal, inclusive.

Section 10: "Lake" shall mean and refer to Lake Conroe.

Section 11: "Lot" and/or "Lots" shall mean and refer to the lots as shown on the subdivision plat.

Section 12: "Member" shall mean and refer to every person or entity that holds a membership in the Association.

Section 13: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties. In the event of a contract for sale covering any lot, the "Owner" shall be the purchaser named in the contract. "Owner" does not include those persons or entities having a security interest in the Lot or those having an interest in the mineral estate only.

Section 14: "Property and/or Properties" shall mean and refer to Water Oak On Lake Conroe, as identified in the subdivision plat.

Section 15: "*Required private subdivision improvements*" means the subdivision improvements which are required under the applicable regulations of the County of Montgomery, Texas, and are described in ARTICLE II of these covenants and restrictions.

Section 16: "Reserve" shall mean and refer to the areas designated on the Subdivision Plat as a Reserve.

Section 17: “Resident” shall mean and refer to every person or entity occupying a Residential Dwelling within the Properties.

Section 18: “Residential Dwelling” shall mean and refer to a single residential dwelling with garage.

Section 19: “River Authority and/or SJRA” shall mean and refer to the San Jacinto River Authority.

Section 20: “Subdivision Plat” shall mean and refer to the map or plat of Water Oak On Lake Conroe, Section Two, recorded in Cabinet Z, Sheet 491 and 492, Recording Number 2006112542, of the Map Records of Montgomery County, Texas.

Section 21: “Utility Company” shall mean and refer to Water Oak On Lake Conroe Water Company, a private utility system.

Section 22: “Waterfront Lot” shall mean and refer to all lots that have direct access to Lake Conroe through at least one side of the lot, inclusive.

ARTICLE II **Required Subdivision Improvements**

Section 1: **Private dedication.** Certain subdivision improvements which are required by the subdivision regulations of the County of Montgomery, Texas have been privately dedicated for the use and benefit of, among others, property owners within the subdivision. The improvements described in this Article are required subdivision improvements which are dedicated for the private use and benefit of lot owners within the subdivision and for the other classes of persons mentioned in the subdivision plat. The maintenance entity authorized and required under this Declaration of Covenants and Restrictions shall be responsible for the maintenance and upkeep of these required improvements and shall be authorized to assess and collect a maintenance fee against the subdivision lots and to expend funds so collected for such purposes.

Section 2: **Private streets.** Streets which have been noted on the subdivision plat as “Private” are dedicated for the private use and benefit of, among others, lot owners within the subdivision and are maintained by the maintenance entity. Notwithstanding this private dedication, the dedication includes an easement covering the street area which permits the installation, operation and maintenance of water, sewer, gas, electric, telephone, cable television or other such utilities by the county and other utilities lawfully entitled to provide service to the abutting property. The dedication also includes a right of access to public agencies engaged in both routine and emergency public services, including law enforcement, fire protection, medical response, inspection and code enforcement. The maintenance entity may make an offer of public dedication of private streets if such dedication is authorized by the affirmative vote of a majority of lot owners within the 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 maintenance entity.

Section 3. Street lights. The maintenance entity shall be responsible for the operation and maintenance of street lighting within the subdivision until such responsibility is assumed by a public entity.

Section 4. Storm water detention facilities. Storm water detention facilities have been located within the subdivision to contain the storm water runoff associated with the development. The maintenance entity shall be responsible for the operation and maintenance of these facilities.

Section 5. Open spaces and common areas. The maintenance entity shall be responsible for open spaces and common areas within the subdivision.

Section 6: Exercise of maintenance and assessment powers by County. In the event the maintenance entity shall fail or refuse to adequately maintain the privately dedicated subdivision improvements described by this Article, the County shall be authorized, but not obligated, to exercise the assessment and maintenance powers in place of the maintenance entity. The County may utilize the proceeds of the maintenance funds to reimburse funds advanced by the County for maintenance of improvements covered by this Article.

ARTICLE III **Restrictions, Exceptions and Dedications**

The Subdivision Plat dedicates for use, subject to the limitations set forth therein, the private streets and easements shown thereon and such Subdivision Plat further establishes minimum setback lines applicable to the Property. All dedications, limitations, restrictions, and reservations shown on the Subdivision Plat are incorporated and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed, or conveyance executed, conveying said property or any part thereof, whether specifically referred to therein or not.

Section 1. Utility Easements.

- (a) All lots are subject to the utility easements shown on the plat or designated in these Restrictions.
- (b) No building shall be located over, under, upon or across any portion of any utility easement; however, the Owner of each Lot shall have the right to construct, keep, use and maintain driveways and similar improvements across the utility easements located on the front of the Lot and/or along the side of corner Lots adjacent to street right-of-ways.
- (c) With the prior approval of the Chairman, the Owner of each lot also shall have the right to construct, locate, keep and maintain driveways, walkways, steps, air

conditioner units and equipment over, across or upon any utility easement along the side of such Lots (the "Side Lot Utility Easement") and shall be entitled, at all times, to cross, have access to and use the improvements located thereon; however, any such improvements placed upon such Side Lot Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and the location of such improvements shall not impede the natural flow of water across the lot. The Owner of each Lot subject to said Side Lot Utility Easements shall be responsible for (i) any and all repairs to the driveways, walkways, steps, air conditioner units and equipment which cross or are located upon such Side Lot Utility Easements caused by the Utility District, any public utility or cable television company in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Side Lot Utility Easements.

- (d) In no event shall any Owner construct, keep, maintain or use driveways, walkways, steps, air conditioner units, equipment and improvements upon any utility easements located along the rear of any Lot.
- (e) In addition to the utility easements shown on the recorded Plat, there is hereby dedicated a five foot (5') wide Entergy Utility Company easement, extending from the surface of the ground downward, and said easement being two and one-half (2-1/2) feet on each side of underground electric service lines as now or hereafter constructed and will extend along the route selected by Entergy Utility Company from Entergy Utility Company's distribution facilities to the electric meter when and as located upon Lots and Reserves in the Subdivision. Entergy Utility Company shall have the right to excavate said Lot easement strip, and to remove objects, structures, growth or protrusions thereon. Any other successor utility company shall have this same right.
- (f) The Owner of each Lot shall indemnify and hold harmless Declarant, public utility companies and cable television company having facilities located over, across or under utility easements from any loss, expense, suit or demand resulting from injuries to persons or damage to property in any way occurring, incident to, arising out of, or in connection with said Owner's installation, maintenance, repair or removal of any permitted improvements located within utility easements. Neither Declarant nor any utility company or cable television company using the easements herein referred to shall be liable for any damages done by them or their assigns, their agents, employees or servants to fences, shrubbery, trees, flowers or any other real or personal property of the Owner situated on the easement.

Section 2. Road and Street Easements. The roads and streets in the Properties are not dedicated to the public, but shall be operated as private streets with each Owner having an easement for the use and benefit of such Owner, which easements shall include rights of ingress, egress and passage over and along said streets in favor of the Declarant, the Association, the Owners, the other classes of persons for whose benefit the roads and streets are dedicated in the Subdivision Plat, and their respective legal representatives, successors and assigns, guests,

invitees, licenses, designees and the successors-in-title in each Lot Owner, and other such person, but not in favor of the public.

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

Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements. Should any utility company or cable television company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant, without the joinder of any other Owner, shall have the right to grant such easement on said property.

Declarant reserves the right, during installation of paving of the streets, to enter onto any Lot or Lots for the purpose of disposing of excavation or for the removal of trees, if necessary.

Declarant reserves the right to grant additional ingress and egress easements along the roads and streets in the Properties and to grant the roads and streets to the Association, subject to such restrictions and conditions set forth in the deed conveying such roads and streets.

Notwithstanding the operation of the roads and streets in the Property as private streets, Declarant hereby grants to Law Enforcement Agencies and Officers of Montgomery County and the State of Texas, other governmental law enforcement bodies, fire department officials and fire protection personnel, vehicles and equipment, ambulances, school buses, Montgomery County officials and personnel and other governmental officials and personnel, and to the authorized agents of the Association for performance of the Association's duties 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.

Section 3. Common Properties. Any and all common properties shown on the Subdivision Plat, including but not limited to the Marina, are dedicated for the use and benefit of all Owners of Lots and Reserves in the Subdivision, the owners of Lots and Reserves in all existing and future sections of Water Oak On Lake Conroe, and all owners of property now owned or hereafter acquired by Frontier II – Boardwalk on Lake Conroe, L.P. located adjacent to any existing or future section of Water Oak On Lake Conroe, and in favor of the invitees and designees of each such owner and each successor-in-title to each such Lot, Reserve or Property, SUBJECT HOWEVER, to such reasonable rules and regulations as may be imposed by the Association relating to the use of such common properties.

ARTICLE IV
Use Restrictions

Section 1. Land Use and Building Type. All Lots shall be restricted in use and shall be used for residential purposes only (hereinafter referred to as "Lots") except as outlined in Section 1 herein. No structure shall be erected, altered, placed or permitted to remain on any Residential Lot other than one (1) single family dwelling with a detached or an attached fully enclosed garage for not less than two (2) nor more than four (4) cars. The garage will be available for parking automobiles at all times without any modifications being made to the interior of said garage. Such garage shall be constructed at the same time as the dwelling and act as an integral part of the residential structure, constructed with the same design, color and materials as the residence. Occupancy of the dwelling shall not be authorized until the garage is complete. The residential dwelling shall not exceed a height of thirty-five (35) feet. The height shall be measured from where the highest point of the natural grade of the Lot abuts the structure, except where the slab must be elevated above the natural grade to achieve minimum slab elevation as required by the Committee. In this situation, the height shall be measured from the minimum slab elevation established by the Committee. A detached garage shall not exceed one story in height; however, if a bona fide servants quarters is constructed above the garage, the total height will not exceed the main dwelling in height or number of stories. No garage or servant's quarters or other permitted structure shall be erected or built on any Lot until construction of the residential dwelling has commenced. All construction must be completed within 180 days after construction commences.

All detached garages where permitted in this Article must be attached to the main residence with a covered walk. Garages placed on corner lots may face the side street and shall be located no closer to the side lot line than the minimum side lot building setback line as shown on the Subdivision Plat.

As used herein, the term "Residential Purposes" shall be construed to prohibit the use of said Lots for garage apartments or apartment houses; and no Lot shall be used for business or professional purposes of any kind except as outlined in Section 1 herein, nor for any commercial or manufacturing purpose. Each lot improvement thereon shall be used only as a single family residence. The rental of a dwelling for occupancy as a residence shall not be construed as a business. No building of any kind or character shall be moved onto any Lot within said properties without written permission of the Architectural Control Committee; however, no Residential Dwelling shall be moved onto any Lot within said Properties. The use of a tent, house trailer, travel trailer, camper or motor home, either as a weekend, temporary or permanent residence is prohibited.

Section 1. Residences shall be allowed to have one room designated as a home office. The intent of this restriction is to allow for a home business that is converted to a computer-modem based technology. It is further understood that this restriction is not to be construed to be used for retail/consumer oriented business that would encourage or increase street traffic.

Section 2. **Carports.** Carports may be utilized and built only in addition to the required garage. The carport must be an integral part of the residential structure and constructed

with the same design, color and materials as the Residential Dwelling. Only motor vehicles, as identified in Section 21 of this Article, shall be parked or stored in a carport.

Section 3. Architectural Control. No improvement shall be erected, placed, repaired or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the Improvement thereon have been approved by the Architectural Control Committee. Plans shall be reviewed with respect to harmony with the existing structures, design, color, location with respect to topography and finished grade elevation and compliance with minimum construction standards provided for herein. The Committee is authorized to grant variances if the variance is reasonable and if the structure is not inconsistent with the general scheme and harmony of the development.

Section 4. Dwelling Size. The minimum square footage of the total living area of the main residential dwelling, exclusive of open porches, garages, carports, and servants quarters shall be as follows:

- (a) Interior Lots – The minimum finished living area of the residential dwelling shall be 2,400 square feet. The Committee shall approve the square footage.
- (b) Canal Lots – The minimum finished living area of the residential dwelling shall be 2,600 square feet. The Committee shall approve the square footage.
- (c) Waterfront Lots – The minimum finished living area of the residential dwelling shall be 2,800 square feet. The Committee shall approve the square footage.
- (d) Section 1, Block 4, Lots 8 through 27 (hereinafter referred to as the “English Oak Estates”) – The minimum finished living area of the residential dwelling shall be 3,300 square feet. The Committee shall approve the square footage.

Section 5. Type of Construction Materials and Landscaping.

- (a) Residences, garages and carports shall be of 80 percent masonry construction or its equivalent on its exterior wall area, except that detached garages of interior Lots may have wood siding of a type and design approved by the Committee. Masonry includes stucco.
- (b) No roofing material 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. Only Committee-approved concrete or clay tile roofing shall be used on buildings constructed on all Lots within Water Oak on Lake Conroe.
- (c) Landscape plans must be approved by the Committee before work commences. All yards shall be landscaped with the landscaping to be completed within three (3) months after the residence is occupied. All Owners are required to plant four trees, at least 16 feet in height, evenly spaced along the street front of their Lot, as

approved by the Committee. The four trees planted on all Lots located in Blocks 1 and 2 of the Plat as well as the English Oak Estates shall be Queen Palms (*Cocos plumosa* or *Syagrus romanzoffiana*). Any deviation must be approved by the Committee. The Committee will assist in the placing of the trees prior to planting.

- (d) 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.

Roof vents, vent stacks, galvanized roof valleys and other roof items must be painted to match the roof materials. Roof items that appear on cedar shingle roofs must be painted in such a manner that the color matches a weathered cedar shingle. Galvanized roof valleys must be primed before being painted to insure the prevention of peeling.

Section 6. Building Location. No main residence, garage or carport, nor any part thereof shall be located on any Lot nearer than the minimum building lines as shown on the Subdivision Plat. However, at such time as plans are submitted to the Committee for approval, the Committee may require that the residence, garage or carport be located at a greater or closer distance from the back Lot line than the building line shown on the recorded plat. No main residence, garage or carport or any other out building or any part hereof shall be located nearer than 5 feet to any interior side Lot line. Eaves, steps and open porches shall not be considered as a part of the building, provided that no portion of any residence, garage, carport or structure shall encroach upon another Lot.

The Committee may approve deviations or grant variances of the building location requirements provided the variance or deviation does not alter the scope and intention of these Restrictions. The Owner shall make a written request to the Committee for a variance or deviation.

Any Owner of one or more adjoining Lots, with the written permission of the Committee, may merge such Lots into one building site with the privilege of placing or constructing improvements on such resulting site, in which case side setback lines shall be measured from the resulting side property lines rather than the Lot lines as indicated on the recorded plat and such composite building site shall thereupon be regarded as a "Lot" for the purposes of this Article IV, Section 6 only.

No main residence, garage, or carport, nor any part thereof, shall be located on any canal lot or waterfront lot nearer than twenty (20) feet to the bulkhead.

Section 7. Slab Requirements. All building foundations shall consist of a concrete slab, unless the Committee approves a different type of foundation when circumstances, such as

topography of the Lot, make it impractical to use a concrete slab on all or any portion of the foundation of the building improvements constructed on the Lot. The finished slab elevation for all structures shall be above the 100 year flood plain as established by Commissioner's Court of Montgomery County, Texas, the Montgomery County Engineers Office, and other applicable governmental authorities. All water front lots shall be at a minimum slab elevation of 207 feet due to the flowage easement around Lake Conroe. All residential foundations/slabs for all Lots in the subdivision must be a minimum as described in the Construction Specifications/New Construction Application. The Committee does not determine whether the structural integrity of the slab is adequate. A structural engineer should be consulted on these matters. Sufficient soil investigation will be obtained for proper slab design. The Committee may make deviations in the above foundation requirements provided such deviations do not alter the scope and intent of the restrictions.

Section 8. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. 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. Activities especially prohibited include, but are not limited to the following:

- (a) The performance of work on automobiles or other vehicles upon the Lot or in driveways or streets abutting Lots except as permitted in Section 21 of this Article.
- (b) The use or discharge of firearms, firecrackers or other fireworks within the Properties.
- (c) Storage of flammable liquids in excess of five gallons.
- (d) Activities which may be offensive by reason of odor, fumes, dust, smoke, vision, vibration or pollution which are hazardous by reason of excessive danger, fire or explosion.

Section 9. Temporary Structures. No structure of a temporary character, whether motor home trailer, recreational vehicle, travel trailer, mobile home trailer, basement, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Properties as in its sole discretion which may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Such facilities may include, but not necessarily be limited to, sales and construction offices, storage areas, and signs. Portable toilet facilities shall be placed at the construction site of all Residential Dwellings. Upon approval of the Committee, a contractor building a Residential Dwelling on a Lot for the Owner of such Lot may place a temporary construction office on the Lot.

Section 10. Signs and Billboards. No signs, billboards, posters, or advertising devices of any character shall be erected, permitted or maintained on any Lot or plot without the express written consent of the Association. All signs, billboards, posters and other advertising devices shall conform to the Committee's predetermined sign policy. The Association, Declarant or their agents shall have the right to remove any sign not complying with the above referenced policy and in so doing, shall not be liable and are expressly relieved from any liability for trespass or other tort in connection therewith or arising from such removal. The right is reserved by Declarant and its designated agent to construct and maintain such signs, billboards or advertising devices as is customary with the general sale of property.

Section 11. Oil and Mining Operations. No water drilling, oil drilling or development operation, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for water, oil, or natural gas shall be erected, maintained or permitted upon any Lot.

Section 12. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as dumping ground for rubbish. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. Equipment for the storage or disposal of such waste materials shall be kept in clean and sanitary condition. No Lot shall be used for the open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction commences and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

Section 13. Electric Distribution System. The type of electric service supplied to Owners will be alternating current at approximately 60 cycles per second, single phase, three wire, 120/240 volts and metered at 240 volts. It is understood and agreed that only electrical service of the characteristics described above, will be furnished by Entergy Utility Company in Water Oak On Lake Conroe, and that such service will be from the electric distribution system to be installed by Entergy Utility Company, and Owners agree that only electric service at 120/240 volts, single phase, three wire, will be available for Lots. The locked rotor current of any motor connected to this service will be limited in accordance with the standard service practices of Entergy Utility Company. The utility easement areas dedicated and shown on the plat map of Water Oak On Lake Conroe, may be cleared and kept clear by any utility of all trees, bushes and other growth, including overhanging branches from trees or protrusions from structures located upon adjacent property, without payment to Owners by such utility for such clearances, cutting or trimming. The provisions of this paragraph shall constitute a covenant running with the land as to each Lot.

Only underground electrical service shall be available for Lots and no above surface electric service wire shall be installed outside of any residence or other structure. Developer may allow overhead service lines on the perimeter boundary of the subdivision. It is required that

individual underground electrical service drops be installed to each residence. The Owners of each residence will therefore comply with Entergy Utility Company's policy regarding such underground service installation, and the Owners do hereby agree to pay any charges which might be incurred for the installation of the underground service as set forth in the Company policy. Entergy Utility Company's policy is subject to change as set forth in the Company policy. The Owners shall ascertain the location of said service drops and keep the area over the route of said service drops free of excavations and clear of structures, trees and other obstructions; and Entergy Utility Company may install, maintain, repair, replace and remove said underground service drops, and open the ground for any such purpose or purposes; and no payment will be due or made by any utility for such use or activity.

Declarant hereby reserves the right to grant upon, across and over each Lot an easement and license along the perimeter boundaries of each Lot to the width of three feet measured from each boundary of each Lot, protruding from each boundary into the interior portion of each Lot, for the purpose of erection, construction, maintenance, repairs and the continuous placement of an electrical lighting system throughout the Property. This reserved right is expressly reserved on behalf of and for the benefit of Declarant and any public utility company, including but not limited to Entergy Utility Company. This reserved right includes expressed right of Declarant and each public utility company to clear, grade and remove such obstructions including, but not limited to, trees, brush and other landscaping that the Declarant or the public utility company deems necessary in order to effectuate the construction, erection, maintenance and continuance placement of the electrical lighting system hereby contemplated. Declarant further reserves hereby, unto itself and to any such public utility company, the expressed right to enter upon any Lot for the purpose of construction, installation, maintenance, repair and continuous placement of the electrical lighting contemplated hereunder and to remove any obstruction as might exist within this designated area, and such shall not be deemed to be trespass in any respect to the rights of the Owner of the Lot. Each Owner, by acceptance of a Deed to a Lot in these Properties does acknowledge the existence of this reserved right and the rights hereunder created, such right being for the expressed benefit of each other Lot in the Properties. Neither Declarant nor any public company acting under the easement license or rights referred to herein shall be liable for any damages done by themselves or their assigns, agents, employees or servants to any fences, shrubbery, trees, flowers or any other property of the Lot Owner situated on the property by this easement and license.

Section 14. Views to and from Lake Conroe. Views to and from Lake Conroe are encouraged so that each view can become a positive addition to the environment of the Properties. Except for approved trees, no view obstruction plant material greater than two (2) feet in height shall be permitted on any Waterfront Lot beyond the rear building line. It is not the intent of these restrictions to remove any existing trees from the Property. The removal of existing trees from Lots must be approved by the Committee.

Section 15. Walls, Fences and Hedges. All walls, fences, and hedges must be approved by the Committee. Except as otherwise provided herein, no walls or fences shall be erected or maintained nearer to the front of any Lot than the front of the Residential Dwelling constructed on the lot, or, on corner lots, nearer to the side Lot line than the side Lot building line parallel to the side street as shown on the recorded plat.

Except as otherwise provided herein, all walls and fences on Canal Lots and Waterfront Lots must be of ornamental iron construction and shall be black in color and of a design that conforms to the Committee's predetermined plan for such fences. The Committee may grant variances upon written request by the Owner. Pilasters which are in harmony with the main residential structure shall be used in conjunction with all ornamental iron fences. A small patio which is an integral part of the residence may be enclosed with a fence or wall.

All walls and fences on Interior Lots may be of ornamental iron, masonry or wood construction as approved by the Committee. All wooden fences shall be constructed of material to be approved by the Committee. All wooden fences exposed to view from the street shall be built so that the finished side faces the street. Wooden fences are discouraged where views to Lake Conroe are hindered.

No chain link fences shall be erected, placed or permitted to remain on any residential Lot. No fence shall be installed which will impede the natural flow of water across the Lot. The Declarant may construct fencing at the entrance to the subdivision. The Declarant may also construct chain link fencing along the boundaries and other areas in the Property it deems appropriate.

Ownership of any wall, fence or hedge erected as a protective screening on a Lot shall pass with title to the Lot, and it shall be the Owners responsibility to maintain said protective screening thereafter. In the event of default on the part of the Owner or occupant of any Lot to maintain said protective screening and such failure continuing after ten days written notice thereof, the Association, at its option, without liability to the Owner or occupant in trespass or otherwise, may, in its discretion, enter upon said Lot and cause said protective screening to be repaired or maintained or do any other thing necessary to secure compliance with these restrictions, so as to place said protective screening in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agreed by the purchase or occupancy of the lot to pay such statement immediately upon receipt thereof, and all such payment by the Association, shall, likewise, be secured by a Vendor's Lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VIII herein. Plans and specifications shall be submitted as in the case with other structures.

Section 16. Mailboxes. The Declarant or the Committee, as the case may be, shall have the right to designate the exclusive design, motif and materials for mail boxes within the Properties and may at its option purchase such items in bulk and resell them to each Owner at cost. Any request for deviations of the above must be submitted to the Committee for approval.

Section 17. Utilities. Improvements situated on a Lot shall be connected to the water and sewer lines as soon as practical after same are available at the property line. No privy, cesspool or septic tank shall be placed or maintained upon or in any Lot. The installation and use of any propane, butane, LP gas or other gas tank, bottle or cylinder of any type (excluding those normally associated with outdoor barbecue grills) shall require the prior written approval of the Committee and shall be screened from public view. All telephone, electric cable or other

service line shall be installed underground. When natural gas is made available to lot owners, the lot owner must immediately discontinue use of propane, butane, LP gas or other type of hydrocarbon fuel being used at the time and convert to the natural gas line.

Section 18. Views, Obstructions and Privacy. In order to promote the aesthetic quality of "view" within Water Oak On Lake Conroe and particularly the views of Lake Conroe, 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 location of all windows and the type of proposed window treatments and exposed window coverings;
- (b) The probable view from second story windows and balconies and decks (particularly where there is a potential invasion of privacy to an adjoining neighbor);
- (c) Sunlight obstructions;
- (d) Roof top solar collectors;
- (e) Flagpoles, flags, pennants, ribbons, streamers, wind sock and weather vanes;
- (f) Exterior storage sheds;
- (g) Fire and burglar alarms which emit lights and sounds;
- (h) Children playground or recreational equipment;
- (i) Exterior lights
- (j) 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;
- (k) The location of the Residential Dwelling on the Lot; and
- (l) The location of satellite dishes and antennas.

Prohibited Items. The following items are prohibited on any Residential 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 certain "For Sale" and "For Lease" signs);
- (e) Storage of more than five (5) gallons of fuel outside of regular vehicle gas tanks; and
- (f) Unregistered, unlicensed, or inoperable motor vehicles.

Section 19. Lot/Yard Maintenance. The completion and landscaping of all yards of all Lots shall require written approval of the Committee. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to the construction of improvements as herein permitted. The accumulation of garbage, trash or rubbish of any kind and burning is not permitted. The Owners or occupants of any Lots at the intersection of streets or adjacent to the Lake, parks, playgrounds or other facilities where the rear yard or portion of the Lot is visible to full public view shall construct and maintain suitable enclosure to screen the following from public view:

yard equipment, wood piles or storage piles which are incident to the normal residential requirements of a typical family.

In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days written notice thereof, the Association or their assigns may, at their option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause to be cut such weeds and grass necessary to secure compliance with these restrictions so as to place said Lot in a neat, attractive, healthful and sanitary condition and may charge the owner or occupant of such Lot for the cost of such work. The Owner or occupant agrees by the purchase or occupancy of the property to pay such statement immediately upon receipt thereof, and all such payments shall be made to the Association in the same manner as the Maintenance Charges.

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. Unless otherwise approved by the Committee, no trees larger than eight (8) inches in diameter shall be cut or removed except to provide room for construction of improvement, or prevent a hazard to the structural integrity of the slab or to remove dead or unsightly trees. However, all trees within fifty (50) feet of the waterfront shall be trimmed of all limbs eight (8) feet from the base of the tree.

During the construction of a residence, the Owner is required to remove and haul all trees, stumps, limbs, branches, and debris from the Lot. Declarant, during the construction of the water, sewer, drainage facilities and streets may burn and dispose of by other methods trees, stumps, underbrush and other trash cleared during the construction process, and the Declarant may enter upon any Lot or Lots for the purposes of disposing of excavation or for the removal of trees as necessary.

No owner or contractor may enter upon the Lot adjacent to the one on which he is building for the purpose of ingress or egress to his Lot during or after construction unless such adjacent Lot is also owned by such Owner or such Owner has written approval from the adjacent Lot Owner. Such approval must be furnished to the Committee. All adjacent Lots shall be kept free of any trees, underbrush, trash, rubbish and/or any other building debris during construction of improvements.

Owners who decide to use a third party landscape and maintenance service to maintain their yards shall only be permitted to use landscape and maintenance service providers approved by the Association. Upon request, the Association shall provide Owners a list of said approved landscape and maintenance service providers.

Section 20. Motor vehicles. No unlicensed motor vehicles shall be allowed within the subdivision. No motor bikes, motor cycles, motor scooters, "go-carts" or other similar vehicles shall be permitted to be operated on the Properties, if, in the sole judgment of the Association, such operation, for reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance or jeopardize the safety of the Owners, their tenants and their families.

Section 21. Storage and Repair of Automobiles, Boats, Trailers and other Vehicles.

No motor vehicles shall be parked or stored on any part of any Lot, easement, right-of-way, or any other area unless such vehicle is concealed from public view inside a garage or other approved enclosure, except passenger automobiles, passenger vans or pickup trucks that: are in operating condition; have current license plates and inspection sticker, are in daily use as motor vehicles on the streets and highways of the State of Texas; and which do not exceed six (6) feet, six (6) inches in height or seven (7) feet, seven (7) inches in width or twenty-one (21) feet in length, may be parked in the driveway on such lot. No non-motorized vehicle, trailer, boat, marine craft, hover craft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, easement, right-of-way, or any other area unless such object is concealed from public view inside the garage or other approved enclosure. The term "approved enclosure" shall mean an enclosure that has been previously approved by the Committee. Owners, visitors and guests are encouraged not to park vehicles in the streets of the subdivision.

No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway, or any portion of the Properties. If a complaint is received about a violation of any part of this section, the Association will be the final authority on the matter. This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of the subdivision facilities or of a house or of any other structure. No Owner of any Lot or visitor or guest of any Owner, occupant or resident shall be permitted to perform work on automobiles or other vehicles in driveways or streets other than work of a temporary nature.

Section 22. Antennas and Satellite Dishes. No electronic antenna or devise for receiving or transmitting any signal or any type other than an antenna for receiving normal marine signals from a water craft located on Lake Conroe shall be erected, constructed, placed or permitted to remain on any Lot, house, garage or other buildings unless otherwise approved by the Committee. All marine radio antennas must be attached to the main residential structure. Only one antenna per Lot shall be permitted. In all cases, no antenna shall be erected as a free standing or guide structure. No antenna of any style shall be permitted on the Lot which extends more than ten (10) feet above the roof of the main residential structure on said Lot. The Committee's decision shall be final.

Unless approved by the Committee, 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 ten feet in diameter and must be mounted as close to the ground as practical. However, in no event may the top of the satellite dish be higher than six feet from the grade level of the ground. All dishes shall be of one solid color of black or earth tones of brown, grey, or tan. The expanded metal type dish is recommended. No multicolored dishes shall be permitted. No advertising or the printing of names of any type shall be permitted. No more than one satellite dish shall be permitted on each Lot. No transmitting devise of any type which would cause electrical or electronic interference in the neighborhood shall be permitted. Architectural approval is required prior to the installation for 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.

Section 23. 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 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 any solar panel that violates these restrictions.

Section 24. Pets. No horses, cows, hogs, poultry, or livestock of any kind other than household pets of reasonable kind and number may be kept on any Lot. Should such pets become a nuisance in the opinion of the Association, they must be removed from the premises and the Properties. No pets are to run at large and shall be either kept in a fenced yard or on a leash when walking with the owner.

Section 25. Drainage. Each Owner of a Lot agrees that he will not in any way interfere with the established drainage pattern over his Lot from adjoining Lots or other Lots in the Properties. Any changes necessary in the established drainage pattern must be included on the Owners plans and specifications when submitted to the Committee. Such drainage plans shall be subject to the Committee's approval. Each Owner agrees that he will take all necessary steps to provide for additional drainage of his Lot in the event it becomes necessary. Established drainage shall be defined as drainage that exists at the time the Declarant completes drainage.

In the event of construction on any Lot, the Owner must provide a drainage plan to the Committee for approval. No pockets or low areas may be left on the Lot where water will stand following a rain or during normal yard 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 other such methods as approved by the Committee.

Section 26. Concrete Curb/Driveway Maintenance. The Owner or occupant shall at all times keep his entrance lip, driveway curbs, curb ties, and curbs along the street adjacent to his property in a good state of repair and attractive in appearance. In the event of any default by the Owner or other occupant of a Lot in observing the above requirements, which default is continuing after thirty (30) days' written notice thereof to the Owner or occupant as applicable the Association or their designated agents may at their option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and make such repairs as deemed necessary by the Declarant or The Association to ensure compliance with this declaration, so as to place such driveway entrance items and street curb in a good state of repair and attractive appearance, and may charge the Owner or occupant of such Lot for the cost of such work. Such charge, together with interest thereon at the highest rate permitted by applicable laws from the date due until paid and all costs of collection, including reasonable attorney's fees, shall be secured by a Vendor's Lien for the benefit of the Declarant or the Association, whichever the case may be, which is hereby retained against each Lot in Water Oak On Lake Conroe, which lien shall only be extinguished by payment of such sum. Said lien shall be deemed subordinate to the lien or liens of any bank, insurance company or other institutional lender, which hereinafter lends money for the construction (including improvements) and/or permanent financing of improvements on such property, provided, however, that said lien shall not be extinguished by any foreclosure sale or other extinguishment of a senior lien but shall remain in

force and effect until paid or released by The Association through appropriate proceedings at law.

Concrete curbs that are chipped, cracked or broken during the construction of the residence are to be repaired or replaced by the Builder/Owner or Owner of the dwelling on each Lot prior to occupancy of the dwelling on said Lot. Chipped curbs may be repaired with an "epoxy grout" mixture. Where several chipped curbs appear in the same area, the entire section of curb (i.e. driveway to driveway) must be overlaid with the "epoxy grout" mixture. Cracked or broken curbs shall be saw cut on both sides of the crack or break, the cracked or broken area removed, reformed and poured "using five sack concrete mix" to match existing curb.

Section 27. Driveways. Driveways may be built of brick, stone, concrete, asphalt or other materials approved by the Committee. All concrete driveways shall be constructed with quality grade concrete, four and one-half (4-1/2) sack cement per cubic yard and be reinforced with a minimum of #6,6" X 6" welded wire mesh, or one and one-half (1-1/2) inch Type "D" modified asphalt with a six (6) inch compacted limestone (or approved equal) base material. Driveways widths shall be a minimum of nine (9) feet. If more than one driveway is constructed on a common Property, such driveways shall be separated by a minimum distance of at least twenty (20) feet. Driveways shall be constructed so as to prevent normal street flooding from entering upon the adjoining Property accessed by the driveway. The Committee shall have the right to approve the location of the driveway on the Lot.

Driveways connecting into subdivision streets shall be saw cut when constructing the concrete driveway. An expansion joint shall be installed at each saw cut and at the property line. Any repairs to the curb made necessary because of the driveway shall be made during construction.

Section 28. Walkway/Sidewalks. No walkways or sidewalks shall be constructed across the front of any Lot nor across the side of any corner lot. Walkways may be constructed from the street adjacent to the front of the Lot to the front entrance of the residence constructed on the Lot.

Section 29. Swimming Pools. No swimming pool may be constructed on any Lot without the prior written consent of the Committee. Two sets of plans and specifications for the proposed pool shall be submitted to the Committee including a plot plat showing the location and dimensions of the pool and related improvements together with the plumbing and excavation-disposal plan. All swimming pools on Waterfront Lots shall be located no nearer to the waters of Lake Conroe than the setback line shown on the Subdivision Plat. Swimming pool drains shall be piped into the Lake, storm sewer or the street in front of the Lot. In no case shall the street curb be broken or cut to facilitate a pool drain without the prior written approval of the Committee. Excavation required for swimming pools shall be hauled from the site to a place outside of Water Oak On Lake Conroe.

Section 30. Docks and Boat Slips. No dock, boat slip or other structure may be installed or constructed without approval of the Committee. Such structure must conform to the Committee's predetermined plan. No "homemade" type dock, boat slip, boat cover or

bulkheading will be allowed. Request to construct any such structure shall be in writing to the Committee and must be accompanied with complete plans and specifications. The Committee shall act upon such request as with other structures. No Boathouse/Stalls are to be constructed till construction of a home has started. All docks, boat slips and other structures constructed on canal lots must be staggered in relation to the docks constructed or to be constructed on the canal lots directly across the canal, such that a navigable channel through the canal is not restricted. The Architectural Control Committee must approve the placement, material and design of all docks and boat slips. All docks, boat slips and other structures constructed must be done so by an Architectural Control Committee approved contractor.

Ownership of any dock, boat slip, boat cover or bulkheading installed on a Lot (including but not limited to the bulkheading installed by the Declarant) shall pass with title to the Lot, and it shall be the owners responsibility to maintain such dock, boat slip, boat cover and bulkheading thereafter. In the event of default on the part of the Owner or occupant of any Lot in maintaining said items and such failure continuing after ten (10) days written notice thereof, the Association, at its option, without liability to the Owner or occupant in trespass or otherwise, may, in its discretion, enter upon said Lot and cause said items to be repaired or maintained or do any other thing necessary to secure compliance with these Restrictions so as to place said item in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay such statement immediately upon receipt thereof and all such payments by the Association shall, likewise, be secured by a Vendor's Lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VIII herein.

In Addition to being approved by the Committee, all plans for all docks and boat slips must be approved in writing by the San Jacinto River Authority and any other governmental agencies having jurisdiction.

Section 31. Privacy Gates. All Section Two lots must have private entry gates adjacent to Diamondhead Road. All private entry gates must be approved by the Architectural Control Committee. Two sets of plans and specifications for the proposed private entry gate shall be submitted to the Committee including a plot plat showing the location and dimensions of the gate and related improvements together with the electrical plan.

ARTICLE V

Special Restrictions for Waterfront Lots

Section 1. No pier or other structure except a bulk head with an attached dock shall be permitted which projects beyond the Lot line or into the water. A boatslip may be constructed at an indentation into a Lot or a bulkhead may be constructed at the water's edge with a dock, provided that the plans and specifications for such boatslip or bulkhead and dock have been approved by the Committee, and that the requirements of the San Jacinto River Authority have been met and a permit for such construction has been issued by the SJRA.

Section 2. No improvements may be constructed between the waters of Lake Conroe and the setback line shown on the Subdivision Plat, except that with written approval of the

Committee a bulkhead or boatslip may be constructed at an indentation in a Lot. All plans for buildings and improvements on Waterfront Lots must also satisfy the requirements of and be approved in writing in the form of a permit by the San Jacinto River Authority and no such building or improvement shall be erected or permitted on any such Lot unless same strictly complies with the plans and specifications which have been approved by the Committee.

Any cover on a boatstall shall be a low profile canopy/cover, and both the boatstall and cover shall be an earth tone in color as approved by the Committee.

ARTICLE VI Architectural Control Committee

Section 1. Approval of Improvement Plan. No improvement shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the improvement have been approved in writing by Water Oak On Lake Conroe Architectural Control Committee. A copy of the construction plans and specifications and a plot plan, together with such other information as may be deemed pertinent, shall be submitted to the Committee or its designated representative prior to commencement of construction. Failure on the part of the Committee to act within sixty (60) days following date of submission of the required plan and specification shall constitute approval. The Committee may charge a reasonable fee to cover the administrative expense of its review and comment, such fee to be payable to Water Oak On Lake Conroe Architectural Control Committee. A form survey prepared by a registered surveyor in the State of Texas shall be submitted to the Committee prior to pouring the foundation of any building or other Improvement that is to be erected, placed or altered on any Lot.

Section 2. Committee Membership. The Declarant, in its sole discretion, shall appoint the members of the Committee which will consist of three (3) members, none of whom shall be required to be residents of Water Oak On Lake Conroe. The Committee shall and will act independently of Water Oak On Lake Conroe Property Owner's Association.

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

Section 4. Minimum Construction Standards. The Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve as minimum guidelines and may be amended from time to time.

Section 5. 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 and specifications will result in a properly designed structure or satisfy any legal requirements.

Section 6. Non-Liability for Committee Action. No members of the Committee, The Association Board of Directors, their successors or assigns, or the Declarant shall be liable for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Committee. The Committee's approval of any improvement shall not be deemed an approval of the improvement from the standpoint of safety, whether structural or otherwise, or a determination of compliance with building codes or other governmental laws or regulations.

ARTICLE VII
Water Oak On Lake Conroe
Property Owner's Association

Section 1. Membership. The Declarant shall cause a Property Owner's Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The purpose of the Association in general shall be to provide for and promote the health, safety, and welfare to the members, to collect the maintenance charges, to administer the maintenance fund, to provide for the maintenance, repair, preservation, upkeep and protection of the common properties and facilities of the subdivision and such other purposes as are stated in the Articles of Incorporation and consistent with the provisions of these restrictions and all supplemental or amended restrictions.

The Property Owner's Association shall consist of all the owners of lots in Water Oak On Lake Conroe including any other sections which subsequently may be developed on this tract or adjacent land. The name of the Association shall be Water Oak On Lake Conroe Property Owner's Association. Each lot owner from all sections shall be a member of such Association and entitled to one (1) vote for each lot owned. The Association shall be governed by a Board of Directors, and the Declarant shall name and select the initial members of the Board of Directors. The initial Board of Directors shall serve for a term of five (5) years and thereafter until each successor is duly elected and qualified.

Such Association may adopt such By-Laws, Rules and Regulations as it deems appropriate consistent with these restrictions.

The Declarant shall be a member of the Association if it owns legal title to any lot in the subdivision which has not been conveyed to a third party by Contract of Sale or Deed.

ARTICLE VIII
Maintenance Charges

Section 1. Water Oak On Lake Conroe Use of Maintenance Fund. Each lot shall be subject to an annual maintenance charge to be used for the purpose of maintaining all open space and common areas, maintenance of private streets, paths, parks, esplanades, street lights, storm water facilities, vacant lots, fogging, employing policemen and workmen, paying ad valorem taxes on all common area, cost of administration of the fund and other purposes necessary or desirable in the opinion of the Administrator of such fund to maintain or improve the property or which is considered to be a general benefit to the owners or occupants of the property covered by

these restrictions. Such fund may also be used for the purpose of enforcement of all covenants and restrictions of this Declaration. The amount of the maintenance charge shall be set by the Administrator of the fund from time to time subject to the limitations contained herein. In the event the maintenance entity shall fail or refuse to adequately maintain the privately dedicated subdivision improvements described by this Article, the County shall be authorized, but not obligated, to exercise the assessment and maintenance powers in place of the maintenance entity. The County may utilize the proceeds of the maintenance funds to reimburse funds advanced by the County for maintenance of improvements covered by this Article.

Declarant shall collect and maintain control over the maintenance fund and administer same until all of the lots in Water Oak On Lake Conroe are sold by Deed or Contract or until January 1, 2010, whichever comes first, or at any earlier time if Declarant so elects. After transfer, no association, group, corporation, individual or entity other than the Association formed pursuant to these restrictions shall be authorized to collect and administer the maintenance fund.

The initial maintenance charge shall be \$250.00 per quarter. The maintenance charge shall be paid quarterly in advance by January 1, April 1, July 1, and October 1 of each year. The maintenance charge will not accrue against any lot in which the legal and/or equitable title is vested in Declarant, notwithstanding that a lot may have been previously sold by a Deed or Contract and title thereto reverted back to Declarant. During the time that such fund is administered by the Declarant, the charge may be increased, but no more than once each twelve months and no increase shall be more than twenty (20) percent of the existing charge. However, after the Association assumes administration of responsibilities, the Association may adjust such rates pursuant to the rules and regulations of the Association. The annual assessment per Lot may be increased by the Association when it assumes administration of the fund in accordance with its by-laws. Interest on past due charges shall accrue at the highest rate allowable by law from date of delinquency. The payment of such maintenance charge shall be secured by a Vendor's Lien to insure payment of such maintenance charge in accordance with the provisions of law. In the event it becomes necessary to employ legal counsel to collect past due maintenance charges, such delinquent lot owners shall be responsible for reasonable attorney's fees and other reasonable costs incurred in such collection efforts including all costs of court in any legal proceeding. No owner may waive or otherwise escape liability for the maintenance charge provided for herein by non-use of the Common Area or abandonment of his lot.

The Administrator of the fund shall have the sole discretion as to how such money shall be used to comply with the provisions of this Article. During all times that Declarant is the Administrator of such funds it shall maintain the proceeds in an account separate and apart from all other accounts of Declarant and shall keep accurate records of all receipts and disbursements. In the event Declarant is compelled to advance its own funds to defray expenses of maintenance of the facilities and properties to be maintained by the fund, Declarant shall be entitled to repayment at such times as the fund is able.

Section 2. Enforcement of Maintenance Fee Collection. Each such assessment not paid when due shall incur a late fee of Fifty (\$50.00) Dollars or twenty percent (20%) of the amount due, whichever is greater. Each such assessment and late fee, if not paid when due, and

interest at the highest legal rate as permitted by Texas law together with costs of collection, including reasonable attorneys fees, shall be the personal obligation of the Owner against whom they were assessed and shall be secured by a lien as provided herein. To secure the payment of the maintenance fund established hereby and to be levied on individual lots, there shall be reserved in each Deed (whether specifically stated therein or not) by which the Declarant shall convey such Lots, a Vendor's Lien for the benefit of the Administrator of the fund, whether Declarant or Association. Said lien is to be enforceable through appropriate proceedings at law by such beneficiary; provided, however, that each such lien shall be secondary, subordinate, and inferior to all liens, present and future, given, granted and created by or at the instance and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the construction of improvements on any such Lot to the extent of any such maintenance fund charge accrued and unpaid prior to foreclosure of any improvements lien.

Section 3. Term of Maintenance Fees. The above maintenance charges and assessments will remain effective for the full term (and extended term, if applicable) of the within Covenants.

Section 4. Collection after Default by Purchase. It is specifically stated and agreed that any Lot sold to persons or entities by the Declarant by contract for sale of land, or deed with lien and note, or other instrument and the purchaser defaults in the contract or note payments in any manner and said Lot is repossessed, foreclosed or such contract canceled by Declarant, its successors or assigns, the Association will release its right to collect the past due maintenance charges, assessments and penalties on such Lots from the Declarant. Nothing herein contained shall relieve the purchaser in default from whom the Lot was repossessed from his personal obligation to pay such delinquent charges, assessments and penalties to the Association.

ARTICLE IX **Entry Gates**

Section 1. Location. The entrance ways to the subdivision shall have gates installed by Declarant. These gates will be electronically operated and will control access to the subdivision. The right to determine the location of the gates shall be within the sole discretion of Declarant.

Section 2. Control. The Declarant, its agents, employees, customers and invitees, shall always have unimpeded access through such gates and entry ways to conduct the business affairs of Declarant. The Declarant, in its sole discretion, shall have the right to have the gates remain open for sales and construction activities. The right of control of access through such entry way and gate by owners, their guests and invitees, shall be upon such terms as determined by the Property Owners Association.

Section 3. Maintenance. Maintenance of the gate and entry way shall be an expense to be paid from the maintenance fund.

ARTICLE X **General Provisions**

Section 1. Term. These covenants and Restrictions shall run with the land and shall be binding upon all parties and persons claiming under them for a period of forty (40) years from the date these Covenants are recorded at which time said Covenants shall be automatically extended for successive periods of ten (10) years each.

Section 2. Amendment. These Covenants and Restrictions may be amended at any time before the expiration of five (5) years from the date hereof by Declarant, in its sole and absolute discretion. These Covenants and Restrictions may be amended at any time after the expiration of five (5) years from the date hereof by the vote of seventy-five (75%) percent of the then owners of the Lots. Such amendment shall be incorporated in an instrument executed and acknowledged by the requisite seventy-five (75%) percent of the owners and shall become effective when such instrument is duly filed for record.

Section 3. Enforcement. The Association, the Architectural Control Committee or any Lot owner is authorized to prosecute proceedings at law or in equity against any person or persons violating or attempting to violate any such Covenants and to prevent him or them from doing so and/or to recover damages or other dues for such violations. The Declarant also reserves the right to enforce these restrictions.

Section 4. Severability. Invalidation of any one of these Covenants by judgment or further court order shall in no way affect any of the other provisions.

Section 5. Merger and Subdivision of Lots. Upon application in writing by an Owner or Owners of adjoining Lots, the Committee may authorize the merger or subdivision of adjoining Lots; provided, however, such merger or subdivision shall be in accordance with these declarations, including provisions which may further regulate the merger or subdivision. No merger or subdivision of Lots shall be allowed unless approved by the Committee. Two adjoining Lots may be subdivided provided that in no event shall either of the subdivided Lots contain less than ninety (90) percent of their original Lot area. The Committee's decision shall be final. Such plat and plans as may be necessary to show the merger or subdivision of Lots shall be thereafter prepared at the expense of the requesting Owner or Owners, who shall additionally be responsible for all costs, including legal fees, associated with the merger or subdivision of such Lots. In addition, the side Lot utility easement, if any, must be abandoned or released in accordance with applicable law. The Committee may impose conditions for use of the merged or subdivided Lots as a condition precedent to granting approval of such a merger or subdivision. From and after the time a merger or subdivision of Lots is approved, such Lots shall, for all purposes, be considered Lots in accordance with their new boundaries.

Section 6. Corrected Plats. Until the time a Lot or residential unit within the Properties is transferred by the Declarant to another (other than Builder/Owner, an affiliate of the Declarant, or a holder of a first mortgage on the entire Property), no Owner of any other Lot or residential unit shall have any rights whatsoever to the continuation of any covenants, conditions or restrictions on such properties as contained herein or as may be imposed, expressly or impliedly, by recordation of any plat or as might otherwise be implied or expressed. In furtherance thereof, until the time a Lot or residential unit within the Properties is transferred by

the Declarant as aforementioned, the Declarant may modify, revoke or cancel any plat or other instrument which might be deemed, either expressly or impliedly, to impose any covenants, conditions or restrictions or may take whatsoever steps it deems necessary or desirable.

Section 7. Amendment By Declarant. Declarant shall have the right to make amendments, modifications and changes to these Covenants, Conditions and Restrictions, without the joinder of any Owner or any other party, for the purpose of correcting any inconsistencies that may be found herein.

EXECUTED this 5th day of October, 2006.

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Real Property at Montgomery County, Texas.

OCT - 6 2006



Mark Turnbull
County Clerk
Montgomery County, Texas

FRONTIER II - BOARDWALK ON LAKE
CONROE, L.P., a Texas limited partnership

By: Frontier at Conroe II, Inc., a Texas corporation, its sole general partner

By: *Russell T. Colodny*
Name: Russell T. Colodny
Title: Vice President

*Ret. 14928 Diamondhead North
Montgomery, TX 77356*

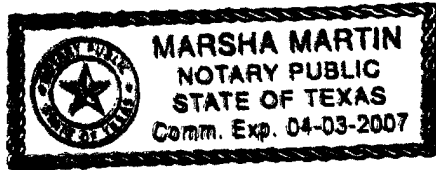
~~STATE OF COLORADO~~

~~COUNTY OF ARAPAHOE~~
Montgomery

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BEFORE ME, the undersigned authority, on this day personally appeared Russell T. Colodny, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was signed by him, as Vice President of Frontier at Conroe II, Inc., on behalf of Frontier II – Boardwalk On Lake Conroe, L.P., and that the same was the act of the said entities as stated, and that he executed the same as the act of such corporation for the purposes and considerations therein expressed, and in the capacity therein stated.

(SEAL)



By: *Marsha Martin*
Notary Public, State of Colorado

FILED FOR RECORD
06 OCT -6 AM 9:53

Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

RECORDER'S MEMORANDUM:
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All black-outs, additions and changes were present at the time the instrument was filed and recorded.