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REAL PROPERTY RECORDS

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
IMPERIAL OAKS, SECTION TWO (2)

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

THIS DECLARATION made on this day by Associated Properties, Inc., a Texas corporation, acting herein by and through its duly authorized officers, hereinafter referred to as "Declarant", and the other lot owners whose signatures appear below:

W I T N E S S E T H :

WHEREAS, Declarant and said other owners are the owners of that 88.1730 acre tract of land in Montgomery County, Texas, as recorded in Plat Cabinet C, Sheet 63, Clerk's File No. 7944772, according to the Map Records of Montgomery County, Texas, and

WHEREAS, Imperial Oaks, Section One (1), Imperial Oaks, Section Two (2), and Imperial Oaks, Section Three (3), are separate and independent subdivisions with the property comprising each subject only to the particular Covenants, Conditions, and Restrictions applicable to the respective subdivisions through a common Association, as hereinafter defined.

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes, and declares that all of the Lots in IMPERIAL OAKS, SECTION TWO (2), shall be held, sold and conveyed subject to the following easements, reservations, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall constitute covenants running with the real property, shall be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Common Facilities may include, but are not necessarily limited to, the following: structures for recreation, storage or protection of equipment; fountains; statuary; walkways; common driveways; landscaping; swimming pool; tennis courts; and other similar and appurtenant improvements. References herein to the "Common Facilities (any Common Facility) in the Subdivision" shall mean and refer to Common Facilities as defined respectively in this Declaration and any Supplemental Declarations.

Section 7. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants and Restrictions bringing additional property within the scheme of this Declaration under the authority provided in Article V, Section 6 hereof. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declarations" shall be deemed to relate to the respective properties covered by such Supplemental Declarations.

Section 8. "Member" and/or "Members" shall mean and refer to all those Owners who are Members of the Association as provided in Article III, Section 1 hereof, together with all the Owners in the Subdivision who are Members of the Association as provided in all other Supplemental Declarations.

Section 9. "Declarant" shall mean and refer to Associated Properties, Inc., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from Declarant for the purpose of development (the term "development" for the purposes hereof shall mean installation of utilities and streets to serve more than one Lot and shall not refer to improving Lots with residential structures).

Section 10. "Architectural Control Committee" shall mean and refer to Imperial Oaks Architectural Control Committee, Section Two (2) as provided for in Article II, Section 2 hereof, which Committee shall be separate and independent of Imperial Oaks Architectural Control Committee as provided for and empowered pursuant to Article IV of the Declaration of Covenants, Conditions and

Restrictions, Imperial Oaks, Section One (1), filed for record in the office of the County Clerk of Montgomery County, under County Clerk's File Number 8027561 and recorded under Film Code Number 030-01-2294 in the Real Property Records of Montgomery County, Texas, the amendments thereto, and the Imperial Oaks Architectural Control Committee as provided for and empowered pursuant to Article IV of the Declaration of Covenants, Conditions and Restrictions - Imperial Oaks Section Three (3), filed for record in the office of the County Clerk of Montgomery County, Texas under County Clerk's File No. 8241537 and recorded under Film Code No. 156-01-2216, et seq. in the Real Property Records of Montgomery County, Texas and any amendments thereto.

Section 11. "Subdivision Plats" shall mean and refer to both the plat of Imperial Oaks, Section Two (2) (herein sometimes singly referred to as "Section Two Plat") recorded in Cabinet C, Sheet 63, of the Map Records of Montgomery County, Texas, and any recorded replat(s) thereof.

ARTICLE II

USE RESTRICTIONS

Section 1. Single Family Residential Construction. No building shall be erected, altered or permitted to remain on any Lot other than one single-family residential dwelling not to exceed two and one-half (2-1/2) stories in height, which may have a private garage or carport for not more than three (3) cars and bona fide servants' quarters which structures shall not exceed the main dwelling in height and which structure may be occupied only by a member of the family occupying the main residence on the building site or by domestic servants employed on the premises and no room(s) in the dwelling and no space in any other structure shall be let or rented. This shall not preclude the main residential structure from being leased or rented in its entirety as a single residence to one family or person.

Section 2. Architectural Control. No buildings or improvements of any character shall be erected or placed or the erection thereof begun, or changes made in the design thereof after original construction, on any lot until the construction plans and specifications and a plan showing the location of the structure or improvements have been submitted to and approved in writing by the Architectural Control Committee, or its duly authorized representative, as to compliance with these restrictions, quality of material, harmony of external design with existing and proposed structures and as to location with respect to topography and finish grade elevation. The initial members of the Architectural Control Committee shall be Bob Loiseau, Larry Rowland and Sam Grimes. If there exists at any time one or more vacancies in the Architectural Control Committee, the remaining member or members of such Committee may designate successor member(s) to fill such vacancy or vacancies provided that Declarant may from time to time, without liability of any character for so doing, remove and replace any such members of the Architectural Control Committee as it may in its sole discretion determine. The Declarant, Architectural Control Committee and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. In the event the Committee fails to indicate its approval or disapproval within thirty (30) days after the receipt of the required documents, approval will not be required and the related covenants set out herein shall be deemed to have been fully satisfied. Declarant hereby retains its rights to assign the duties, powers and responsibilities of the Architectural Control Committee to IMPERIAL OAKS COMMUNITY IMPROVEMENT ASSOCIATION, when one hundred percent (100%) of all Lots are occupied by residents, and the term "Architectural Control Committee" herein shall include the Association, as such assignee. The approval or lack of disapproval by the Architectural Control Committee shall not be deemed to constitute any warranty or representation by such Committee including, without limitation, any warranty relating to fitness, design or adequacy or adequacy of the proposed

construction or compliance with the applicable statutes, codes and regulations. Anything contained in this Paragraph 2 or elsewhere in this Declaration to the contrary notwithstanding, the Architectural Control Committee, and its duly authorized representative, is hereby authorized and empowered, at its sole and absolute discretion, to make and permit reasonable modifications of and deviations from any of the requirements of this Declaration relating to the type, kind, quantity or quality of the building materials to be used in the construction of any building or improvement on any Subdivision Lot and of the size and location of any such building or improvement when, in the sole and final judgment and opinion of the Committee, or its duly authorized representative, such modifications and deviations in such improvements will be in harmony with existing structures and will not materially detract from the aesthetic appearance of the Subdivision and its improvements as a whole.

The Architectural Control Committee may require the submission to it of such documents and items (including as examples, but without limitation, written request for any description of the variances requested, plans, specifications, plot plans and samples of materials) as it shall deem appropriate, in connection with its consideration of a request for a variance. If the Architectural Control Committee shall approve such request for a variance, the Architectural Control Committee may evidence such approval, and grant its permission for such variance, only by written instrument, addressed to the Owner of the Lot(s) relative to which such variance has been requested, describing the applicable restrictive covenants(s) and the particular variance requested, expressing the decision of the Architectural Control Committee to permit the variance, describing (when applicable) the conditions on which the variance has been approved (including as examples but without limitation, the type of alternate materials to be permitted, and alternate fence height approved or specifying the location, plans and specifications applicable to an approved out building), and signed by a majority of the then members of the Architectural Control Committee (or by the Committee's duly authorized representative). Any request for a variance shall be deemed to have

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been disapproved for the purposes hereof in the event of either (a) written notice of disapproval from the Architectural Control Committee; or (b) failure by the Architectural Control Committee to respond to the request for variance. In the event the Architectural Control Committee or any successor to the authority thereof shall not then be functioning and/or the term of the Architectural Control Committee shall have expired and the Board of Trustees of the Association shall not have succeeded to the authority thereof as herein provided, no variances from the covenants of this Declaration shall be permitted, it being the intention of Declarant that no variances be available except at the discretion of the Architectural Control Committee, or if it shall have succeeded to the authority of the Architectural Control Committee in the manner provided herein, the Board of Trustees of the Association. The Architectural Control Committee shall have authority to approve any variance except as expressly provided in this Declaration.

Section 3. Minimum Square Footage Within Improvements. The living area of the main residential structure (exclusive of porches, garages and servants' quarters) shall not be less than Eight Hundred (800) square feet.

Section 4. Location of the Improvements Upon the Lot.

A. No building or other improvements shall be located on any lot nearer to the front lot in or nearer to the street sideline than the minimum building setback line shown on the recorded plat. No building shall be located on any lot nearer than ten (10) feet to any side street line. Subject to Paragraph B of this Section, no building shall be located nearer than five (5) feet to any interior lot line, except that a garage or other permitted accessory building located sixty (60) feet or more from the front line may be located within three (3) feet of an interior lot line; provided, however, that a dwelling may be located as near as three (3) feet to any interior lot line so long as the distance between any adjacent dwelling and the

dwelling situated as close as three (3) feet to an interior lot line is not less than ten (10) feet and neither dwelling is closer than three (3) feet to any easement containing water and/or sanitary sewer lines; provided, however, in no event shall the sum of the side yard widths on any lot be less than ten (10) percent of the width of the lot (except in the case of a garage or other permitted accessory building set back sixty (60) feet as above prescribed). This distance shall be measured (to the nearest foot) along the front setback line shown on the recorded plat. For the purposes of this covenant or restriction, eaves, steps and unroofed terraces shall not be considered as part of a building, provided, however, that this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot.

B. "Zero Lot Line Detached". Upon prior written approval of the Architectural Control Committee, improvements may be constructed so as to have one outside wall abutting the side property line designated as the "zero setback line" for that Lot, except in the case of corner lots or unless a different layout is authorized in writing by the Architectural Control Committee. Corner lots may have a "zero setback line" opposite the side street. To provide for uniformity and proper utilization of the building area within the Lots, dwellings or appurtenant structures on a Lot shall not be less than six (6) feet from the dwelling or appurtenant structure on any contiguous Lot(s). No windows, doors or other openings may be placed in the wall built on or parallel to the zero setback line unless the wall is a minimum of three (3) feet from the zero setback line except that walls on the zero setback line may have openings if such wall faces onto a reserve or easement.

The side wall of the dwelling or appurtenant structure built on the zero setback line shall be constructed using permanent low-maintenance material as approved by the Architectural Control Committee. The Owner of any adjacent Lot shall not attach anything to a side wall or fence located upon the zero setback line; nor shall the Owner of any adjacent Lot alter in any manner, i.e. structure, color, material or otherwise, a side wall or fence located upon the zero setback line without the (i) written approval of the Architectural Control Committee and (ii) written consent of the adjoining Lot Owners.

C. "Zero Lot Line - Attached". Upon prior written approval of the Architectural Control Committee, improvements may be constructed on two adjoining lots each abutting the common "zero lot line". The two owners of each building shall be responsible for the maintenance of the exterior of their building. No change of paint or roof color will be permitted without approval by the Architectural Control Committee. No maintenance, repairs or painting shall be done by one owner without the consent of the other owner. Each owner (unit) shall have one vote in all matters of exterior maintenance, repairs and painting, and the cost of these repairs. If the two owners (units) cannot agree on the maintenance, repairs, and painting then the owner (unit) that deems that the work needs to be accomplished shall prepare a written description and cost of the work to be accomplished to the Architectural Control Committee. The Architectural Control Committee shall rule on the need for accomplishing the work and shall set the time frame to accomplish the work if the work is required. Their ruling shall be binding on both owners. In the event an owner of any lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Trustees of the Association after approval by two-thirds (2/3) vote of the Board of Trustees, shall have the right, within sixty (60) days of the written notification to said owner, through the Association's agents and employees, to enter upon said parcel and to repair, maintain, and restore the lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

Each wall and roof which is built as a part of the original construction of the zero lot line attached building upon the Properties and placed on the dividing line between the lots shall constitute a common wall and roof, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding

common walls and roofs and liability for property damage due to negligence or willful acts or omissions shall apply thereto. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a common wall or roof shall be shared by the Owners who make use of the wall and roof equally. Destruction by Fire or Other Casualty. If a party wall or roof is destroyed or damaged by fire or other casualty, any owner who has used the wall or roof may restore it, and if the other owner thereafter makes use of the wall or roof, he shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions. In addition, for attached zero lot line buildings, the total exterior of both properties must be completely restored to their original condition before the destruction that resulted from fire or other casualty. Weatherproofing. Notwithstanding any other provisions of this Article, an owner who, by his negligence or willful act, causes the common wall or roof to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements. Right to Contribution Runs with Land. The right of any owner to contribution from any other owner under this Section shall be appurtenant to the land and shall pass to such owner's successors in title. Arbitration. In the event of any dispute arising concerning a common wall or roof, or under the provisions of this Section, the Architectural Control Committee, as set forth under Article IV herein, shall have full and complete authority in handling said dispute and the decision of the Architectural Control Committee must be rendered on or before sixty (60) days following written notification of the Architectural Control Committee by one or both property owners involved.

No electrical lines or plumbing shall be placed into the common wall between the attached residences (being the wall situated on the lot line) which connect or serve both residences, provided, however, that electrical outlets may be located on said wall provided they service the residence in which they open.

Section 5. A. Composite Building Site. Any Owner of one or more adjoining Lots (or portions thereof) may consolidate such Lots or portions into one single-family residence building site, with the privilege of placing or constructing improvements on such site, in which case setback lines shall be measured from the resulting side property lines rather than from the lot lines shown on the recorded plat. Any such proposed composite building site(s) must be approved by the Architectural Control Committee.

B. Resubdivision of Lots. No Lot shall be resubdivided, nor shall any building be erected or placed on any such resubdivided Lot, unless each building site resulting from such resubdivision shall have a minimum width of not less than forty-five feet at the front building line; provided, however, that nothing contained herein shall be construed to prohibit the resubdivision of any Lot or Lots within the Properties by the Owner thereof prior to construction of residence(s) thereon if such resubdivision results in each resubdivided Lot or building site having the minimum Lot width aforesaid. Any such resubdivision must be approved by the Architectural Control Committee.

Lots or building sites resulting from composition or resubdivision of platted Lots which have not been replatted of record may be described by metes and bounds; provided that the Federal Housing Administration and/or the Veterans Administration consent thereto.

Section 6. Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded plat and no structure of any kind shall be erected upon any of said easements. Neither Declarant nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers or improvements of the owner located on the land within or affected by said easements.

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Further as to Lots and the Common Area adjoining Lots with improvements situated on the zero setback line shall be subject to a three (3) foot access easement for the construction, repair and maintenance of improvements located upon any adjacent Lot where said improvements are located on the "zero setback line" of the adjacent Lot. The zero setback line owner must replace any fencing, landscaping or other items on the adjoining Lot that he may disturb during the construction, repair or maintenance. Additionally, this easement, when used, must be left clean and unobstructed unless the easement is actively being utilized and any items removed must be replaced. Except in the event of an emergency, the zero setback line owner must notify the Owner of the adjacent Lot of his intent to do any construction or maintenance upon the zero setback line wall at least twenty-four (24) hours before any work is started, with the hours that such access easement may be utilized being restricted to between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, and 9:00 a.m. to 6:00 p.m. on Saturdays. In the event of an emergency, no such notice is necessary.

Section 7. Reservations, Exceptions and Dedications. The Subdivision Plats dedicate for use as such, subject to the limitations set forth therein, the streets and easements shown thereon, and such Subdivision Plats further establish certain restrictions applicable to the Properties, including, without limitation, certain minimum setback lines, and all dedications, limitations, restrictions and reservations shown on the Subdivision Plats are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying any part of the Properties, whether specifically referred to therein or not, subject however, to the modifications, limitations, easements and powers contained herein.

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

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

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

It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land within the Properties by contract, deed or other conveyance shall be subject to (a) any easement affecting same for roadways or drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph, telephone or other utility purposes and shall convey no interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances thereto, constructed by or under Declarant or any easement owner, or their agents through, along or upon the premises affected thereby, or any part thereof, to serve said land or any other portion of the Properties and (b) the right of Declarant, its successors and assigns, to maintain, repair, sell or lease such appurtenances to any municipality, or other governmental agency or to any public service corporation or to any other party (and such right is hereby expressly reserved).

Section 8. Annoyance or Nuisances. (a) No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance to the neighborhood. (b) No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats or other household pets (not to exceed three [3] adult animals) may be kept provided that they are not kept, bred or maintained for any commercial purpose. (c) No

spirituous, vinous, malt liquor or medicated bitters capable of producing intoxication shall ever be sold or offered for sale on any Lot, nor shall any Lot or any part thereof be used for illegal or immoral purposes. (d) No septic tank or private water well shall be permitted on any Lot.

Section 9. Temporary Structures. No structure of a temporary character, whether trailer, basement or tent, shack, garage, barn, shed or otherwise shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portions of the Properties as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Such facilities may include, but not necessarily be limited to sales and construction offices, storage areas, model units, signs and portable toilet facilities. No truck, trailer, boat, automobile, campers, motor or mobile home or other vehicle shall be stored, parked, or kept on any Lot or in the street in front of the Lot unless such vehicle is in day-to-day use off the premises and such parking is only temporary, from day-to-day; provided however, that nothing herein contained shall be construed to prohibit the storage of an unused vehicle in an enclosed garage on any Lot, or to prohibit the parking on a Lot of construction or repair equipment only while a house, or houses, are being built or repaired in the immediate vicinity.

Section 10. Signs and Billboards. No signs, billboards, posters or advertising devices of any character shall be erected, permitted or maintained on any Lot except (i) one sign of not more than ten (10) square feet advertising the particular Lot on which the sign is situated for sale or rent and (ii) one sign of not more than five (5) square feet to identify the particular Lot as may be required by the Federal Housing Administration or Veterans Administration during the period of actual construction of a single-family residential structure thereon; provided however,

that the right is reserved by Declarant to construct and maintain such signs, billboards or advertising devices as is customary in connection with the general sale of property, Lots and residences in the Subdivision. In no event shall any sign, billboard, poster or advertising device of any character, other than as specifically prescribed in this Section 10, be erected, permitted or maintained on any Lot without the express prior written consent of the Architectural Control Committee. The Association, Declarant, or its express assigns, shall have the right to remove from any portion of the Properties any sign, billboard, poster or other advertising device that does not comply with this Section 10 and, in so doing, shall not be subject to any liability for trespass, injury to or conversion of property, or have any other liability of any kind or character, as a result of or arising out of such removal by Declarant. The term "Declarant" as used in this Section 10 and Section 9 above shall refer to Associated Properties, Inc., and such of its successors or assigns to whom the rights under this Section 10 and/or Section 9 above are expressly and specifically transferred.

Section 11. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry 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 is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

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Section 12. Underground Electric System. An underground electric distribution system will be installed in that part of Imperial Oaks, Section Two (2), designated herein as Underground Residential Subdivision, which underground service area embraces all of the Lots which are platted in Imperial Oaks, Section Two (2). In the event that there are constructed within the Underground Residential Subdivision structures containing multiple dwelling units such as townhouses, duplexes or apartments, then the underground service area embraces all of the dwelling units involved. The Owner of each Lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure, the Owner/Developer, shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has either by designation on the Subdivision Plats or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the Owner of each Lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure, the Owner/Developer, shall at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric

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

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

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No provision of this Section (the text of which is prescribed by the electric company) shall in any manner operate or be construed to permit the construction on any Lot of any type of residential structure other than a single family residence as provided herein.

Section 13. Oil and Mining Operations. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, water 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 oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 14. Antennae. No electronic antennae or device of any type other than one antennae for receiving television signals, FM signals and/or citizen's band signals shall be erected, constructed, placed or permitted to remain on any of the Lots, residences thereon or other permitted buildings constructed in the Properties. The permitted antennae may be free standing (with or without down guys) or may be attached to the residential structure; however, in any event the antennae's location shall be restricted to the rear of the residential structure or to the rear of the roof ridge line, gable or center line of the residential structure so as to be hidden from sight, to the extent practicable, when viewed from the front of the Lot and in no event shall any antennae of any kind extend to a height which is more than ten (10) feet above the highest point of the roof of the main residential structure on such Lot.

Section 15. Service Riser Conduit Each residential structure shall have installed on the outside wall thereof a service riser conduit, beginning at least thirty (30) inches below the surface of the ground and terminating at the meter socket on such wall.

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Section 16. Walls, Fences and Hedges. No wall, fence or hedge shall be erected or maintained nearer to the front lot line than the front building line on such Lot, nor on corner lots nearer to the side lot line than the building setback line parallel to the side street. No side or rear fence, wall or hedge shall be more than six (6) feet in height. No chain link fence type construction will be permitted on any Lot. Any wall, fence or hedge erected on a Lot by Declarant or its assigns, shall pass ownership with title to the Lot and it shall be owner's responsibility to maintain said wall, fence or hedge thereafter.

Section 17. Visual Obstruction at the Intersection of Public Streets. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the surface of the streets within the triangular area formed by the curb lines of the streets involved and a line running from curb line to curb line at points twenty-five (25) feet from the junction of the street curb lines shall be placed, planted or permitted to remain on any corner lots.

Section 18. Lot Maintenance. The Owner 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 material and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind or the burning (except as permitted by law) of any such materials is prohibited. 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, Declarant or its assigns, may without being under any duty to so do, in trespass or otherwise, enter upon said Lot, cut, or cause to be cut, such weeds and grass and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and 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, as the case may be, agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt thereof.

Section 19. Roofing and Exterior Wall Material. The roof of any building (including any garage or servants' quarters) shall be constructed or covered with (1) wood shingles or (2) asphalt or composition type shingles comparable in color to wood shingles. The decision of such comparison shall rest exclusively with the Architectural Control Committee. Any other type of roofing material shall be permitted only at the sole discretion of the Architectural Control Committee upon written request. At least twenty-five percent (25%) of the exterior surface of all outside walls exclusive of eaves of any building excepting garages shall be constructed or covered with masonry material.

ARTICLE III

The Imperial Oaks Community Improvement Association

Section 1. Membership. Every Owner of a Lot in the Subdivision which is subject to a maintenance charge assessment by the Association, including contract purchasers, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of the Lots which is subject to assessment by the Association. Ownership of such lots shall be the sole qualification for membership.

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

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

Class B. The Class B member shall be the Declarant defined in this Declaration. The Class B member shall be entitled to three (3) votes for each Lot in the Subdivision in which it holds the interest required for membership by Section 1; provided however, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

a. When the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership, or

b. On January 1, 1994.

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

Section 3. Non-Profit Corporation. A non-profit corporation has been organized to assume and perform the duties and functions of the Association. Upon the organization of such corporation, and the approval of the Articles of Incorporation and Bylaws therefor by the Federal Housing Administration or the Veterans Administration, all duties, obligations, benefits, liens, and rights hereunder in favor of the Association shall vest in said corporation.

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

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

ARTICLE IV.

Covenants for Regular, Annual and Special Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments.

Each Lot in the Properties is hereby severally subjected to, and the Declarant, for each Lot owned by it within the Properties, hereby covenants, and each Owner of any Lot in the Properties, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following charges and assessments which shall run with the land and shall be in the same and equal amounts for each Lot in the Properties:

(a) a regular annual maintenance assessment in the amount per annum specified, and subject to increase or decrease as provided in Section 3 below; and

(b) special assessments as provided for (and subject to the conditions and limitations provided for) in Section 4 below;

such assessments to be established and collected as hereinafter provided and which regular annual assessments shall constitute the proceeds of a fund (hereinafter called "the maintenance fund") and which special assessments (if any) shall constitute the proceeds of a separate fund (hereinafter called "the Special Assessment Fund"), each such fund to be used for the purposes hereinafter provided. Such regular annual maintenance charge assessments, and such special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due, but such personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The maintenance fund shall be used exclusively to promote the health, safety, welfare and enjoyment of the residents in the Subdivision, and the Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of the Subdivision provided, however, that each future section of Imperial Oaks Subdivision (and any other property or properties included in the Subdivision), to be entitled to the benefit of this maintenance fund, must be impressed with and subjected to an annual maintenance charge and assessment on a uniform, per Lot basis, substantially equivalent to the maintenance charge and assessment imposed hereby, to special assessment provisions consistent with those contained in this Declaration, and further made subject to the jurisdiction of the Association in the manner provided for herein. The uses and benefits to be provided by said Association out of the maintenance fund may include, at its sole option, by way of example and without limitation, any or all of the following: maintaining rights-of-way, easements and esplanades; furnishing and maintaining landscaping, lighting and beautification of the Properties; payment of all legal and other expenses incurred in connection with the

259-01-0151

enforcement of all recorded charges and assessments, covenants, restrictions, and conditions affecting the properties to which the maintenance fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; and doing such other things and taking such other actions as are necessary or desirable in the opinion of the Association to keep the Properties and the Subdivision neat and in good order, or which is considered of general benefit to or which is likely to contribute to the health, safety, welfare or enjoyment of the Owners or occupants of the Lots in the Subdivision, it being understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 3. Maximum Regular Annual Assessment. Until January 1, 1984, the maximum regular annual assessment shall be One Hundred --Twenty-- and No/100 Dollars (\$12000) per Lot, per annum.

(a) From and after January 1, 1984, the maximum annual assessment may be increased each year (beginning with the 1984), without a vote of the membership, by an amount not in excess of ten percent (10%) of the maximum annual assessment for the previous year.

(b) From and after January 1, 1984, the maximum annual assessment may be increased for any year (beginning with the year 1984) by an amount in excess of ten percent (10%) of the maximum annual assessment for the previous year, only by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

259-01-0152

Section 4. Special Assessments. The Board of Trustees of the Association, from time to time by the adoption of a resolution for such purpose, subject to ratification by the Members of the Association as hereinafter provided, may levy and impose, against each Lot in the Subdivision, a special assessment for a specific amount, which shall be equal for each such Lot, to create the Special Assessment Fund to be used for purchasing equipment or facilities for any Common Properties or Common Facilities in the Subdivision and/or for defraying in whole or in part the cost of constructing new capital improvements or altering, remodeling, restoring or reconstructing previously existing capital improvements upon such Common Properties or Common Facilities, including fixtures and personal property related thereto; provided, however, that before any such resolution shall become effective it shall be ratified either (i) by the assent in writing of the Members of the Association who in the aggregate then own at least 75% of the Lots in the Subdivision if no meeting of the membership is held for ratification, or (ii) by the assent of 75% of the votes of the Members of the Association who are present and voting in person or by proxy at a special meeting of the membership called for this purpose and at which a quorum is present. The Owner of each Lot subject to such assessment shall pay his special assessment to the Association at such time or times and in such manner as provided in such resolution.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 or 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

The quorum requirement for each subsequent meeting called for such purpose shall be one-half of the required quorum for the preceding meeting, provided that no such subsequent meeting shall be more than sixty (60) days following the preceding meeting.

Section 6. Rate of Assessments. The Board of Trustees, in its discretion, may fix, by resolution specifying such amount, the regular annual assessment at any amount not in excess of the maximum then permitted under the terms of Section 3 above, and such regular annual assessment for the Lots, when fixed, shall be assessed and paid at the following uniform rates:

(a) The rate for all Lots other than those Lots owned by Declarant, shall be fifty percent (50%) of the regular annual assessment fixed by the Board of Trustees until the first day of the month following completion and occupancy of a permanent residential structure on such Lot; thereafter such rate shall be one hundred percent (100%) of the applicable regular annual assessment as to such Lot owned by the Owner on whose property such permanent structure has been erected.

(b) The rate for all Lots owned by Declarant shall be separately determined by the Association, but in no event shall such rate be less than fifty percent (50%), nor more than one hundred percent (100%) of the applicable regular annual assessment.

Section 7. Date of Commencement of Regular Annual Assessments:

Due Dates. The regular annual assessments provided for herein shall commence as to all Lots on the date fixed by the Board of Trustees, in its sole discretion, to be the date of commencement but such date shall not be prior to the date of recordation of this Declaration, and the annual assessment period shall be the calendar year. It is expressly provided, however, that such commencement date shall not be later than the conveyance of a Lot by Declarant to a Class A owner following the issuance by the U.S. Department of Housing and Urban Development of its form ASP9 in respect of Imperial Oaks, Section Two. Thereafter, the Board of Trustees shall fix the amount of the regular annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the regular annual assessment shall be sent to every Owner subject thereto. Except as hereinafter provided for Declarant, the due dates (which may be

monthly, quarterly, semi-annually or annually) shall be established by the Board of Trustees. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. The due date for payment of any and all assessments (regular or special) accrued by Declarant for each Lot owned by it shall be the date on which Declarant conveys such Lot to an Owner other than Declarant.

Section 8 Effect of Nonpayment of Assessments; Remedies of The Association. Any assessment (regular or special) not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien created hereby against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein, as it applies to any Lot, shall be second, subordinate and inferior to all liens, present and future, given, granted and created by or at the instance or request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot, and further provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting mortgage lien, the Association shall give the holder of such mortgage lien sixty (60) days written notice of such proposed action, such notice, which shall be sent to the nearest office of such mortgage holder by prepaid U.S. Registered Mail, to contain the statement of the delinquent assessment(s) upon which the proposed action is based. Upon the request of any such mortgage lienholder, the Association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular Lot covered

by such mortgage lien to the holder thereof. No sale or transfer of a Lot shall relieve the Owner of such Lot for liability for any assessments theretofor having become due or such Lot from the lien thereof. However, the sale or transfer of any lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien securing such assessment or charge as to payments which became due prior to such sale or transfer.

ARTICLE V

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, Common Properties and Common Facilities, if any, which shall be appurtenant to and shall pass with the title to every lot subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area, Common Properties and Common Facilities, if any.

(b) The right of the Association to suspend the voting rights and right to use of the recreational facility by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for each infraction of its published rules and regulations.

259-01-0156

(c) The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of the members agreeing to such dedication or transfer has been recorded in the Real Property Records of Montgomery County, Texas.

(d) The right of the Association to collect and disburse those funds as set forth in Article IV.

Section 4. Delegation of Use. Any Owner may delegate in accordance with the Bylaws of IMPERIAL OAKS COMMUNITY IMPROVEMENT ASSOCIATION, his right of enjoyment to the Common Area, if any, and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

Section 5. Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of the Association and all Owners in the Subdivision, their respective legal representatives, heirs, successors and assigns, for an initial term commencing on the effective date hereof and ending December 31, 2020. During such initial term the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than ninety percent (90%) of all Lots in the Properties, and properly recorded in the appropriate records of Montgomery County, Texas. Upon the expiration of such initial term, said covenants and restrictions (if not previously terminated and as changed (if changed), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years. During such ten year extension periods, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than seventy-five percent (75%) of all the Lots in the Properties, and properly recorded in the appropriate records of Montgomery County, Texas.

Section 6. Annexation. Additional residential property and Common Area may be annexed to the Properties pursuant to the procedures, terms and provisions of Article VII, Sections 3 and 4 of the Declaration of Covenants, Conditions and Restrictions for Imperial Oaks, Section One.

Section 7. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of subsequent sections of IMPERIAL OAKS, amendment of this Declaration of Covenants, Conditions and Restrictions, merger or consolidation of the Association with another Association and dedication of common areas to the public.

Section 8. Interpretation. If this declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

Section 9. Omissions. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other word, clause, sentence or provision appearing in this Declaration shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provisions shall be supplied by inference.

Section 10. Joinder by Lienholder. The undersigned lienholder joins herein solely for the purpose of subordinating the liens held by it of record upon the Properties to the covenants, conditions and restrictions hereby imposed by the Declarant with, however, the stipulation that such subordination does not extend to any lien or charge imposed by or provided for in this Declaration.

253-01-0158

EXECUTED on this the 16th day of January, 1984.

DECLARANT: ASSOCIATED PROPERTIES, INC.

ATTEST: BY: [Signature]
(Name) Samuel L. Grimes
(Capacity) Vice President

BY: Dolores J. Blaylock
(Name) Dolores J. Blaylock
(Capacity) Asst. Sec.

LIENHOLDER: GIBRALTAR SAVINGS ASSOCIATION

ATTEST: (Name) [Signature]
(Capacity) SE. VICE PRESIDENT

[Signature]
(Name) Wanda Astworth
(Capacity) [Signature]



259-01-0159

THE STATE OF TEXAS
COUNTY OF MONTGOMERY

§
§
§

This instrument was acknowledged before me on the 16th day of January, 1984, by Samuel L. Gimes, who is the Vice-President of Associated Properties, Inc. on behalf of said corporation.



Debby M. Ziegler
NOTARY PUBLIC, STATE OF TEXAS

My commission expires: 5.12.87

Debby M. Ziegler
(NAME PRINTED)

THE STATE OF TEXAS
COUNTY OF MONTGOMERY

§
§
§

This instrument was acknowledged before me on the 16th day of January, 1984, by Charles R. Ackerman, who is the Senior Vice President of Gibraltar Savings Assn. on behalf of said corporation.



Donnel Helen Wood
NOTARY PUBLIC, STATE OF TEXAS

My commission expires: 8/19/86

DONNEL HELEN WOOD
(NAME PRINTED)

259-01-0160

OWNER: Lot 4, Block 9
Lot 5, Block 9
Lot 6, Block 9
Lot 7, Block 9

HABICHT MODELS, INC..

ATTEST:

By: Claire Egan

By: Charles W. Tiedemann

Name: Claire Egan

Its: Charles W. Tiedemann
Vice President

Capacity: Assistant Secretary

LIENHOLDER:

THE FIRST NATIONAL BANK
OF CHICAGO

ATTEST:

By: Benjamin P. Kap

By: Paul C. Friedland

Name: Benjamin P. Kap

Its: VICE PRESIDENT

Capacity: Attorney

THE STATE OF Virginia §

COUNTY OF Fairfax §

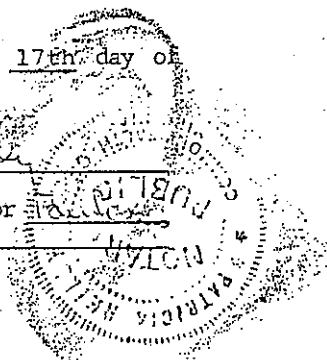
BEFORE ME, the undersigned authority, on this day personally appeared Charles W. Tiedemann, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the 17th day of January, 1984.

Patricia Reiche

Notary Public in and for Fairfax
County, Virginia

My Commission Expires May 27, 1985



THE STATE OF Illinois §

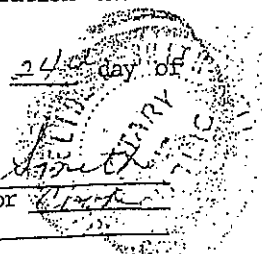
COUNTY OF Cook §

BEFORE ME, the undersigned authority, on this day personally appeared Paul C. Friedland, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the 24th day of January, 1984.

Josephine A. Smith

Notary Public in and for Cook
County, Illinois





Office of the Secretary of State

CERTIFICATE OF MERGER

The undersigned, as Secretary of State of Texas, hereby certifies that the attached articles of merger of

IMPERIAL OAKS COMMUNITY IMPROVEMENT ASSOCIATION, INC.
Domestic Nonprofit Corporation
[Filing Number: 61366101]

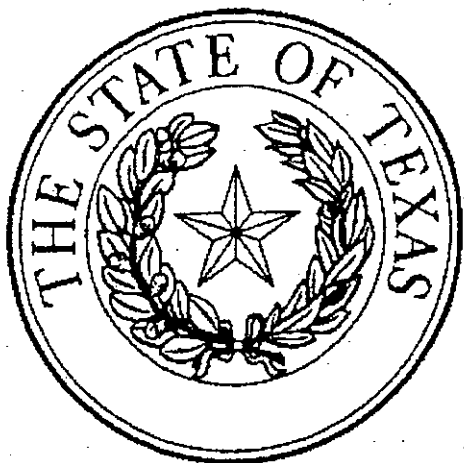
IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION
Domestic Nonprofit Corporation
[Filing Number: 125043801]

Into

IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC.
Domestic Nonprofit Corporation
[Filing Number: 127202901]

have been filed in this office as of the date of this certificate.
Accordingly, the undersigned, as Secretary of State, and by the virtue of the authority vested in the secretary by law, hereby issues this certificate of merger.

Dated: 07/22/2003
Effective: 07/22/2003



A handwritten signature in cursive script that reads "Gwyn Shea".

Gwyn Shea
Secretary of State

JUL 22 2003

ARTICLES OF MERGER

Corporations Section

Pursuant to the provisions of Article 5.04 of the Texas Non-Profit Corporation Act, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

1. The respective Plans of Merger, copies of which are attached hereto as Exhibit "A", were approved by the members of each of the undersigned corporations in the manner prescribed by the Texas Non-Profit Corporation Act.

2. As to each of the undersigned corporations, the Plan of Merger was adopted in the following manner:

Imperial Oaks Section Five Community Association:

The Plan of Merger was adopted at a special meeting of members held on April 29, 2003, at which a quorum was present, and the Plan of Merger received at least two-thirds of the votes which members present at such meeting, in person or by proxy, were entitled to cast.

Imperial Oaks Park Property Owners Association, Inc.

The Plan of Merger was adopted at a special meeting of members held on April 21, 2003, at which a quorum was present, and the Plan of Merger received at least two-thirds of the votes which members present at such meeting, in person or by proxy, were entitled to cast.

Imperial Oaks Community Improvement Association, Inc.

The Plan of Merger was adopted at a special meeting of members held on April 30, 2003, at which a quorum was present, and the Plan of Merger received at least two-thirds of the votes which members present at such meeting, in person or by proxy, were entitled to cast.

3. The United States Department of Housing and Urban Development ("HUD") joins in the execution of this instrument to acknowledge its approval for the merger as set forth herein.

Dated: May 20th, 2003.

IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION, a Texas non-profit corporation

By: *Linda Zdunkewicz*
Linda Zdunkewicz, President

AND

By: *Dan Price*
Dan Price, Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

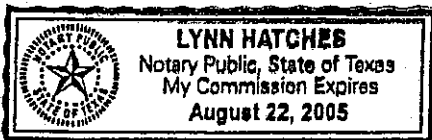
This instrument was acknowledged before me on May 20, 2003, by Linda Zdunkewicz, the President of IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION, a Texas non-profit corporation, for and on behalf of said corporation.

Lynn Hatches
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on May 20, 2003, by Dan Price, the Secretary of IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION, a Texas non-profit corporation, for and on behalf of said corporation.

Lynn Hatches
Notary Public, State of Texas



IMPERIAL OAKS PARK PROPERTY OWNERS
ASSOCIATION, INC., a Texas non-profit corporation

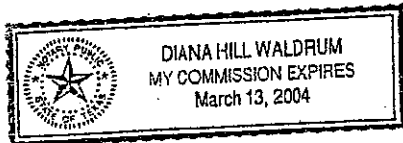
By: *Allen Schubert*
Allen Schubert, President

AND

By: *Justine Nelson*
Justine Nelson, Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

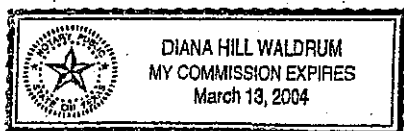
This instrument was acknowledged before me on June 5, 2003,
by Allen Schubert, the President of IMPERIAL OAKS PARK PROPERTY OWNERS
ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.



Diana Hill Waldrum
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 5, 2003,
by Justine Nelson, the Secretary of IMPERIAL OAKS PARK PROPERTY OWNERS
ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.



Diana Hill Waldrum
Notary Public, State of Texas

IMPERIAL OAKS COMMUNITY
IMPROVEMENT ASSOCIATION, INC., a Texas
non-profit corporation

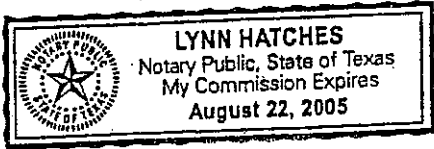
By: [Signature]
Duane Burrell, President

AND

By: [Signature]
Dwayne Finley, Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 3rd, 2003,
by Duane Burrell, the President of IMPERIAL OAKS COMMUNITY IMPROVEMENT
ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.

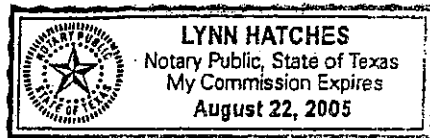


[Signature]
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 3rd, 2003,
by Dwayne Finley, the Secretary of IMPERIAL OAKS COMMUNITY IMPROVEMENT
ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.

[Signature]
Notary Public, State of Texas



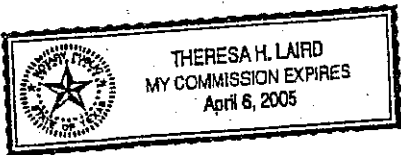
HUD:

THE UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

By: Linda J. Carter
Name: Linda J. Carter
Title: Supervisory Housing Program Specialist

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on July 10, 2003,
by Linda J. Carter, the Supv. Hsg. Prog. Specialist of THE UNITED
STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, for and on behalf of
said entity.



Theresa H. Laird
Notary Public, State of Texas

EXHIBIT "A"

PLAN OF MERGER

I.

The names of the corporations proposing to merge are Imperial Oaks Section Five Community Association, charter number 01250438-01 (the "Section 5 CA"), Imperial Oaks Community Improvement Association, Inc., charter number 00613661-01 (the "CIA") and Imperial Oaks Park Property Owners Association, Inc., charter number 01272029-01 (the "POA"); all of which are Texas corporations.

II.

The name of the surviving corporation will be Imperial Oaks Park Property Owners Association, Inc.

III.

The terms and conditions of the merger are that the merger shall become effective upon the earlier of: (i) 11:59 p.m. on December 31, 2003; or (ii) the issuance of a Certificate of Merger by the Secretary of State of Texas. Further, while it is anticipated that the Section 5 CA, the CIA and the POA be collectively merged into the POA, as long as the POA obtains the required approval for the merger, the POA will merge with the Section 5 CA and the CIA, or any one (1) or more of such associations that satisfy their respective approval requirements for the merger. Finally, the merger is contingent upon the prior written approval of the United States Department of Housing and Urban Development on behalf of the Federal Housing Administration or the prior written approval of the Veteran's Administration.

IV.

The Board of Directors of the Section 5 CA may terminate this Plan of Merger as to the Section 5 CA and the merger abandoned as to the Section 5 CA at any time before the Articles of Merger are filed with the Secretary of State of Texas.

V.

The Articles of Incorporation of the POA as they exist prior to the effective date of the merger, will continue in full force until amended as provided in the Articles or By-Laws.

VI.

The POA shall be responsible for all fees and franchise taxes imposed on the Section 5 CA

and the CIA, as long as such associations are merged into the POA.

VII.

The current members of the Board of Directors of the merging entities of the Section 5 CA and/or the CIA, as the case may be, will be appointed by the merger transition committee to assist the Board of Directors of the POA during the merger transition period.

VIII.

All funds held by the merging entities of the POA, the Section 5 CA or the CIA in the respective reserve accounts as of the effective date of the merger will be held by the POA in separate accounts for use by the POA for improvements with in the subdivision which was formally governed by such association.

IX.

On or before thirty (30) days after the effective date of the merger, the number of members of the Board of Directors of the POA will be increased to five (5) members with the Board of Directors of the POA appointing the two (2) new members as recommended by the merging entities of the Section 5 CA and/or the CIA, as the case may be.

EXHIBIT "A"

PLAN OF MERGER

(POA)

I.

The names of the corporations proposing to merge are Imperial Oaks Section Five Community Association, charter number 01250438-01 (the "Section 5 CA"), Imperial Oaks Community Improvement Association, Inc., charter number 00613661-01 (the "CIA") and Imperial Oaks Park Property Owners Association, Inc., charter number 01272029-01 (the "POA"); all of which are Texas corporations.

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IV.

The Board of Directors of the POA may terminate this Plan of Merger as to the POA and the merger abandoned as to the POA at any time before the Articles of Merger are filed with the Secretary of State of Texas.

V.

The Articles of Incorporation of the POA (the "Articles") and the By-Laws of the POA (the "By-Laws") as they exist prior to the effective date of the merger, will continue in full force until amended as provided in the Articles or By-Laws.

VI.

The POA shall be responsible for all fees and franchise taxes imposed on the Section 5 CA and the CIA, as long as such associations are merged into the POA.

VII.

The current members of the Board of Directors of the merging entities of the Section 5 CA and/or the CIA, as the case may be, will be appointed by the Board of Directors of the POA to serve on a merger transition committee which will assist the Board of Directors of the POA during the merger transition period.

VIII.

All funds held by the merging entities (the POA, the Section 5 CA and/or the CIA, as the case may be) in their respective reserve accounts only as of the effective date of the merger will be held by the POA in separate accounts for use by the POA for improvements (expenditures other than for maintenance or repairs) within the respective subdivision which was formally governed by such association.

IX.

On or before thirty (30) days after the effective date of the merger, the Board of Directors of the POA shall adopt an amendment to the Bylaws of the POA to provide that the number of members of the Board of Directors of the POA is increased to five (5) members with the Board of Directors of the POA appointing the two (2) new members to serve terms of two (2) years and three (3) years, as determined by the Board of Directors of the POA. The two (2) appointed director positions shall be filled by person(s) recommended by the merging entities of the Section 5 CA and/or the CIA, as the case may be. The Section 5 CA and the CIA shall each recommend one (1) person to serve on the expanded Board of Directors of the POA. However, if either the Section 5 CA or the CIA does not merge into the POA, such non-merging association shall not be entitled to recommend a person to serve on the expanded Board of Directors of the POA and the Board of Directors of the POA may appoint such person to such position as it deems appropriate.

EXHIBIT "A"

PLAN OF MERGER

(CIA)

I.

The names of the corporations proposing to merge are Imperial Oaks Section Five Community Association, charter number 01250438-01 (the "Section 5 CA"), Imperial Oaks Community Improvement Association, Inc., charter number 00613661-01 (the "CIA") and Imperial Oaks Park Property Owners Association, Inc., charter number 01272029-01 (the "POA"); all of which are Texas corporations.

II.

The name of the surviving corporation will be Imperial Oaks Park Property Owners Association, Inc.

III.

The terms and conditions of the merger are that the merger shall become effective upon the earlier of: (i) 11:59 p.m. on December 31, 2003; or (ii) the issuance of a Certificate of Merger by the Secretary of State of Texas. Further, while it is anticipated that the Section 5 CA, the CIA and the POA be collectively merged into the POA, as long as the POA obtains the required approval for the merger, the POA will merge with the Section 5 CA and the CIA, or any one (1) or more of such associations that satisfy their respective approval requirements for the merger. Finally, the merger is contingent upon the prior written approval of the United States Department of Housing and Urban Development on behalf of the Federal Housing Administration or the prior written approval of the Veteran's Administration.

IV.

The Board of Directors of the CIA may terminate this Plan of Merger as to the CIA and the merger abandoned as to the CIA at any time before the Articles of Merger are filed with the Secretary of State of Texas.

V.

The Articles of Incorporation of the POA (the "Articles") and the By-Laws of the POA (the "By-Laws") as they exist prior to the effective date of the merger, will continue in full force until amended as provided in the Articles or By-Laws.

VI.

The POA shall be responsible for all fees and franchise taxes imposed on the Section 5 CA and the CIA, as long as such associations are merged into the POA.

VII.

The current members of the Board of Directors of the merging entities of the Section 5 CA and/or the CIA, as the case may be, will be appointed by the Board of Directors of the POA to serve on a merger transition committee which will assist the Board of Directors of the POA during the merger transition period.

VIII.

All funds held by the merging entities (the POA, the Section 5 CA and/or the CIA, as the case may be) in their respective reserve accounts only as of the effective date of the merger will be held by the POA in separate accounts for use by the POA for improvements (expenditures other than for maintenance or repairs) within the respective subdivision which was formally governed by such association.

IX.

On or before thirty (30) days after the effective date of the merger, the Board of Directors of the POA shall adopt an amendment to the Bylaws of the POA to provide that the number of members of the Board of Directors of the POA is increased to five (5) members with the Board of Directors of the POA appointing the two (2) new members to serve terms of two (2) years and three (3) years, as determined by the Board of Directors of the POA. The two (2) appointed director positions shall be filled by person(s) recommended by the merging entities of the Section 5 CA and/or the CIA, as the case may be. The Section 5 CA and the CIA shall each recommend one (1) person to serve on the expanded Board of Directors of the POA. However, if either the Section 5 CA or the CIA does not merge into the POA, such non-merging association shall not be entitled to recommend a person to serve on the expanded Board of Directors of the POA and the Board of Directors of the POA may appoint such person to such position as it deems appropriate.

INSTRUMENT TO RECORD REVISED DEDICATORY INSTRUMENT

This Instrument is being recorded by IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation (the "Association") pursuant to Section 202.006 of the Texas Property Code.

Section 202.006 of the Texas Property Code requires a property owners' association to record each dedicatory instrument in the real property records of the County in which the property to which the dedicatory instrument relates is located, if such instrument has not previously been recorded.

Pursuant to Section 202.006 of the Texas Property Code, the Association caused various dedicatory instruments to be attached to a document entitled "Instrument to Recorded Dedicatory Instruments" (the "Instrument") dated December 28, 1999, and further caused the Instrument to be recorded in the Real Property Records of ~~Harris~~ ^{Montgomery} County, Texas, under Clerk's File Number 99107069.

The Board of Directors of the Association recently adopted the First Amendment to By-Laws of Imperial Oaks Park Property Owners Association, Inc. (the "First Amendment").

Pursuant to Section 202.006 of the Texas Property Code, the Association does hereby record the First Amendment, a copy of which is attached hereto. Note that the By-Laws of Imperial Oaks Park Property Owners Association, Inc. are subject to further amendment pursuant to the amendatory procedures applicable thereto.

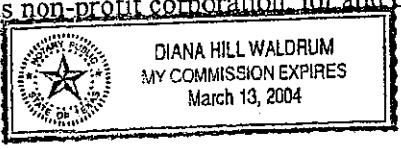
Executed on the 17 day of JUNE, 2003.

IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: *Allen Schubert*
Allen Schubert, President

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 17 day of JUNE, 2003, by Allen Schubert, President of IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.



Diana Hill Waldrum
Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

Mark K. Knop
Hoover Slovacek, LLP
5847 San Felipe, Suite 2200
Houston, Texas 77057
File No. 122002-90

**FIRST AMENDMENT TO BY-LAWS OF
IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC.**
May 24, 2003

WHEREAS, IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation (the "Association") has adopted By-Laws of the Association (the "Bylaws"); and

WHEREAS, Article XII, Section 1 of the Bylaws provides that the Bylaws may be amended at a regular or special meeting of the Board of Directors of the Association (the "Board") by a vote of a majority of quorum of Directors present or by action taken by unanimous consent of the Directors; except that the Federal Housing Administration ("FHA") or Veterans Administration (the "VA") shall have the right to veto amendments as long as there is a Class B member, provided there are any FHA/VA guaranteed loans secured by a lien on any lot; and

WHEREAS, all of the members of the Board desire to amend the Bylaws as described hereinbelow; and

WHEREAS, the United States Department of Housing and Urban Development ("HUD"), on behalf of the FHA, by its signature herein, gives it consent to the amendment to the Bylaws as set forth herein.

NOW, THEREFORE, in consideration of the recitals set forth above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, being all of the members of the Board hereby consent to and do hereby amend the Bylaws effective May 24, 2003, as set forth hereinbelow, to-wit:

RESOLVED: That Article III, Section 1 of the Bylaws is deleted in its entirety and replaced with the following:

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the principal office of the Association unless written notice is provided otherwise. If the day for the annual meeting of the Members is a Saturday, Sunday or legal holiday, the meeting will be held at the same hour of the first day following which is not a Saturday, Sunday or legal holiday. Beginning with the year 2003, the annual meeting of the Members shall be held in the month of September upon a date and time to be determined by the Board of Directors.

FURTHER RESOLVED: That Article IV, Section 2 of the Bylaws is deleted in its entirety and replaced with the following:


Section 2. Term of Office. The initial Directors of the Association set forth in the Articles of Incorporation shall hold office until the annual meeting of the Members in the year 2003. At the annual meeting of the Members in the year 2003, the Members shall elect one (1) director for a term of three (3) years, one (1) director for a term of two (2) years and one (1) director for a term of one (1) year. In addition and at the annual meeting of Members in the year 2003, the Board of Directors serving immediately prior to the newly elected directors at the annual meeting of the Members in the year 2003, shall appoint one (1) director for a term of three (3) years and one (1) director for a term of two (2) years. At each annual meeting thereafter, the Members shall elect that number of directors equal to the number of directors whose terms then expire for a term of three (3) years each.

FURTHER RESOLVED: that Article XIII, Section 1 of the Bylaws in deleted in its entirety and replaced with the following:


Section 1. Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, these By-Laws shall control, and in the case of conflict between the Declaration, the Articles and these By-Laws, the Declaration shall control.

Effective as of the date first set forth hereinabove.

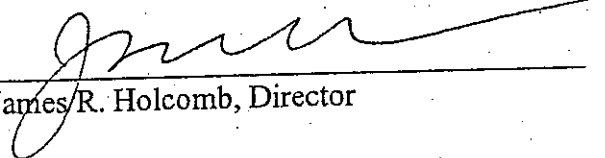
**IMPERIAL OAKS PARK PROPERTY
OWNERS ASSOCIATION, INC.,** a Texas non-
profit corporation



Allen Schubert, Director



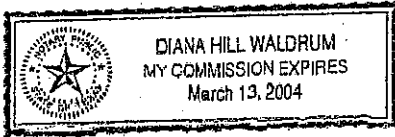
Justin Nelson, Director



James R. Holcomb, Director

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

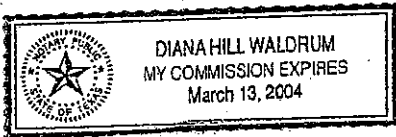
This instrument was acknowledged before me on the 17 day of June, 2003, by Allen Schubert, Director of IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.



Diana Hill Waldrum
Notary Public

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

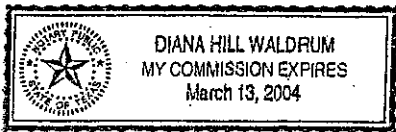
This instrument was acknowledged before me on the 17 day of June, 2003, by Justin Nelson, Director of IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.



Diana Hill Waldrum
Notary Public

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 17 day of June, 2003, by James R. Holcomb, Director of IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.



Diana Hill Waldrum
Notary Public

CONSENTED TO THE FOREGOING:

HUD:

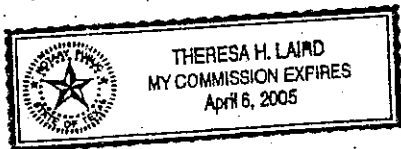
UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: Linda J. Carter
Name: Linda J. Carter
Title: Supervisory Housing Program Specialist

THE STATE OF TEXAS
COUNTY OF TARRANT

§
§
§

This instrument was acknowledged before me on the 10th day of July,
2003, by Linda J. Carter, Supervisory Housing Program Specialist of UNITED
STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, on behalf of said
entity.



Theresa H. Laird
Notary Public

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.

FILED FOR RECORD

2003 AUG 26 PM 3:37

Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

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.

AUG 26 2003



Mark Turnbull
County Clerk
Montgomery County, Texas

2003-104165

NOTICE OF MERGER OF OWNERS ASSOCIATIONS

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

WHEREAS, that certain Declaration of Covenants, Conditions and Restrictions of Imperial Oaks Village, Section 1 dated August 12, 1993, was recorded in the Office of the County Clerk of Montgomery County, Texas, under Clerk's File No. 9345180, and subjects real property known as Imperial Oaks Village, Section 1, a subdivision in Montgomery County, Texas (along with the other sections of Imperial Oaks Village, Imperial Oaks, Imperial Oaks Park and Imperial Oaks Estates originally within the jurisdiction of the POA [herein defined] being called, the "Imperial Oaks Park Subdivision") to the covenants, conditions, restrictions, easements, charges and liens set forth therein; and

WHEREAS, Imperial Oaks Park Property Owners Association, Inc., a Texas non-profit corporation (the "POA") was incorporated for the purposes of providing for the maintenance and preservation of the Imperial Oaks Park Subdivision; and

WHEREAS, that certain Correct "Revised" Declaration of Covenants, Conditions and Restrictions of Imperial Oaks, Section Five (5) dated February 2, 1993, was recorded in the Office of the County Clerk of Montgomery County, Texas, under Clerk's File No. 9676634, and subjects real property known as Imperial Oaks, Section 5, a subdivision in Montgomery County, Texas (the "Imperial Oaks Section 5 Subdivision") to the covenants, conditions, restrictions, easements, charges and liens set forth therein; and

WHEREAS, Imperial Oaks Section Five Community Association, a Texas non-profit corporation (the "Section 5 CA") was incorporated for the purposes of providing for the maintenance and preservation of the Imperial Oaks Section 5 Subdivision; and

WHEREAS, that certain Declaration of Covenants, Conditions and Restrictions of Imperial Oaks, Section One dated August 6, 1980, was recorded in the Office of the County Clerk of Montgomery County, Texas, under Clerk's File No. 8027561, and subjects real property known as Imperial Oaks, Section 1, a subdivision in Montgomery County, Texas (along with the other sections of Imperial Oaks originally within the jurisdiction of the CIA [herein defined] being called, the "Imperial Oaks Community Subdivision") to the covenants, conditions, restrictions, easements, charges and liens set forth therein; and

WHEREAS, Imperial Oaks Community Improvement Association, Inc., a Texas non-profit corporation (the "CIA") was incorporated for the purposes of providing for the maintenance and preservation of the Imperial Oaks Community Subdivision; and

WHEREAS, the members of the POA, the Section 5 CA and the CIA voted to merge their respective associations into the POA.

NOW, THEREFORE, notice is hereby given that the POA, the Section 5 CA and the CIA have been merged into the POA as of July 22, 2003, 2003, a copy of the Articles of Merger being attached hereto as Exhibit "A".

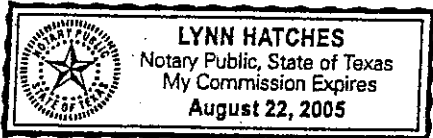
Executed as of the 22nd day of July, 2003.

IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION, a Texas non-profit corporation

By: Linda Zdunkewicz
Linda Zdunkewicz, President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on May 20th, 2003, by Linda Zdunkewicz, the President of IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION, a Texas non-profit corporation, for and on behalf of said corporation.



Lynn Hatches
Notary Public, State of Texas

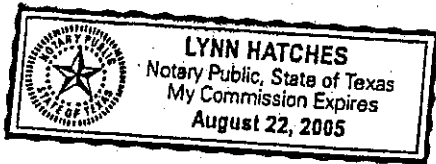
IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: Allen Schubert
Allen Schubert, President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 3rd, 2003,
by Allen Schubert, the President of IMPERIAL OAKS PARK PROPERTY OWNERS
ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.

Lynn Hatches
Notary Public, State of Texas



IMPERIAL OAKS COMMUNITY
IMPROVEMENT ASSOCIATION, INC., a Texas
non-profit corporation

By: *Duane Burrell*
Duane Burrell, President

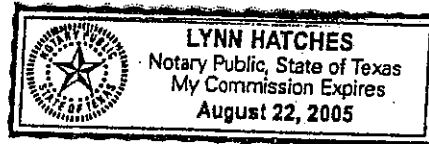
STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 3rd, 2003,
by Duane Burrell, the President of IMPERIAL OAKS COMMUNITY IMPROVEMENT
ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.

Lynn Hatches
Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

Mark K. Knop, Esq.
Hoover Slovacek, LLP
P.O. Box 4547
Houston, Texas 77210
File No.: 122002-90



ARTICLES OF MERGER

JUL 22 2003

Corporations Section

Pursuant to the provisions of Article 5.04 of the Texas Non-Profit Corporation Act, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

1. The respective Plans of Merger, copies of which are attached hereto as Exhibit "A", were approved by the members of each of the undersigned corporations in the manner prescribed by the Texas Non-Profit Corporation Act.

2. As to each of the undersigned corporations, the Plan of Merger was adopted in the following manner:

Imperial Oaks Section Five Community Association:

The Plan of Merger was adopted at a special meeting of members held on April 29, 2003, at which a quorum was present, and the Plan of Merger received at least two-thirds of the votes which members present at such meeting, in person or by proxy, were entitled to cast.

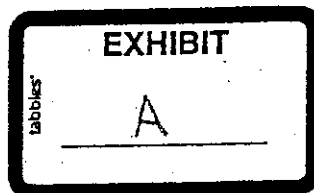
Imperial Oaks Park Property Owners Association, Inc.

The Plan of Merger was adopted at a special meeting of members held on April 21, 2003, at which a quorum was present, and the Plan of Merger received at least two-thirds of the votes which members present at such meeting, in person or by proxy, were entitled to cast.

Imperial Oaks Community Improvement Association, Inc.

The Plan of Merger was adopted at a special meeting of members held on April 30, 2003, at which a quorum was present, and the Plan of Merger received at least two-thirds of the votes which members present at such meeting, in person or by proxy, were entitled to cast.

3. The United States Department of Housing and Urban Development ("HUD") joins in the execution of this instrument to acknowledge its approval for the merger as set forth herein.



Dated: May 20th, 2003.

IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION, a Texas non-profit corporation

By: *Linda Zdunkewicz*
Linda Zdunkewicz, President

AND

By: *Dan Price*
Dan Price, Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

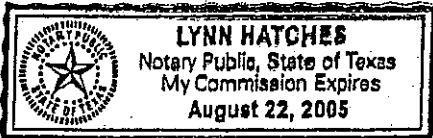
This instrument was acknowledged before me on May 20, 2003, by Linda Zdunkewicz, the President of IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION, a Texas non-profit corporation, for and on behalf of said corporation.

Lynn Hatches
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on May 20, 2003, by Dan Price, the Secretary of IMPERIAL OAKS SECTION FIVE COMMUNITY ASSOCIATION, a Texas non-profit corporation, for and on behalf of said corporation.

Lynn Hatches
Notary Public, State of Texas



IMPERIAL OAKSPARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: Allen Schubert
Allen Schubert, President

AND

By: Justine Nelson
Justine Nelson, Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

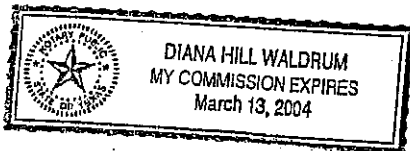
This instrument was acknowledged before me on June 5, 2003, by Allen Schubert, the President of IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.



Diana Hill Waldrum
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 5, 2003, by Justine Nelson, the Secretary of IMPERIAL OAKS PARK PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.



Diana Hill Waldrum
Notary Public, State of Texas

IMPERIAL OAKS COMMUNITY
IMPROVEMENT ASSOCIATION, INC., a Texas
non-profit corporation

By: [Signature]
Duane Burrell, President

AND

By: [Signature]
Dwayne Finley, Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 3rd, 2003,
by Duane Burrell, the President of IMPERIAL OAKS COMMUNITY IMPROVEMENT
ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.

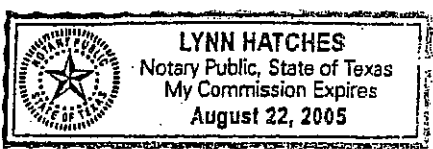


[Signature]
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 3rd, 2003,
by Dwayne Finley, the Secretary of IMPERIAL OAKS COMMUNITY IMPROVEMENT
ASSOCIATION, INC., a Texas non-profit corporation, for and on behalf of said corporation.

[Signature]
Notary Public, State of Texas



HUD:

THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

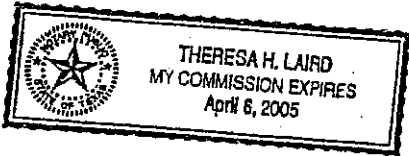
By: Linda J. Carter
Name: Linda J. Carter
Title: Supervisory Housing Program Specialist

STATE OF TEXAS

COUNTY OF TARRANT

§
§
§

This instrument was acknowledged before me on July 10, 2003,
by Linda J. Carter, the Supv. Hsg. Prog. Specialist of THE UNITED
STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, for and on behalf of
said entity.



Theresa H. Laird
Notary Public, State of Texas

EXHIBIT "A"

PLAN OF MERGER

I.

The names of the corporations proposing to merge are Imperial Oaks Section Five Community Association, charter number 01250438-01 (the "Section 5 CA"), Imperial Oaks Community Improvement Association, Inc., charter number 00613661-01 (the "CIA") and Imperial Oaks Park Property Owners Association, Inc., charter number 01272029-01 (the "POA"); all of which are Texas corporations.

II.

The name of the surviving corporation will be Imperial Oaks Park Property Owners Association, Inc.

III.

The terms and conditions of the merger are that the merger shall become effective upon the earlier of: (i) 11:59 p.m. on December 31, 2003; or (ii) the issuance of a Certificate of Merger by the Secretary of State of Texas. Further, while it is anticipated that the Section 5 CA, the CIA and the POA be collectively merged into the POA, as long as the POA obtains the required approval for the merger, the POA will merge with the Section 5 CA and the CIA, or any one (1) or more of such associations that satisfy their respective approval requirements for the merger. Finally, the merger is contingent upon the prior written approval of the United States Department of Housing and Urban Development on behalf of the Federal Housing Administration or the prior written approval of the Veteran's Administration.

IV.

The Board of Directors of the Section 5 CA may terminate this Plan of Merger as to the Section 5 CA and the merger abandoned as to the Section 5 CA at any time before the Articles of Merger are filed with the Secretary of State of Texas.

V.

The Articles of Incorporation of the POA as they exist prior to the effective date of the merger, will continue in full force until amended as provided in the Articles or By-Laws.

VI.

The POA shall be responsible for all fees and franchise taxes imposed on the Section 5 CA

and the CIA, as long as such associations are merged into the POA.

VII.

The current members of the Board of Directors of the merging entities of the Section 5 CA and/or the CIA, as the case may be, will be appointed by the merger transition committee to assist the Board of Directors of the POA during the merger transition period.

VIII.

All funds held by the merging entities of the POA, the Section 5 CA or the CIA in the respective reserve accounts as of the effective date of the merger will be held by the POA in separate accounts for use by the POA for improvements with in the subdivision which was formally governed by such association.

IX.

On or before thirty (30) days after the effective date of the merger, the number of members of the Board of Directors of the POA will be increased to five (5) members with the Board of Directors of the POA appointing the two (2) new members as recommended by the merging entities of the Section 5 CA and/or the CIA, as the case may be.

EXHIBIT "A"

PLAN OF MERGER

(POA)

I.

The names of the corporations proposing to merge are Imperial Oaks Section Five Community Association, charter number 01250438-01 (the "Section 5 CA"), Imperial Oaks Community Improvement Association, Inc., charter number 00613661-01 (the "CIA") and Imperial Oaks Park Property Owners Association, Inc., charter number 01272029-01 (the "POA"); all of which are Texas corporations.

II.

The name of the surviving corporation will be Imperial Oaks Park Property Owners Association, Inc.

III.

The terms and conditions of the merger are that the merger shall become effective upon the earlier of: (i) 11:59 p.m. on December 31, 2003; or (ii) the issuance of a Certificate of Merger by the Secretary of State of Texas. Further, while it is anticipated that the Section 5 CA, the CIA and the POA be collectively merged into the POA, as long as the POA obtains the required approval for the merger, the POA will merge with the Section 5 CA and the CIA, or any one (1) or more of such associations that satisfy their respective approval requirements for the merger. Finally, the merger is contingent upon the prior written approval of the United States Department of Housing and Urban Development on behalf of the Federal Housing Administration or the prior written approval of the Veteran's Administration.

IV.

The Board of Directors of the POA may terminate this Plan of Merger as to the POA and the merger abandoned as to the POA at any time before the Articles of Merger are filed with the Secretary of State of Texas.

V.

The Articles of Incorporation of the POA (the "Articles") and the By-Laws of the POA (the "By-Laws") as they exist prior to the effective date of the merger, will continue in full force until amended as provided in the Articles or By-Laws.

VI.

The POA shall be responsible for all fees and franchise taxes imposed on the Section 5 CA and the CIA, as long as such associations are merged into the POA.

EXHIBIT "A"

PLAN OF MERGER

(CIA)

I.

The names of the corporations proposing to merge are Imperial Oaks Section Five Community Association, charter number 01250438-01 (the "Section 5 CA"), Imperial Oaks Community Improvement Association, Inc., charter number 00613661-01 (the "CIA") and Imperial Oaks Park Property Owners Association, Inc., charter number 01272029-01 (the "POA"); all of which are Texas corporations.

II.

The name of the surviving corporation will be Imperial Oaks Park Property Owners Association, Inc.

III.

The terms and conditions of the merger are that the merger shall become effective upon the earlier of: (i) 11:59 p.m. on December 31, 2003; or (ii) the issuance of a Certificate of Merger by the Secretary of State of Texas. Further, while it is anticipated that the Section 5 CA, the CIA and the POA be collectively merged into the POA, as long as the POA obtains the required approval for the merger, the POA will merge with the Section 5 CA and the CIA, or any one (1) or more of such associations that satisfy their respective approval requirements for the merger. Finally, the merger is contingent upon the prior written approval of the United States Department of Housing and Urban Development on behalf of the Federal Housing Administration or the prior written approval of the Veteran's Administration.

IV.

The Board of Directors of the CIA may terminate this Plan of Merger as to the CIA and the merger abandoned as to the CIA at any time before the Articles of Merger are filed with the Secretary of State of Texas.

V.

The Articles of Incorporation of the POA (the "Articles") and the By-Laws of the POA (the "By-Laws") as they exist prior to the effective date of the merger, will continue in full force until amended as provided in the Articles or By-Laws.

VI.

The POA shall be responsible for all fees and franchise taxes imposed on the Section 5 CA and the CIA, as long as such associations are merged into the POA.

VII.

The current members of the Board of Directors of the merging entities of the Section 5 CA and/or the CIA, as the case may be, will be appointed by the Board of Directors of the POA to serve on a merger transition committee which will assist the Board of Directors of the POA during the merger transition period.

VIII.

All funds held by the merging entities (the POA, the Section 5 CA and/or the CIA, as the case may be) in their respective reserve accounts only as of the effective date of the merger will be held by the POA in separate accounts for use by the POA for improvements (expenditures other than for maintenance or repairs) within the respective subdivision which was formally governed by such association.

IX.

On or before thirty (30) days after the effective date of the merger, the Board of Directors of the POA shall adopt an amendment to the Bylaws of the POA to provide that the number of members of the Board of Directors of the POA is increased to five (5) members with the Board of Directors of the POA appointing the two (2) new members to serve terms of two (2) years and three (3) years, as determined by the Board of Directors of the POA. The two (2) appointed director positions shall be filled by person(s) recommended by the merging entities of the Section 5 CA and/or the CIA, as the case may be. The Section 5 CA and the CIA shall each recommend one (1) person to serve on the expanded Board of Directors of the POA. However, if either the Section 5 CA or the CIA does not merge into the POA, such non-merging association shall not be entitled to recommend a person to serve on the expanded Board of Directors of the POA and the Board of Directors of the POA may appoint such person to such position as it deems appropriate.

FILED FOR RECORD

2003 AUG 26 PM 3:38

Mark J. Jurek
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

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.

AUG 26 2003



Mark J. Jurek

County Clerk
Montgomery County, Texas