

DECLARATION OF RESTRICTIONSBAR X RANCH, SECTION TWO

DEED

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THE STATE OF TEXAS X
 X
 COUNTY OF BRAZORIA X

This Declaration, made on the date hereinafter set forth by GIBRALTAR SAVINGS ASSOCIATION, a savings and loan association chartered under the laws of the State of Texas, hereinafter referred to as "Declarant":

WITNESSETH:

WHEREAS, Declarant is the owner of that certain property known as BAR X RANCH, SECTION TWO, a subdivision in Brazoria County, Texas, according to the map or plat thereof recorded in Volume 16 , Pages 119 - 128 , inclusive, of the Plat Records of Brazoria County, Texas; and

WHEREAS, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against such property in order to establish a uniform plan for the development, improvement and sale of such property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of lots in said subdivision:

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon BAR X RANCH, SECTION TWO, save and except Unrestricted Reserves "L", "M", "N", and "O" which are not subject to this Declaration of Restrictions, and declares the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purpose of enhancing and protecting value, desirability and attractiveness of the land, which reservations, easements, covenants, restrictions and conditions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I
Definitions

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Section 1. "Association" shall mean and refer to the Bar X Property Owners' Association, its successors and assigns, provided for in Article V hereof.

Section 2. "Properties" shall mean and refer to BAR X RANCH, SECTION TWO, save and except Unrestricted Reserves "L", "M", "N", and "O" and any additional properties made subject to the terms hereof pursuant to the provisions set forth herein.

Section 3. "Lot" and/or "Lots" shall mean and refer to the Lots shown upon the Subdivision Plat which are restricted hereby to use for single family residential dwellings only.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, but in the event of the execution of a contract for sale covering any Lot, the "Owner" shall be the purchaser named in the contract. Those having only an interest in the mineral estate are not considered "Owners" for the purposes of this Declaration of Restrictions.

Section 5. "Subdivision Plat" shall mean and refer to the map or plat of BAR X RANCH, SECTION TWO, recorded in Volume 16 , Pages 119-128 , inclusive, of the Plat Records of Brazoria County, Texas.

Section 6. "Architectural Control Committee" shall mean and refer to the BAR X RANCH, SECTION TWO, Architectural Control Committee provided for in Article IV hereof.

Section 7. "Builder-Owner" shall be any person or entity who acquires a Lot or Lots for the purpose of engaging in the business of construction of single-family residential dwellings thereon for the purpose of resale.

ARTICLE II

Reservations, Exceptions and Dedications

Section 1. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, the streets and easements shown thereon and such Subdivision Plat further establishes certain restrictions applicable to the Properties including, without limitation, certain minimum setback lines. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat 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 said property or any part thereof, whether specifically referred to therein or not.

Section 2. Declarant reserves the easements and rights-of-way as shown on the Subdivision Plat for the purpose of constructing, maintaining and repairing a system or systems of oil and/or gas well gathering lines, electric lighting, electric power, telegraph and telephone line or lines, gas, sewers or any other utility Declarant sees fit to install in, across and/or under the Properties.

Section 3. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements.

Section 4. Declarant reserves the right, during installation of the roads and streets as shown on the Subdivision Plat, to enter onto any Lot or Lots for the purpose of disposing of street excavation, including the removal of any trees, if necessary, whether or not the Lot or Lots have been conveyed to and/or contracted for by any other Owner or Owners.

Section 5. Neither Declarant nor any easement user 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 any other property of the Owner situated on the land covered by said easements.

Section 6. 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 any easement affecting same for oil and/or gas well gathering lines, roadways or drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone 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 user, or its agents through, along, or upon the premises affected thereby or any part thereof, to serve said land or any other portion of the Properties. Where not affected by such an easement, title to any Lot or parcel of land within the Properties shall be subject to Declarant's right 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.

ARTICLE III

Use Restrictions

Section 1. Land Use and Building Type. All Lots shall be known and described as Lots for single family residential purposes only and no structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) single family dwelling and a detached or an attached garage and one (1) horse barn, unless the variation is approved in writing prior to construction by the Architectural Control Committee. The horse barn shall not be more than thirty (30) feet in length and twenty-five (25) feet

in width. The detached or attached garage shall not exceed the single family dwelling in height or number of stories. As used herein, the term "residential purposes" shall be construed to prohibit the use of said Lots for duplex houses, garage apartments, or apartment houses; and no Lot shall be used for business or professional purposes of any kind, nor for any commercial or manufacturing purpose. The Declarant, however, reserves the right to use any portion 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. Declarant may grant such rights to Builder-Owners. No building of any kind or character shall ever be moved onto any Lot within said subdivision without written permission of the Architectural Control Committee.

Section 2. Architectural Control. No building shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the proposed location of the structures thereon have been approved by the Architectural Control Committee as to harmony of exterior design and color with respect to the total plan of development and any existing structures, as to location with respect to topography and finished grade elevation, and as to compliance with minimum construction standards more fully provided for in Article IV hereof.

Section 3. Dwelling Size. The total living area of any single family dwelling shall not be less than 1500 square feet for all lots in Block 1, and 1100 square feet for all lots in Blocks 2 and 3, exclusive of open porches and garages. The total living area of any single family dwelling of more than two story shall not be less than 1800 square feet for all lots in Block 1, and 1400 square feet for all lots in Blocks 2 and 3, exclusive of open porches and garages.

Section 4. Roofing Materials. No external roofing material other than wood shingles, built-up tar and gravel or asphalt shingles which are no lighter than 340 pounds per square and which are applied in accordance with the manufacturer's specifications shall be used on any building in any part of the Properties without the advance written approval of the Architectural Control Committee.

Section 5. Building Location. No building shall be located on any Lot nearer to the front Lot line or nearer to the side street Lot line than the minimum building set-back lines shown on the recorded plat. No single family dwelling or garage building shall be located nearer than ten (10) feet to any interior side Lot line. No single family dwelling nor any part thereof shall be located on any Lot nearer than twenty-five (25) feet to the rear Lot line. No horse barn may be located nearer than one hundred (100) feet from the front Lot line nor nearer than twenty-five (25) feet from an interior side Lot line, a side street Lot line or rear Lot line. For the purposes of this covenant, eaves, steps and open porches shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any portion of a building on any Lot to encroach upon another Lot, except that any Owner of one or more adjoining Lots (or portions thereof) may, with the written permission of the Architectural Control Committee, consolidate such Lots or portions into one building site with the privilege of placing or constructing improvements on such resulting site, in which case side set-back lines shall be measured from the resulting side property lines rather than the Lot lines as indicated on the recorded plat and such composite building site shall thereupon be regarded as a "Lot" for the purposes of this Article III, Section 5 only. For the purposes of these restrictions, the

front of each Lot shall coincide with and be the property line having the smallest or shortest dimension abutting a street. Unless otherwise approved in writing by the Architectural Control Committee, each single family dwelling will face the front of the Lot, and each detached garage will be located no nearer to the front Lot line than the single family dwelling.

Section 6. Minimum Lot Area. No Lot shall be resubdivided without the express written approval of the Architectural Control Committee, nor shall any building be erected or placed on any Lot having an area of less than 21,880 square feet; provided, however, that nothing contained herein shall be construed to prohibit the resubdivision of any Lot or Lots within the Properties if such resubdivision results in each resubdivided Lot containing not less than the minimum Lot area aforesaid; it being the intention of this restriction that no building plot within the Properties contain less than the aforesaid minimum area.

Section 7. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance to the neighborhood. The exterior display or shooting of firearms is expressly forbidden.

Section 8. Temporary Structures. No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn (other than a permanent horse barn) or other outbuilding, shall be maintained or used on any Lot at any time as a residence or for any other purpose, either temporarily or permanently; provided, however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portions of the Properties or any other properties now or hereafter being developed as a portion of the subdivision.

known as Bar X Ranch, 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 garage or other permitted accessory structure, other than a horse barn, shall be erected, placed or maintained on any Lot until construction of the single family dwelling has commenced. Any structure on which construction has commenced must be completed within a reasonable length of time. No boat trailers, boats, travel trailers, inoperative automobiles, campers, vehicles of any kind, or portable buildings are to be permanently or semi-permanently stored in the public street right-of-way or in driveways. Permanent and semi-permanent storage of such items and vehicles must be screened from public view, either within the garage or behind a fence which encloses the rear of the Lot.

Section 9. Signs and Billboards. No signs, billboards, posters, or advertising devices of any character shall be erected, permitted or maintained on any Lot without the express prior written consent of the Association; except that a Builder-Owner may place on each Lot owned by such Builder-Owner, during the construction and sales period of improvements, not more than one sign with no more than two sides containing not more than five (5) square feet of sign space on each side. The Association or its agents shall have the right to remove any sign not complying with the above restriction, and, in so doing, shall not be liable and is expressly relieved from any liability for trespass or other tort in connection with or arising from such removal. The right is reserved by Declarant to construct, display and maintain such signs, billboards or

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advertising devices as are customary in connection with the general sale of property.

Section 10. Oil and Mining Operations. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon nor in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

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 where such 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.

Section 12. Fences. Any lot upon which a horse barn has been built must be fenced. Any lot upon which a structure has not been built may be fenced. All fences including their location must be approved in writing by the Architectural Control Committee. Fences must be installed in a professional manner. No "home-made" type fences will be permitted.

Section 13. Lot Maintenance. The Owners or other occupants of any Lot: shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner; shall keep all fences painted; shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted; shall not permit the accumulation of garbage, trash, or rubbish of any kind on a Lot; and shall not burn anything (except by use of an incinerator and then only during such hours as permitted by law). The drying of clothes in full public view is prohibited. Owners or other occupants of any Lots at the intersections of streets or adjacent to parks, playgrounds, or other facilities where the rear yard or portion of the Lot is visible to full public view shall construct and maintain a drying yard or other suitable enclosure to screen the following from public view: the drying of clothes, yard equipment, wood piles or storage piles which are incident to the normal residential requirements of a typical family. In the event of default on the part of the Owner or other occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days written notice thereof, the Association or its agents or assigns may, at its option, without liability to the Owner or other occupant in trespass or otherwise, enter upon said Lot and cause to be cut such weeds and grass, cause such fence to be painted and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions so as to place said

Lot in a neat, attractive, healthful and sanitary condition. The Association may charge the Owner or other occupant of such Lot for the cost of such work and the Owner or other occupant, as the case may be, agrees by the purchase or occupancy of the Lot to pay such statement immediately upon receipt thereof. The payment of such statement shall be secured by a Vendor's Lien retained for the benefit of the Association as hereinafter set forth in Article VI, Section 2.

Section 14. Septic Tanks. Septic tanks may be installed if approved by all governmental agencies or authorities having jurisdiction. No septic tank may drain into road ditches, either directly or indirectly.

Section 15. Pets. No livestock of any kind other than house pets of reasonable kind and number may be kept on any Lot. Additionally and as limited hereby, horses may be kept on the Lots. One horse may be kept on a Lot of 32,670 square feet minimum area, two horses may be kept on a Lot of 42,000 square feet minimum area, and thereafter for each additional 21,880 square feet minimum area one additional horse may be kept.

Section 16. Drainage. Drainage of streets, Lots or roadway ditches may not be impaired by any person or persons. Driveway culverts shall be of sufficient size to afford proper drainage of ditches without backing water up in the ditch or diverting its flow. In no event shall a culvert be less than fifteen (15") inches in diameter. Declarant or the Association may remove any culvert that obstructs the flow of water through the street ditches.

ARTICLE IV

Architectural Control Committee

Section 1. Approval of Building Plans. No building or other improvement shall be erected, placed, or altered on any Lot until the construction plans and specifications and a

plot plan showing the location of the structure, have been approved by the Architectural Control Committee in writing as to harmony of exterior design and color with respect to the total plan of development and any existing structures, as to location with respect to topography and finished ground elevation, and as to compliance with minimum construction standards which may be set by the Architectural Control Committee as hereafter provided. A copy of the construction plans and specifications and a plot plan, together with such additional information as may be deemed pertinent, shall be submitted to the Architectural Control Committee or its designated representative prior to commencement of construction. The Architectural Control Committee may require the submission of such plans, specifications, and plot plans, together with such other documents as it deems appropriate, in such form and detail as it may elect at its entire discretion. In the event the Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the same are submitted to it, approval will not be required and the requirements of this Section will be deemed to have been fully complied with.

The granting of approval of the construction plans, specifications and plot plan shall constitute only an expression of opinion by the Architectural Control Committee that the terms and provisions hereof shall be complied with if the building or other improvement is erected in accordance with said construction plans, specifications and plot plan; and such approval shall not constitute any kind of waiver or serve to estop the Architectural Control Committee or any other person in the event that such building or improvement is not constructed in accordance with such plans and specifications or in the event that such building or improvement is constructed

in accordance with such plans and specifications but, nevertheless, fails to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reason of the good faith exercise thereof and the approval of such construction plans and specifications and plot plan shall in no way be construed as any warranty of the construction plans and specifications and plot plan or of the fitness of the proposed building or improvement if constructed in accordance therewith.

No pier, bulkhead, deck, boatlift, ramp or any structure that projects into the water shall be constructed on any Lot without approval of the Architectural Control Committee. The Committee will only consider plans and proposals presented to it in writing and will immediately reject any plans for a "homemade" type deck such as one floating on barrels. Should the Committee grant permission for a floating deck or ramp, the Owner thereof agrees to maintain and keep it in a sightly manner, free of litter, fishing poles, buckets, etc.

No bulkheading shall be permitted on any Waterfront Lot except by written consent of the Architectural Control Committee. No "homemade" type bulkheading will be allowed. Should permission for the construction of bulkheading be given, the Owner agrees to maintain the bulkheading and to keep it in a sightly manner. Request and permission shall be given in writing.

Section 2. Committee Membership. The Architectural Control Committee shall be initially composed of Michael P. Barsi, Charles R. Ackerman and Gary Martin, who by majority vote may designate a representative to act for them.

Section 3. Replacement. In the event of death or resignation of any member or members of said Architectural Control Committee, the remaining member or members shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining

member or members shall have full authority to approve or disapprove construction plans, specifications and plot plans submitted or to designate a representative with like authority.

Section 4. Minimum Construction Standards. The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline and such Architectural Control Committee shall not be bound thereby.

Section 5. Term. The duties and powers of the Architectural Control Committee and of the designated representative shall cease on and after fifteen (15) years from the date of this instrument. Thereafter, all duties and powers vested in said Committee by this Declaration of Restrictions shall automatically pass to the Bar X Property Owners' Association, provided, however, that the duties and powers of the Architectural Control Committee may sooner be transferred to the Association through the written agreement of all the then members of the Architectural Control Committee.

ARTICLE V

Bar X Property Owners' Association

Section 1. Membership. There shall be one membership in the Bar X Property Owners' Association for each Lot shown upon the subdivision plat of Bar X Ranch, Section TWO, and the Owner or Owners of each Lot must designate in writing which Owner shall have the membership for that Lot. When a single Lot has more than one Owner, one additional membership may be available upon the approval of the Association's Board of Trustees, provided, however, that for each additional membership approved by the Board of Trustees, an additional annual maintenance charge must be paid for the Lot owned by the additional member, and further provided that regardless of the number of additional memberships approved by the Board of Trustees, only one vote shall be cast with respect to any one Lot. Each member and the member's spouse and minor children shall be entitled to use the

Association's facilities. Membership shall be appurtenant to and may not be separated from ownership of the property which is subject to assessment by the said Bar X Property Owners' Association. Ownership of such property and (i) written designation as the Owner entitled to membership in the Association or (ii) Board of Trustee's approval of an additional membership and payment of the additional maintenance charge required, shall be the only qualifications for membership.

Notwithstanding anything to the contrary contained herein, the Board of Trustees of the Bar X Property Owners' Association shall have the right to elect honorary members of the Association, provided that the number of honorary memberships shall not exceed twenty-five (25) at any one time. Each honorary member shall be elected for a term of one year, and the same person or persons may be re-elected to hold honorary membership for successive years. All facilities of the Association shall be extended to the honorary members and their immediate families. Honorary members shall not have any voting rights.

Section 2. Voting Rights. The corporation shall have two (2) classes of voting membership:

Class A. Class A members shall be all those members as hereinabove defined with the exception of those designated below as Class B members. Class A members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership and for which they are the designated member. When more than one person holds such interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B members shall be Declarant.

So long as the Class B member remains the record owner of any property which is subject to a maintenance charge assessment by the Bar X Property Owners' Association, no member shall be entitled to vote except the Class B member,

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provided, however, that at any time the Class B member's exclusive voting rights may be relinquished by the written consent of the Class B member. At such time as the Class B member's exclusive voting rights are so relinquished, or when the Class B member is no longer the record owner of property which is subject to a maintenance charge assessment by the Bar X Property Owners' Association, the Class B membership shall cease and be converted into Class A membership and all voting rights shall be vested in the Class A members.

The Class A and Class B members shall have no rights as such to vote as a class, except where required by the Texas Non-Profit Corporation Act.

Section 3. Non-Profit Corporation. Bar X Property Owners' Association, is a non-profit corporation; and all duties, obligations, benefits, liens and rights created hereunder in favor of the Association shall vest in said corporation.

Section 4. Inspection of Records. The books, records and papers of the Association shall at all times be subject to inspection by any member during reasonable business hours. The Declarations, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE VI

Maintenance Charges

Section 1. Each Lot in BAR X RANCH, SECTION TWO, is hereby subjected to an annual maintenance charge and assessment for the purpose of creating a fund to be designated and known as the "maintenance fund", which maintenance charge and assessment will be paid by the Owner or Owners of each Lot within BAR X RANCH, SECTION TWO, to the Bar X Property Owners' Association.

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Maintenance charges assessed against Lots of which the Declarant is the Owner shall be payable at the option of the Declarant. The rate at which each Lot will be assessed will be determined annually, and may be adjusted from year to year by the Association as the needs of the subdivision may in the judgment of the Association require; provided that an equal amount of maintenance charge will be assessed against each Lot. The maintenance charge is payable annually in advance (or at the option of Declarant, monthly in advance), provided, however, that the Declarant shall have the option of paying such maintenance charge for its Lots annually in advance, monthly in advance or not at all, as the Declarant so elects.

The Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of BAR X RANCH, SECTION TWO, as well as all other sections of Bar X Ranch; provided, however, that each section of Bar X Ranch, to be entitled to the benefit of this maintenance fund, must be impressed with and subject to an annual maintenance charge and assessment to be determined by Declarant, which is payable to the Association, and further made subject to the jurisdiction of the Association. The uses and benefits to be provided by said Association shall include, by way of clarification and not limitation and at its sole option, any and all of the following: installing, maintaining and operating street lights, maintaining and operating swimming pools, lakes and bayous, bridle paths, equestrian centers, community recreational center, tennis courts, parks, parkways, boat ramps, and both temporary and permanent rights-of-way, easements, esplanades and other public areas; payment of all legal and other expenses incurred in connection with the collection and enforcement of all 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; providing security and doing any other thing or things necessary or desirable in the opinion of the Association to keep the Properties in the subdivision neat and in good order, or which is considered of general benefit to the Owners or other occupants of the Properties, 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.

Additionally, and from time to time the Association may impose special assessments, the proceeds to be used for such special purposes as designated by the Association provided same shall be consistent with the uses and purposes of the annual maintenance charge.

Section 2. To secure the payment of the annual maintenance charge and assessment established hereby and to be levied on individual Lots, as well as the special assessments and any and all other charges which may be levied by the Association against Owners or other occupants of such Lots, there shall be reserved in each Deed (whether specifically stated therein or not) by which the Declarant shall convey such Lots, a Vendor's Lien for the benefit of the Association, said lien to be enforceable through appropriate legal proceedings by such beneficiary; provided, however, that each lien shall be secondary, subordinate, and inferior to all liens, present and future, given, granted and created by or at the instance and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the construction of improvements on any such Lot to the extent of any such maintenance charge or other charge accrued and unpaid prior to foreclosure of any such purchase money lien or construction lien; 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 first mortgage lien for the foresaid purpose or

purposes, the Association shall give the holder of such first mortgage lien 60 days written notice of such proposed action, which notice shall be sent to the nearest office of such first mortgage holder by prepaid U. S. Certified Mail, and shall contain a statement of the delinquent maintenance or other charges upon which the proposed action is based. Upon the request of any such first mortgage lienholder, the Association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular Lot covered by such first mortgage lien to the holder thereof.

Section 3. The above maintenance charges and assessments will remain effective for the full term (and extended term, if applicable) of the covenants contained herein.

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

ARTICLE VII

General Provisions

Section 1. Term. These covenants shall run with the land and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive

periods of ten (10) years each, unless at the end of the 40 years, or anytime thereafter an instrument signed by a majority of the then Owners of the Lots has been recorded by which such Owners agree to change or terminate said covenants in whole or in part. Upon any violation or attempt to violate any of the covenants contained herein, it shall be lawful for the Association or any other Lot Owner to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants and either to prevent him or them from doing so or to recover damages or obtain other remedies for such violations. The Declarant reserves the right to enforce these restrictions at any time, regardless of whether or not Declarant is then an Owner.

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

EXECUTED this 19th day of September, 1980.

GIBRALTAR SAVINGS ASSOCIATION
"Declarant"

ATTEST:

James F. Ronnick
James F. Ronnick
Assistant Secretary.

By: Michael P. Barsi
Michael P. Barsi
Executive Vice President

DEED

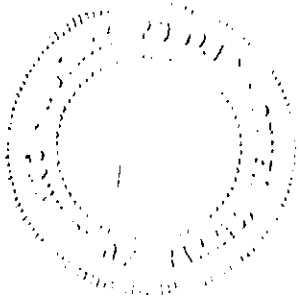
THE STATE OF TEXAS X

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COUNTY OF HARRIS X

BEFORE ME, the undersigned authority, on this day personally appeared Michael P. Barsi, known to me to be the person whose name is subscribed to the foregoing instrument, as Ex. Vice President of GIBRALTAR SAVINGS ASSOCIATION, a corporation, and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed, in the capacity therein stated,

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 19th day of September, 1980.



[Handwritten Signature]

Notary Public in and for Harris County, T E X A S

FILED FOR RECORD

AT 9:33 O'CLOCK A M.

SEP 22 1980

H. R. STEVENS, JR.

CLERK COUNTY COURT, BRAZORIA CO., TEXAS

BY T. JACKARD DEPUTY