

RESTRICTIONS

WALDEN ON LAKE CONROE, SECTION SEVEN

THE STATE OF TEXAS        I

COUNTY OF MONTGOMERY    I

This Declaration, made on the date hereinafter set forth by JERRY H. DEUTSER, TRUSTEE, and S. CONRAD WEIL, JR., TRUSTEE, hereinafter referred to as "Declarants,"

WITNESSETH:

Whereas, Declarants are the owners of that certain property known as WALDEN ON LAKE CONROE, SECTION SEVEN, a subdivision in Montgomery County, Texas, according to the map or plat thereof recorded in Volume 11, pages 17 & 18 of the Map Records of Montgomery County, Texas; and

Whereas, it is the desire of Declarants 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, Declarants hereby adopt, establish and impose upon WALDEN ON LAKE CONROE, SECTION SEVEN, and declare the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purpose of enhancing and protecting the 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; save and except Parking Reserves "1", "2", "3", "4", "5", "6", "7", "8" and "9" and Green Belt Reserves "A", "B", "C", "D", "E", "F", "G", "H", "J", "K", "L", "M", "N", "P", "Q" and "R" which are not subject to these Restrictions, Covenants and Conditions, except as set out herein in Article II, Section 7.

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to the Walden on Lake Conroe Community Improvement Association, its successors and assigns, provided for in Article V hereof.

Section 2. "Townhouse Association" shall mean and refer to the Walden's Townhouse Association, its successors and assigns, provided for in Article VI hereof.

Section 3. "Properties" shall mean and refer to WALDEN ON LAKE CONROE, SECTION SEVEN, and any additional properties made subject to the terms hereof pursuant to the provisions set forth herein; save and except Reserves which are not subject to these Restrictions, Covenants and Conditions except as set out herein in Article II, Section 7.

Section 4. "Lot" and/or "Lots" shall mean and refer to the Lots shown upon the Subdivision Plat, save and except Parking Reserves "1", "2", "3", "4", "5", "6", "7", "8" and "9" and Green Belt Reserves "A", "B", "C", "D", "E", "F", "G", "H", and "J", "K", "L", "M", "N", "P", "Q" and "R" which are not subject to these Restrictions, Covenants and Conditions, except as set out herein in Article II, Section 7. (All lots in WALDEN ON LAKE CONROE, SECTION SEVEN, are for townhouses only.)

Section 5. "Townhouse" shall mean a single family dwelling, subject to recorded set back line restrictions, that must build to either or both side property lines.

Section 6. "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, but excluding those having such interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.

Section 7. "Subdivision Plat" shall mean and refer to the map or plat of WALDEN ON LAKE CONROE, SECTION SEVEN, recorded in Volume 11, pages 17, 18, of the Map Records of Montgomery County, Texas.

Section 8. "Architectural Control Committee" shall mean and refer to the WALDEN ON LAKE CONROE, SECTION SEVEN, Architectural Control Committee provided for in Article IV hereof.

Section 9. "Builder Owners" shall be any person who acquired a Lot or Lots for the purpose of engaging in the business of constructing single-family Townhouse dwellings for the purpose of resale.

## ARTICLE II.

### Restrictions, 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 Declarants, conveying said property or any part thereof, whether specifically referred to therein or not.

Section 2. Declarants reserve 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 electric lighting, electric power, telegraph and telephone line or lines, gas, sewers, or any other utility Declarants see fit to install in, across and/or under the Properties.

Section 3. Declarants reserve 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. Declarants reserve the right, during installation of concrete paving, of the 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 to any other Owner or Owners.

Section 5. Neither Declarants 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 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 Declarants 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 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 Declarants 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 where not affected, the 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, and such right is hereby expressly reserved.

Section 7. WALDEN ON LAKE CONROE SECTION SEVEN'S Green Belt Reserves "A" through "H" and "J", "K", "L", "M", "N", "P", "Q" and "R" and Parking Reserves "1" through "9", inclusive and any other improvements therein and all streets except Melville Drive are restricted for use of property owners of WALDEN ON LAKE CONROE, SECTION SEVEN and their guests.

### ARTICLE III.

#### Use Restrictions

Section 1. Land Use and Building Type. No structure shall be erected, altered, placed or be permitted to remain on any Lot other than a single family Townhouse and garage or carport not to exceed a height of 40 feet as set out in Section 3 hereof.

No Lot may be used for duplex houses, garage apartments, or apartment houses; and no Lot shall be used for business or professional purposes of any kind, except that a Townhouse may be built for the purpose of leasing the same for residential occupancy, nor for any commercial or manufacturing purposes. No building of any kind or character shall ever be moved onto any Lot within said Subdivision, it being the intention that only new construction shall be placed or erected thereon.

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 location of the structure thereon have been approved by the Architectural Control Committee as provided in Section I, Article IV.

Section 3. The total living area of the main residential structure of any Townhouse except those on water front lots, exclusive of open porches, garages and/or carports, shall be not less than 1,250 square feet. The total living area of any Townhouse on a water front lot shall be not less than 1,450 square feet.

Section 4. Type of Construction, Materials and Landscape

(a) No external roofing material other than wood shingles or built-up tar and gravel shall be constructed or used on any building in any part of the Properties without the written approval of the Architectural Control Committee.

(b) No window or wall type air conditioners shall be permitted to be used, erected, placed, or maintained on or in any building in any part of the Properties.

(c) Each kitchen in each dwelling or living quarters situated on any Lot shall be equipped with a garbage disposal unit, which garbage disposal unit shall at all times be kept in a serviceable condition.

(d) Before any landscaping shall be done in the front of any newly constructed dwelling, the landscape layout and plans shall have been first approved by the Architectural Control Committee. Such landscaping is to be done in the parkway area and on the front of the Lot at the time the dwelling is being completed and before occupancy.

Section 5. Building Location. No building shall be located on any Lot except a Townhouse which shall be constructed in such a manner as will create the appearance of attached row houses with no visible open space between houses on adjoining lots. If party walls are not used, then the exterior of the side walls shall not be more than 1/2 inch from the dividing line between Lots and to create the appearance of attached or row houses, the space between houses at the front and rear elevations shall be caulked or sealed with suitable material so that there shall be no visible open space between houses. The tops of exterior walls must be capped to prevent water from falling between the houses.

Party walls as part of the original construction shall be of masonry construction, shall be structurally sound and shall be subject to the approval of the Architectural Control Committee.

The center line of each party wall shall be placed on the dividing line between Lots, and to the extent not inconsistent with any of the provisions hereof, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. If a wall which is intended as a party wall is through construction error situated wholly on one Lot instead of on the dividing line between Lots, such wall shall nevertheless be deemed a party wall for joint use.

by adjoining Lot owners. Reciprocal easements are hereby created and shall exist upon and in favor of adjoining Townhouse Lots for the maintenance, repair and reconstruction of party walls and the underpinnings supporting the same. Each owner sharing a party wall shall also be deemed to covenant and agree and shall be bound as follows: -

(a) The cost of reasonable repairs and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

(b) If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the adjoining owner thereafter shall make use of the wall, he shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such owner restoring such party wall to call for a larger contribution from the adjoining owner under the rules of law regarding liability for negligence or willful acts or omissions.

(c) Notwithstanding any other provisions of this section, an owner who by his negligence or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(d) The right of any owner to contribution from any adjoining owner under this Section shall be appurtenant to the land and shall pass to such Homeowner's successors in title.

(e) In the event any dispute arises concerning a party wall, or under the provisions of this Section, the same shall be resolved and settled through the process of arbitration. Each party to the dispute shall choose one arbitrator and the two arbitrators so chosen shall resolve and settle the dispute and shall be binding upon all parties to the arbitration. Should any party refuse to choose an arbitrator within ten (10) days after the written request therefor, the Architectural Control Committee shall select an arbitrator for the refusing party.

(f) All Townhouses shall provide a concrete apron or approach between the concrete street and the building setback line to provide for parking of at least two cars between the concrete street slab and the Townhouse lot building setback line. However, this concrete slab shall not be more than 22 feet wide.

(g) No Townhouse shall face Melville Drive nor shall any parking facility or driveway face Melville Drive.

(h) All buildings shall be subject to the approval of the Architectural Control Committee as set out in Section 2 herein.

Section 6. Minimum Lot Area. Lots may not be resubdivided without the express written permission of the Architectural Control Committee, nor shall any building be erected or placed on any Townhouse Lot having a width of less than twenty (20) feet perpendicular to side lot lines, provided however, that nothing contained herein shall be construed to prohibit the resubdivision of any Lot or Lots within the properties if such subdivision results in each resubdivided Lot having a width of not less than twenty feet; it being the intention of the restriction that no Townhouse be constructed on a Lot with a width of less than twenty feet perpendicular to side lot lines.

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 display or shooting of firearms, fireworks, or firecrackers is expressly forbidden.

Section 8. Temporary Structures. No structure of a temporary character, whether trailer, basement, tent, shack garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided, however, that Declarants reserve 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. The Declarants, and Builder Owners may use a residence as a temporary sales office. No garage, servants' quarters or other permitted accessory structure shall be erected, placed or maintained on any Lot until construction of main residential 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 on driveways, except that the privately-owned automobile of a Lot owner may be stored on the concrete apron approach between

the concrete street and the building setback line. 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 or plot without the express prior written consent of the Declarants, except for a Builder Owner, during the construction and sales period of improvements, not more than one sign of not more than five square feet of sign space. Declarants or their agents shall have the right to remove any sign not complying with the above restriction, and, in so doing, shall not be liable and are expressly relieved from any liability for trespass or other tort in connection therewith, or arising from such removal. The right is reserved by Declarants to construct and maintain such signs, billboards or advertising devices as is customary in connection with the general sale of property.

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

Section 12. Underground Electric Distributions System. The type of electric service supplied to Owners will be alternating current at approximately 60 cycles per second, single phase, three wire, 120/240 volts and metered at 240 volts. It is understood



and agreed that only underground service (except for temporary overhead service for construction purposes), such to be of the characteristics described above, will be furnished by Gulf States Utilities Company in WALDEN ON LAKE CONROE, SECTION SEVEN, and that such service will be from the underground electric system to be installed by Gulf States Utilities Company, and Owners agree that only underground electric service at 120/240 volts, single phase, three wire, will be available for Lots; and the locked rotor current of any motor connected to this service will be limited in accordance with the standard services practices of Gulf States Utilities Company; and no above surface electric service wires will be installed outside of any structure. It is also understood and agreed that individual underground electric service drops will extend through and under Lots in order to serve the residence thereon at locations satisfactory to Gulf States Utilities Company; and Owners shall ascertain the location of said service drops and keep the area over the route of said service drops free of excavations and clear of structures, trees and other obstructions; and that Gulf States Utilities Company may install, maintain, repair, replace and remove said underground service drops, and open the ground for any such purpose or purposes; and no payment will be due or made by any utility for such use or activity. The utility easement areas dedicated and shown on the recorded map of WALDEN ON LAKE CONROE, SECTION SEVEN, may be cleared and kept clear by any utility of all trees, bushes, and other growth, including overhanging branches from trees or protrusions from structures located upon adjacent property, without payment to Owners by such utility for such clearance, cutting or trimming. The provisions of this paragraph shall constitute a covenant running with the land as to each Lot; and Owner in this subdivision:

Section 13. Walls, Fences, Hedges, Piers and Bulkheads. No walls or fences shall be erected or maintained nearer to the front of any Lot than the front building line. All walls and fences on any Lot must be at least six (6) feet in height unless approved in writing by the Architectural Control Committee. No fence shall be erected on the water side of any water front lot that will unreasonably obscure the view of Lake Conroe from an adjoining dwelling. Fences must be of ornamental iron, wood, or masonry construction. No chain link fences are permitted, except to enclose swimming pools and only then if they are not visible from the street.

Any wall, fence or hedge erected as a protective screening on a Lot by Declarants shall pass ownership with title to the property and it shall be the Owner's responsibility to maintain said protective screening thereafter. In the event of default on the part of the Owner or occupant of any Lot in maintaining said protective screening and such failure continuing after ten (10) days' written notice thereof, Declarants or their assigns may, at their option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause said protective screening to be repaired or maintained or to do any other thing necessary to secure compliance with these restrictions, so as to place said protective screening in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay such statement immediately upon receipt thereof.

No pier, boat lift, ramp, deck or any other 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 which have previously been approved by the San Jacinto River Authority. The Committee will immediately reject any plans for a "homemade" type deck such as one floating on barrels. Should the Committee grant permission for a deck or ramp, the Owner thereof agrees to maintain and keep it in a sightly manner, free of litter, fishing poles, buckets, etc. Request and permission shall be in writing.

No bulkheading shall be permitted on any waterfront Lot except by written consent of the Architectural Control Committee and the San Jacinto River Authority. No "homemade" type bulkheading will be allowed. The Architectural Control Committee will only consider plans which have been approved by the San Jacinto River Authority. 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 14. Lot Maintenance. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon herein permitted or permit the accumulation of garbage, trash, or rubbish of any

kind thereon 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 and the Owners or occupants of any Lots at the intersection 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 occupant of any Lot in observing the above requirements or any of them such default continuing after ten (10) days' written notice thereof Declarants or their assigns may, at their option without liability to the Owner or occupant in trespass or otherwise enter upon said Lot and cause to be cut 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 so as to place said Lot in a neat, attractive, healthful and sanitary condition and may charge the Owner or occupant of such Lot for the cost of such work. The owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay such statement immediately upon receipt thereof.

Section 15. Unlicensed Motor Vehicles. No unlicensed motor vehicles shall be allowed within the subdivision. No motor bikes, motorcycles, motor scooters or other vehicles of that type shall be permitted in the subdivision, if they are a nuisance by reason of noise or manner of use in sole judgment of the WALDEN ON LAKE CONROE COMMUNITY IMPROVEMENT ASSOCIATION.

Section 16. Pets. No horses, cows, hogs, poultry, or livestock of any kind (other than house pets of reasonable kind and number) may be kept on any Lot. Should such pets become a nuisance in the opinion of the Declarants, they must be removed from the premises and the subdivision. No pets are to run at large.

Section 17. Drainage. Natural drainage of streets, Lots or roadway ditches will not be impaired by any person or persons. The breaking of curbs for drive installations is not necessary and will not be permitted.

## ARTICLE IV.

### Architectural Control Committee

Section 1. Approval of Building Plans. No building 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 in writing as to harmony of exterior design and color with existing structures, as to location with respect to topography and finished ground elevation, and as to compliance with minimum construction standards by the WALDEN ON LAKE CONROE, Architectural Control Committee. A copy of the construction plans and specifications and a plot plan, together with such 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.

Section 2. Committee Membership. The Architectural Control Committee shall be initially composed of Jerry H. Deutser, S. Conrad Weil, Jr. and William Schmuck, 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 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 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, the approval described in this covenant and all power vested in said Committee by this covenant shall automatically pass to the Walden on Lake Conroe Community Improvement Association.

ARTICLE V.

Walden on Lake Conroe  
Community Improvement Association

Section 1. Membership. Every person or entity who is an Owner of any of the Properties which are subject to maintenance charge assessment by the Association, shall be a member of the Walden on Lake Conroe Community Improvement Association. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association. Ownership of such land shall be the sole qualification for membership.

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

Class A. Class A members shall be all those Owners as defined in Section 1, with the exception of the Declarants. Class A members shall be entitled to one vote for each Lot 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 Lot.

Class B. The Class B members shall be Jerry H. Deutser, Trustee, and Conrad Weil, Jr., Trustee, the Declarants as defined in the Declaration. The Class B members shall be entitled to three (3) votes for each Lot in which they hold 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 the Class A Membership equal the total votes outstanding in the Class B membership, or
- (b) On January 1, 1987.

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

Section 3. Nonprofit Corporation. Walden on Lake Conroe Community Improvement Association, a nonprofit corporation, has been organized; and 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 the normal business hours.

## ARTICLE VI.

### Walden's Townhouse Association

Section 1. Membership. Every person or entity who is an Owner of any of the Properties which are subject to maintenance charge assessment by Walden's Townhouse Association, shall be a member of Walden's Townhouse Association.

The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by Walden's Townhouse Association. Ownership of such land shall be the sole qualification for membership.

Section 2. Voting Rights. The Walden's Townhouse Association shall have two classes of membership.

Class A. Class A members shall be all those Owners as defined in Section 1, with the exception of the Declarants. Class A members shall be entitled to one vote for each Lot 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 Lot.

Class B. The Class B members shall be Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, the Declarants as defined in the Declaration. The Class B members shall be entitled to three (3) votes for each Lot in which they hold 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 the Class A membership equal the total votes outstanding in the Class B membership, or

(b) On January 1, 1987.

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

Section 3. Nonprofit Corporation. Walden's Townhouse Association, a nonprofit corporation, will be organized; and all duties, obligations, benefits, liens, and rights hereunder in favor of Walden's Townhouse Association shall vest in said corporation.

Section 4. Bylaws. Walden's Townhouse 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 Walden's Townhouse Association shall have the right to inspect the books and records of the Association at reasonable times during the normal business hours.

## ARTICLE VII.

### Maintenance Charges

Section 1. WALDEN ON LAKE CONROE COMMUNITY IMPROVEMENT ASSOCIATION MAINTENANCE FUND. Each lot in WALDEN ON LAKE CONROE, SECTION SEVEN, 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 WALDEN ON LAKE CONROE, SECTION SEVEN, to the Walden on Lake Conroe Community Improvement Association. The maintenance charge is payable annually in advance (or at the option of the Declarants, monthly in advance) until a dwelling is erected on the Lot, at which time the maintenance is payable in advance annual installments. The Declarants and

Builder Owners shall pay twenty percent (20%) of the assessed rate. Every person or entity who is an owner of more than one Lot, except the Declarants and Builder Owners, shall pay the full assessed rate on one Lot and twenty percent (20%) of the assessed rate on all additional Lots owned; except that when a dwelling is erected on any Lot the full assessed rate will be paid for such Lot regardless of the number of Lots owned. 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 such assessment will be uniform. The Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of WALDEN ON LAKE CONROE, SECTION SEVEN, as well as all other sections of Walden on Lake Conroe Subdivision; provided, however, that each section of Walden on Lake Conroe, to be entitled to the benefit of this maintenance fund, must be impressed with and subject to the annual maintenance charge and assessment on a uniform (subject to the rates applicable to Declarants and Builder Owners as described herein), per Lot basis, equivalent to the maintenance charge and assessment imposed hereby, 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: maintaining and operating swimming pools, tennis courts, parks, parkways, boat ramps, 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 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, employing policemen and watchmen, 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 occupants of the Properties, it being understood that the judgement 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 2. WALDEN'S TOWNHOUSE ASSOCIATION MAINTENANCE FUND. Each lot in WALDEN ON LAKE CONROE, SECTION SEVEN, 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 Townhouse Section" which maintenance charge and assessment will be paid by the Owner or Owners of each Lot in Walden on Lake Conroe, Section Seven and, at the option of the Declarant, each Townhouse Lot developed from land adjacent to or in the immediate vicinity of Walden on Lake Conroe, Section Seven. The maintenance charge is payable annually in advance or at the option of the Declarants monthly in advance until a dwelling is erected on the Lot, at which time the maintenance is payable in advance annual installments. The rate at which each Lot will be assessed will be determined annually, and may be adjusted from year to year by Walden's Townhouse Association as the needs of the subdivision may in the judgment of Walden's Townhouse Association require: provided that such assessment will be uniform. Walden's Townhouse Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of WALDEN ON LAKE CONROE, SECTION SEVEN and other Townhouse Sections or Lots developed from land as set forth herein.

The uses and benefits to be provided by said Townhouse Association shall include, by way of clarification and not limitation and at its sole option, any and all of the following: maintaining front lawns, vacant lots, parks, parkways, Green Belt Reserves, Parking Reserves, rights-of-way, street easements, esplanades and other public areas, maintaining and operating swimming pools, payment of all legal and other expenses including security guards incurred in connection with the 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, 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 occupants of the Properties, it being understood that the judgment of the Townhouse Association in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 3. An initial monthly charge of fifty cents (50¢) will be made upon each monthly bill to the Owner of each Lot to cover the cost of electric energy to operate the street lighting system to be installed in and upon WALDEN ON LAKE CONROE, SECTION SEVEN as outlined in Gulf States Utility Rate Schedule RLU. Rate Schedule RLU is subject to change without notice and such monthly charge will be adjusted in accordance therewith.

Section 4. To secure the payment of the maintenance funds established hereby and to be levied on Lots, there shall be reserved in each Deed (whether specifically stated therein or not) by which the Declarants shall convey such Lots, the Vendor's Lien for benefit of the Associations said lien to be enforceable through appropriate proceedings at law by such beneficiary; provided, however, that each such lien shall be secondary, subordinate, and inferior to all liens, present and future, given, granted and created by or at the instance and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the construction of improvements on any such Lot to the extent of any such maintenance fund charge accrued and unpaid prior to foreclosure of any 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 aforesaid purpose or purposes, the Association shall give the holder of such first mortgage lien sixty (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 charges upon which the proposed action is based. Upon the request of any such first mortgage lienholder, the Associations 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 5. The above maintenance charges and assessments will remain effective for the full term (and extended term, if applicable) of the within covenants.

Section 6. It is specifically stated and agreed that any Lot sold to persons or entities by the Declarants by contract for sale of land, or deed with lien and note, or other instrument and the purchaser defaults in the contract or note payments in any

manner and said Lot is repossessed, foreclosed or such contract canceled by Declarants, their successors or assigns, the Associations will release its right to collect the past due maintenance charges, assessments and penalties on such Lots from the Declarants. Nothing herein contained shall relieve the purchaser in default from whom the Lot was repossessed from his obligation to pay such delinquent charges, assessments and penalties to the Associations.

ARTICLE VIII.

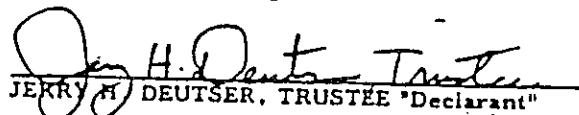
General Provisions

Section 1. Term. These covenants shall run with the land and shall be binding upon all parties 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 agreeing to change or terminate said covenants in whole or in part. Upon any violation or attempt to violate any of the covenants herein, it shall be lawful for the Association or any other Lot owner to prosecute the proceedings 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 other dues for such violations. The Declarants reserve the right to enforce these restrictions.

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

Section 3. Approval of Lienholder. Gibraltar Savings Association, chartered under the laws of the State of Texas, the holder of a lien covering Walden on Lake Conroe, Section Seven, a subdivision in Montgomery County, Texas, join in the execution hereof to evidence consent hereto and hereby subordinate the respective lien or liens held by each of them to the provisions hereof.

EXECUTED this 19<sup>th</sup> day of JUNE, A.D., 1973.

  
JERRY H. DEUTSER, TRUSTEE "Declarant"

  
S. CONRAD WEIL, JR., TRUSTEE "Declarant"