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DECLARATION OF COVENANTS, CONDITIONS

AND

RESTRICTIONS

FOR

SETTLER'S PARK SECTION ~~TWO~~ (2)

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS I

COUNTY OF FORT BEND I

THIS DECLARATION, made on the date hereinafter set forth by SUGARLAND PROPERTIES INCORPORATED, a Texas corporation, hereinafter referred to as "Declarant."

W I T N E S S E T H :

WHEREAS, declarant is the owner of certain property situated in Fort Bend County, Texas, is more particularly described as:

> Lots Eighty-three (83) thru Eight-eight (88), in Block One (1); Lots Twenty-five (25) thru Forty-Nine (49), in Block Twelve (12); Lots One (1) thru Forty-one (41), in Block Thirteen (13); Lots One (1) thru Nine (9), in Block Fourteen (14); Lots One (1) thru Thirty-two (32), in Block Fifteen (15); Lots One (1) thru Fifty-six (56), in Block Sixteen (16); Lots One (1) thru Fifty-seven (57), in Block Seventeen (17); Lots One (1) thru Forty-four (44), in Block Eighteen (18) of SETTLERS PARK, SECTION TWO (2), an addition in Fort Bend County, Texas, according to the map or plat thereof recorded in Volume 22, Page 24, of the Plat Records of Fort Bend County, Texas.

NOW, THEREFORE, declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, its heirs, successors and assigns, and shall inure to the benefit of each owner thereof and the Settler's Park Homeowners Association.

ARTICLE I

DEFINITIONS

Section 1.1 "Association" shall mean and refer to Settler's Park Homeowners Association, a Texas nonprofit corporation, its successors and assigns.

Section 1.2 "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, including contract sellers, but excluding those having such interest merely as security for the peformance of an obligation.

Section 1.3 "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the association.

Section 1.4 "Lot" shall mean and refer to any numbered lot or plot of land shown in any recorded subdivision map or plat of the properties with the exception of commercial reserves.

Section 1.5 "Declarant" shall mean and refer to SUGARLAND PROPERTIES INCORPORATED, a Texas corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the declarant for the purpose of development.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 2.1 Every owner of a lot which is subject to assessment shall be a member of the association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2.2 The association shall have two (2) classes of voting membership:

Class A. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each lot owned. When more than one person holds an 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 (1)

vote be cast with respect to any lot.

Class B. The Class B member(s) shall be the ~~declarant~~ and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to a 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 Class B membership including duly annexed areas, or

b) On January 1, 1991.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 3.1 Creation of the Lien and Personal Obligation of Assessments: The declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot 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: (a) annual assessments or charges which shall be payable as hereinafter set forth, and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interests, costs and reasonable attorney's fee, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fee, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 3.2 Purpose of Assessments: The assessments levied by the association shall be used exclusively to pro-

note the recreation, health, safety and welfare of the residents of the properties, including, but not limited to, lighting, improving and maintaining the streets and roads, collecting and disposing of garbage and refuse, employing policemen and/or watchmen, caring for vacant lots, esplanades, entrance ways and similar facilities serving the properties, and in doing any other things necessary or desirable which the board of directors of the association may deem apporopriate to keep the properties neat and presentable.

Section 3.3 Maximum Annual Assessment: Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be One Hundred Ninety-two and No/100 Dollars ($192.00) per lot.

a) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than 3% above the maximum assessment for the previous year without a vote of the membership.

b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above 3% by a vote two-thirds (2/3rds) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

c) The board of directors may fix the annual assessment at an amount not in excess of the maximum.

Section 3.4 Notice and Quorum for Any Action Authorized Under Section 3.3: Written notice of any meeting called for the purpose of taking any action authorized under Section 3.3 shall be sent to all members not less than ten (10) days nor more than fifty (50) 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 requirements, and the required quorum at the subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 3.5 Rate of Assessment: All lots in Settler's Park, Section Two shall commence to bear their applicable maintenance fund assessment simultaneously and lots owned by Declarant are not exempt from assessment. Lots shall be divided into two classes; Class A lots and Class B lots. Class A lots shall be those lots on which a permanent home has been constructed and title to such lot has been conveyed to the resident purchaser thereof. Class B lots shall be all other lots which are owned by Declarant, a builder, or building company and shall be assessed at the rate of one-half (1/2) of the annual assessment above and shall begin to accrue on the happening of either of the following events whichever occurs later:

a) When any lot has been improved with paved street, water, sewer and other utilities, or

b) On the 1st day of July, 1981.

Section 3.6 Date of Commencement of Annual Assessments: The entire accrued charge on each Class B lot (determined in accordance with Section 3.5 above) shall become due and payable on the date such lot converts from a Class B lot to a Class A lot by reason of the conveyance of title of such lot to a resident purchaser thereof. The annual assessment charge on Class A lots shall be as hereinbefore provided (according to Section 3.3). The initial charge shall accrue and become due and payable to each lot on the day such lot converts from a Class B lot to a Class A lot by reason of

the conveyance of title of such lot to a resident purchaser thereof. The determination of the amount of such initial charge shall be adjusted according to the number of months remaining in the calendar year. The annual assessment on each Class A lot and thereafter shall accrue and become due and payable on the first day of January of each succeeding year. The board of directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. 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.

Section 3.7 Effect of Nonpayment of Assessments-Remedies of the Association: Any assessment 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 foreclosure the lien against the property. Each such owner, by his acceptance of a deed to a lot, hereby expressly vests in the association, or its agents, the right and power to bring all actions against such owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including judicial foreclosure by an action brought in the name of the association in alike manner as a mortgage or deed of trust lien on real property, and such owner hereby expressly grants, to the association a power of sale in connection with the said lien. The lien provided for in this section shall be in favor of the association and shall be for the benefit of all other lot owners. No owner may waive

or otherwise escape liability for the assessments provided for herein by abandonment of his lot.

Section 3.8 Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 3.9 Exempt Property: All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 3.10 Insurance:

a) The board of directors of the association may obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the association, its board of directors, agents and employees, and each owner, from and against liability in connection with the association's duties, functions and property, if any.

b) All costs, charges and premiums for all insurance that the board of directors authorized as provided herein shall be a common expense of all owners and be a part of the maintenance assessment.

ARTICLE IV

ARCHITECTURAL COMMITTEE

Section 4.1 No building shall be erected, placed or altered on any lots until the building plans and specifications and a plot plan showing the locations of such building has been approved in writing as to conformity and harmony of external design with existing structures in the subdivision, and as to location with respect to topography and finish grade elevation, by an Architectural Control Committee composed of Eugene Mohler, Calvin Dunham and Ronald White, or a representative designated by a majority of the members of said committee. In the event of death or resignation of any member of said committee the remaining member, or members, shall have full authority to appoint a successor member or members who shall thereupon succeed to the powers and authorities of the member so replaced. In the event said committee or its designated representative, fails to approve of design and location within forty-five (45) days after said plans and specifications have been submitted to it, such approval will not be required and this covenant will be deemed to have been fully complied with. All decisions of such committee shall be final and binding and there shall be no revision of any action of such committee except by procedure for injunctive relief when such action is patently arbitrary and capricious. Members of said committee and Declarant shall not be liable to any persons subject to or possessing or claiming the benefits of these restrictive covenants for any damage or injury to property or for any other loss arising out of their acts hereunder; it being understood an aggrieved party's remedies shall be restricted to injunctive relief and no other. Neither the members of such committee nor its designated representative shall be entitled to any compensation for services performed pursuant

to this covenant. Powers and duties of the named committee and any designated representative or successor member shall, on January 1, 1991, pass to a committee on said date, shall continue to exercise such powers and duties until such time as their successsors are elected.

Where circumstances, such as topography, location of property lines, location of building, or other matters require, the Architectural Control Committee, by the vote or written consent of a majority of the members thereof, may allow reasonable variances as to any of the restrictions contained herein under the jurisdiction of such committee pursuant to this section, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping, with the general plan for the improvement and development of the property.

ARTICLE V

USE RESTRICTIONS

The lots shall be occupied and used as follows:

Section 5.1 Residential Construction and Use: No platted lot shall be used except for residential purposes and no building shall be erected, altered, placed, or permitted to remain on any lot other than one detached single-family dwelling of one, one and one-half (1-1/2) and two (2) stories in height and a private garage for not less than two (2) cars nor more than three (3) cars.

Section 5.2 Architectural Control: No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and material, harmony of external designs with existing structures, as to location with respect to topography and finish grade elevations.

Section 5.3 The square footage area of the main structure, exclusive of open porches and garages, shall not be less than 1,425 square feet for a dwelling of one (1) story nor less than 1,700 square feet for a dwelling of more than one (1) story. For purposes of computing the square feet requirements contained herein, all measurements shall be made from the outside of exterior walls of the dwellings.

Section 5.4 Placement: No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building set-back lines shown on the recorded plat, and also no building shall be placed on any lot so as to be located:

a) nearer than five (5) feet to either of the side, or interior lines of such lot, or

b) no single-family residence shall be located on any interior lot nearer than twenty-five (25) feet to the rear lot line, except where a garage is attached to the main structure of the residence in which case the rear wall of the living area shall not be nearer than twenty-five (25) feet to the rear lot line, and the rear wall of the garage shall not encroach upon any easement. No outbuildings on any residential lot shall exceed in height the dwelling to which they are appurtenant. Every such outbuilding shall correspond to the style and architecture to the dwelling to which it is appurtenant.

If two (2) or more lots, or fractions thereof, are consolidated into one (1) building site in conformity with the provisions of Section 5.5 below, these building setback provisions shall be applied to such resultant building site as if it were one (1) original platted lot.

c) A private garage, with or without storeroom and/or utility room, shall be permitted as an accessory building, provided that such garage shall be located not less than

sixty (60) feet from the front lot line nor less than five (5) feet from any side lot line and in the case of corner lots not less than the distance required for residences from side streets.

Section 5.5 Consolidated Building Site: None of said lots shall be resubdivided in any fashion except as follows:

Any person owning two (2) or more adjoining lots may subdivide or consolidate such lots into building sites, with the privilege of placing or constructing improvements, as permitted in paragraph numbered 5.3 and 5.4 above, on each such resulting building site, provided that such subdivision or consolidation does not result in more building sites than the number of platted lots involved in such subdivision or consolidation.

Section 5.6 Minimum Lot Requirement: No lot shall be resubdivided into nor shall any dwelling be erected or placed on any lot, or building site, having an area of less than 6,000 square feet.

Section 5.7 Facing of Improvements: All improvements in Settler's Park, Section Two, shall be constructed on a residential lot so as to front the street upon which such lot faces. The Architectural Control Committee is granted the right to designate the direction in which the improvement in Settler's Park, Section Two, on any corner residential lot shall face, and such decision shall be made with the thought in mind of the best general appearance of that immediate section.

Section 5.8 Utility Easements: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more Cable Television Companies and Declarant shall have the right and power in

such agreement or agreements to grant to such Cable Television Company or Companies the uninterrupted right to install and maintain communications cable and related ancillary equipment and appurtenances within the utility easements or rights-of-way reserved and dedicated herein and in the referenced plat and Declarant does hereby reserve unto itself, its successors and assigns the sole and exclusive right to obtain and retain all income, revenue and other things of value paid or to be paid by such Cable Television Companies to Declarant pursuant to any such agreements between Declarant and such Cable Television Companies. No fences or other structures shall be constructed so as to enclose or encroach upon any easements. Neither declarant nor any utility company using the easements herein referred to shall be liable for any damage done by them or their assigns, their agents, employees or servants, to shrubbery, trees or flowers or other property of the owners situated on the land covered by said easements.

Section 5.9 Nuisances: No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No repair work, dismantling or assembling of motor vehicles, boats, trailers or any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street.

Section 5.10 Use of Temporary Structures: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently. Temporary structures used as building offices, and for other related purposes during the construction period, must be inconspicuous and sightly, and there is hereby reserved unto the architectural committee the sole power to

determine what is inconspicuous and sightly in connection with temporary structures.

Section 5.11 Domestic Quarters: No garage apartment for rental purposes shall be permitted on any residential lot. Living quarters on property other than in main building on any residential lot may be used for bona fide servants only.

Section 5.12 Underground Electrical Service: An underground electric system will be installed in that part of Settler's Park, Section Two, designated herein as Underground Residential Subdivision, which underground service area embraces all of the lots which are platted in Settler's Park, Section Two, at the execution of this agreement between Company and Developer or thereafter. 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 Electrical 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 point of attachment and at the meter. Developer has either by designation on the plat of the subdivision 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 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 company for each dwelling unit involved. For so long as underground service is maintained in the Underground Residential 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 Developer (except for certain conduits, where applicable, and except as hereinafter provided) upon Developer'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 designated 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 developer or the lot owners of 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) Developer 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 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 over the cost of equivalent overhead facilities 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. Nothing in this paragraph is intended to exclude single metered service to apartment projects under the terms of a separate contract.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s) shown on the plat of Settler's Park, Section Two, as such plat exists at the execution of the agreement for underground electric service between the electric company and Developer or thereafter. Specifically, but not by way of limitation, if a lot owner in a former Reserve undertakes some action which would have invoked the above per front lot foot payment, if such action had been undertaken in the Underground Residential Subdivision, such owner or applicant

for service shall pay the electric company $1.75 per front lot foot, unless Developer has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future non-residential development in such Reserve(s).

Section 5.13 Signs: No sign of any kind shall be displayed to the public view on any lot except one sign of not more than five (5) square feet advertising the property for sale or rent. During the initial contruction and sales period the builder may use other signs and displays to advertise the merits of the property for sale or rent. Declarant or its assignee shall have the right to remove any such sign or contravention hereof and in so doing shall not be subject to any liability of trespass or other sort in connection therewith or arising with such removal.

Section 5.14 Height of Antennae: No radio or television aerial wires or antennae shall be maintained on any portion of any residential lot forward of the front building line of said lot. No fixed or remote controlled radio, citizen's band, or television aerial wires or antennae shall be placed or maintained on any building or any residential lot to extend more than ten (10) feet above the roof of the main residence on said lot. And no antennae can be constructed as a free standing structure.

Section 5.15 Storage of Automobiles, Boats, Trailers and Other Vehicles: No trucks, vans, trailers, boats, or any vehicle other than passenger cars will be permitted to park on streets or on driveways longer than twelve (12) hour period. Permanent and semi-permanent storage of such items and vehicles must be screened from public view, either within the garage or behind the fence which enclosed the rear of the lot.

Section 5.16 Sidewalks: Before the dwelling unit is

completed, the lot owner shall construct a sidewalk four (4) feet in width. Such sidewalk shall be two (2) feet from and parallel to the property line, and shall extend to the projection of the lot boundary line(s) into the street right-of-way and/or street curbs at corner lots. Owners of corner lots shall install such a sidewalk parallel to the front lot line and the side street lines. Owners of corner lots in Settler's Park, Section Two, shall construct wheelchair ramps at all street intersections. The design and method of construction must be approved by the Architectural Control Committee.

Section 5.17 Mineral Operations: No oil drilling, oil development operations, 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 derricks or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

Section 5.18 Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 5.19 Livestock and Poultry: No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purpose.

Section 5.20 Obstruction of Sight Lines: No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadway shall be placed or permitted to remain on any corner lot

within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a drive-way. No tree shall be permitted to remain within such distance of such intersections unless the foilage line is maintained at sufficient height to prevent obstructions of such sight lines.

Section 5.21 Fences: No fence, wall or hedge in excess of three (3) feet in height shall be placed or permitted to remain on any of said lots in the area between any street adjoining same and the front building line. No rear fence, wall or hedge shall be constructed that exceeds six (6) feet in height. Chain Link fences will not be allowed in Settler's Park, Section Two.

Section 5.22 Roofing Materials: The roof of any building shall be constructed or covered with asphalt or composition shingles comparable in quality, weight, and color to wood shingles, the decision on such comparison to rest exclusively with the Architectural Control Committee. Any other type roofing material shall be permitted only at sole discretion of the Architectural Control Committee.

Section 5.23 Infringement: An owner shall do no act nor any work that will impair the structural soundness or integrity of another lot or improvements thereon, or impair any easement or hereditament, nor do any act nor allow any condition exist which will adversely effect other lots, improvements thereon or their owners.

Section 5.24 Telephone Service: A buried telephone cable system will be installed in an area in Settler's Park

Subdivision, Section Two, which area shall embrace all lots in Settler's Park Subdivision, Section Two. The owner of each lot shall, at his own cost, install in his house flexible or rigid conduit with pull wire and a minimum of three (3) outlet boxes, at the locations where he desires telephones, all in accordance with specifications available from Telephone Company, in order that Telephone Company may install its wiring and equipment in such house in the most expeditious and least costly manner. In the event an owner fails to comply with the requirements of the preceding sentence, the Telephone Company will install its standard exposed wiring in such owner's house and the owner will be required to pay the Telephone Company's standard installation charges therefor.

Section 5.25 Lot Maintenance: The owners or occupants of all lots, on which a permanent home has been constructed, shall at all times keep all grass and/or weeds thereon cut in a neat, sanitary and attractive manner, shall at all times maintain the grass and/or weeds at no more than three inches in height and trim the growth from sidewalks, curbs, fences, trees and plants 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, or permit the accumulation of garbage, trash or rubbish of any kind thereon and shall not burn anything thereon, except by use of an incenerator as permitted by law. The owners or occupants of any lots, where the rear yard or a portion of the lot is visible to full public view, shall construct and maintain a suitable enclosure to screen the following from public view: the drying of clothes, yard equipment, wood piles or other storage piles which are incident to normal residential requirements. In the event any owner or occupant fails to observe these

obligations after ten (10) days' written notice requesting observation thereof from an authorized representative of the Association, said representative of the Association shall, without liability to the owner or occupant in tresspass or otherwise, enter upon said lot to secure compliance with these restrictions so as to place said lot in a neat, sanitary and attractive 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 property to pay for such work within ten (10) days following receipt of written notice from the Association of the cost of such work.

ARTICLE VI

GENERAL PROVISIONS

Section 6.1 Enforcement: The association, or any owner, shall have the right to enforce, by a 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 restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 6.2 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 6.3 Amendment: The covenants and restrictions of this declaration shall run with and bind the land, for a term of twenty (20) years from the date this declaration is recorded, after which time they shall automatically be extended for successive periods of ten (10) years. This declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety per-

cent (90%) of the lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot owners. Any amendment must be recorded in the Deed Records of Fort Bend County, Texas.

Section 6.4 Annexation:

a) Upon the request of Declarant, the board of directors of the association may, from time to time, by majority vote and without the consent of members, annex such additional residential property Declarant may designate, provided that the FHA or VA determine that annexation of such properties is in accord with the general plan of development heretofore approved by them.

b) Additional residential property, not designated by Declarant as provided above, may be annexed to the properties with the consent of two-thirds (2/3rds) of each class of members.

ARTICLE VII

COVENANT FOR TRANSPORTATION CHARGES

Section 7.1 Creation of the Lien and Personal Obligation of Charges: Declarant hereby covenants, and each owner of any lot, 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 certain transportation charges, as such term is hereinabove defined, to be established and collected as hereinafter provided. The transportation charges, together with accrued but unpaid interest on delinquent charges, and reasonable attorney fees, shall be a charge on the land and shall constitute a continuing pre-existing vendor's lien retained in favor of Declarant upon the property against which each such transportation charge is made. This lien shall be assigned to the Recipient and Administrator of the transportation charges as hereinafter set forth.

Payment of each such transportation charge, together with accrued but unpaid interest on delinquent charges at the rate specified for judgments in Texas, and reasonable attorney fees, shall also be the personal obligation of the person, as such term is hereinabove defined, who was the owner of such property at the time when the transportation charge became due and payable. The personal obligation for payment of a delinquent transportation charge shall not pass to such person's successors in title unless expressly assumed by them.

An action at law may be brought against the owner personally obligated to pay said transportation charge and/or the lien against the property thereby encumbered may be foreclosed. Each such owner, by his acceptance of a deed to any such parcel, hereby expressly vests in Declarant the vendor's lien provided for in this Article, together with the right and power (i) to bring all actions against an owner personally liable for the payment of the charge in order to enforce the collection of such transportation charges as a debt and (ii) to enforce the aforesaid lien by all methods provided by law for the enforcement of such liens including, but not limited to, judicial foreclosure by an action brought in the name of the then Recipient and Administrator of the transportation charges, such judicial foreclosure to be institute and carried forth in a like manner as a foreclosure of a mortgage or deed of trust lien on real property. Each such owner hereby expressly grants a power of sale in connection with the said lien. No owner may waive or otherwise escape liability for the transportation charges provided for herein by abandonment of his property.

Section 7.2 Purpose of Charges: Funds provided by the transportation charge shall be used exclusively (i) to fur-

nish transportation services and (ii) to promote the utilization of various systems of transportation in order to best meet the domestic, educational, recreational and leisure needs of the users of such systems in the manner deemed most appropriate by the Recipient and Administrator of the transportation charges, as such term is hereinafter defined. The expenditure of such funds may be utilized for, but shall not be limited to, studying, establishing, operating, maintaining and doing any other things necessary or desirable which are deemed appropriate by the Recipient and Administration of the transportation charges, in studying, establishing and maintaining the transportation facilities and system.

Section 7.3 Maximum Annual Rate of Transportation Charge: Upon commencement of the transportation charges in accordance with the terms of this Article, the maximum annual transportation charge per lot or other parcel of real estate so encumbered, shall be an amount no greater than Twenty-Five Cents ($0.25) per One Hundred Dollars ($100.00) of value of each such parcel, together with any and all improvements situated thereon, with same being assessed at One Hundred Percent (100%) of appraised market value. Personal property shall be specifically excluded in calculating the assessed value of the property hereby encumbered. The market value of the land and improvements for purposes of calculating a transportation charge against each parcel of real estate so encumbered shall be determined and established in accordance with the real property valuations established in accordance with the real property valuations established by the rolls of the Fort Bend County Tax Assessor/Collector or of such other tax assessor/collector employed by a governmental agency and appraising the individual properties subject to the transportation charge on a

uniform basis. This designation as to which tax assessor/collector's rolls are to be utilized is to be made and can be changed at the sole discretion of the Recipient and Administrator of the transportation charges.

Upon receipt of the valuations established by such Tax Assessor/Collector's Rolls, the annual transportation charge may be promulgated and set at a rate not in excess of the maximum rate herein established.

Section 7.4 Classification of Lots: All parcels of real estate subject to the transportation charge shall be divided into two classes for purposes of establishing and determining the transportation charges: Class A parcels and Class B parcels. Class A parcels shall be those parcels upon which a home or other permanent improvements have been constructed and occupancy therein or utilization thereof for business, commercial or other purposes, has commenced. Class B parcels shall be all other parcels not designated as Class A parcels. Upon commencement of the assessment of the annual transportation charge, all parcels shall commence to bear their applicable transportation charge simultaneously with such commencement. Because of the nature and purpose of the transportation charge, the full charge shall not be applicable to Class B parcels. Class B parcels shall bear a transportation charge which is 25% of a regular full assessment. However, at such time as there is constructed on any Class B parcel permanent improvements which are occupied or utilized for business, commercial or other purposes, such Class B lot or parcel shall automatically and irrevocably convert to and assume the status of a Class A parcel effective as of the date of such occupancy or utilization and the transportation charge for the then current year shall be adjusted according to the number of months remaining in that calendar year.

Secion 7.5 Commencement of Transportation Charge: An election shall be held in the property burdened by the transportation charge lien in the year 1984 on the question of the commencement of the transportation charges and the designation of a Recipient and Administrator. The designation and structure of the Recipient and Administrator. The designation and structure of the Recipient and Administrator, the wording of the propositions on the ballots and the timing and conduct of the election shall be subject to the approval of the Department of Housing and Urban Development.

Notice of this election shall be given in writing to each owner of such property by mailing or delivering a copy of such notice at least thirty (30) days before such election using the address appearing on the rolls of the Fort Bend County Tax Assessor/Collector for the purpose of such notice. Such notice shall specify the place, day and hours of the election, the propositions to be voted on and the location where detailed information regarding these propositions may be found.

There shall be one (1) vote permitted for each parcel of land. If a majority of the vote cast in the election is favorable, the Recipient and Administrator of the transportation charges shall be assigned the vendor's lien held by Declarant securing the transportation charges and shall be authorized to make the necessary assessments and otherwise carry out its duties including:

(1) Making the decision as to when the transportation charges shall commence to accrue (no earlier than January 1, 1985);

(2) Fixing the rate of the charge (not to exceed $0.25 per $100 of assessed valuation);

(3) Administering the transportation charge proceeds for the benefit of users of the transportation facilities;

(4) Enforcing the lien herein provided for in the event the assessed transportation charge against such

parcel thereby encumbered is not timely paid; and

(5) Performing any and all other acts necessary to implement the intent of this Article to the end that the contributors to and users of the transportation facilities shall be served by transportation systems which will utlimately enhance their mobility and conserve the expediture of energy.

Subject to the outcome of the election, the annual transportation charge against Class A and Class B parcels shall commence to accrue (i) on January 1, 1985, or (ii) at such later time determined by the Recipient and Administrator of transportation charges. The annual transportation charge on each parcel thereafter encumbered shall mature and become due and payable on the first day of January of each succeeding year following the initial assessment of the charge. The rate for each ensuing year shall be established no later than the first day of October of the preceding year. Thus, if a transportation charge is to be assessed for the year 1985, the rate of the charge must be promulgated no later than October 1, 1984, and the charge will be due and payable on or before January 1, 1986. The valuation of the tax assessor/collector for the year the rate of charge is set shall be applicable in calculating the charge. Thus, in the example the 1984 valuations shall be employed for the charge accruing in 1985. Written notice of the rate and value of the annual transportation charge shall be sent to every owner of a parcel subject thereto at the address of such parcel subject to the charge or at such other place or places as to be determined and designated by the Recipient and Administrator of the transportation charge. Upon demand and for a reasonable charge, there shall be furnished a certificate setting forth the paid-in-full or delinquent status of the charge on a specified parcel here encumbered. Any transportation charge not paid within thirty (30) days after the due date (due date being January 1st of the year subsequent to the year of assessment of that particular charge)

shall be delinquent, shall bear interest from the due date until the date of payment and shall be subject to the remedies vested in the Recipient and Administrator all as herein provided.

Section 7.6 Subordination of the Lien to Mortgages: The vendor's lien securing the transportation charges against any parcel encumbered thereby as provided for herein shall be expressly subordinate and inferior to the lien of any mortgage on any such parcel. Sale or transfer of any such parcel shall not affect or diminish the enforceability of the transportation charge liens; however, the sale or transfer of any such parcel pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such transportation charges against such parcel only as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot or parcel of land (i) from liability for any transportation charges thereafter becoming due or (ii) from the lien thereof hereby created.

ARTICLE VIII

FHA/VA APPROVAL

Section 8.1 As long as there is a Class B membership, the following actions will require the prior approval of the Veterans' Administration or Federal Housing Administration: Annexation of additional properties and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the declarant and builders herein, have hereunto set their hands and seals this 29th day of July, 1981.

SUGARLAND PROPERTIES INCORPORATED

BY: _____ President

ATTEST:

_____

THE STATE OF TEXAS I

COUNTY OF HARRIS I

DEED

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BEFORE ME, the undersigned authority, on this day personally appeared Eugene A Mobley, Exc Vice, President of SUGARLAND PROPERTIES INCORPORATED, a Texas corporation, 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, as the act and deed of said corporation and in the capacity therein stated.

GIVEN under my hand and seal of office this the 22th day of July, 1981.

Sue Ann Chase
Notary Public in and for
State of Texas

Sue Ann Chase
Printed Name of Notary Public

My Commission Expires: 2/20/84

FILED FOR RECORD

AT 3 O'CLOCK P M.

JUL 30 1981

Pearl Ellett
County Clerk, Fort Bend Co., Tex.

STATE OF TEXAS COUNTY OF FORT BEND

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of Fort Bend County, Texas as stamped hereon by me on

JUL 31 1981

Pearl Ellett
County Clerk, Fort Bend Co., Tex.