

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR OAKS OF INWOOD, SECTIONS (2), (4) 04112771 1483325 2 27.00

A SUBDIVISION IN HARRIS COUNTY, TEXAS

SUPPLEMENT TO OAKS OF INWOOD, SECTION ONE

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THE STATE OF TEXAS

COUNTY OF HARRIS

This Declaration made by First Mortgage Investors, Inc. a Texas corporation, hereinafter together called "Declarant".

W I T N E S S E T H

WHEREAS, Declarant is the owner of that certain property known as Oaks of Inwood, sect. (2), (4) a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 302, Page 26 of the Map Records of Harris County, Texas; and

WHEREAS, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against all of Oaks of Inwood, Sections (2), (4), in order to establish a uniform plan for the development, improvement and sale of such property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of lots in said subdivision:

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon all of Oaks of Inwood, sect. (2), (4) and declares 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, their heirs, successors and assigns.

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to Oaks of Inwood COMMUNITY IMPROVEMENT ASSOCIATION, a non-profit corporation, its successors and assigns, provided for in Article VII hereof.

Section 2. "Properties" shall mean and refer to all of Oaks of Inwood, SECTIONS (2), (4).

Section 3. "The Subdivision" shall mean and refer to the Properties and any additional properties which may hereafter be brought within the scheme of this Declaration pursuant to the provisions set forth herein and hereinafter brought within the jurisdiction of the Association.

Section 4. "Lot" and/or "Lots" shall mean and refer to the Lots shown upon the Subdivision Plat. References herein to "the Lots (each Lot) in the Subdivision" shall mean and refer to Lots as defined respectively in this Declaration and all Supplemental Declarations.

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Quinta Rodriguez
COUNTY CLERK
HARRIS COUNTY, TEXAS

Section 5. "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 performance of an obligation and those having only an interest in the mineral estate. References herein to the "Owners in The Subdivision" shall mean and refer to Owners as defined respectively in this Declaration and all Supplemental Declarations.

Section 6. "Subdivision Plat" shall mean and refer to the map or plat of Oaks of Inwood, Section One, recorded in Volume 271, Page 128, of the Map Records of Harris County, Texas, and any recorded replat thereof.

Section 7. "Architectural Control Committee" shall mean and refer to Oaks of Inwood Architectural Control Committee provided for in Article V hereof.

Section 8. "Declarant" shall mean and refer to First Mortgage Investors, Inc., its successors and assigns.

Section 9. "Common Properties" shall mean and refer to the Reserve as shown on the Subdivision Plat, together with such other property as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plat, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title. References herein to "the Common Properties in the Subdivision" shall mean and refer to Common Properties as defined respectively in this Declaration and all Supplemental Declarations.

Section 10. "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the Common Properties, except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of improvements for the use and benefit of all Owners in the Subdivision constructed on portions of one or more Lots or on acreage owned by Declarant (or Declarant and others) which has not been brought within the scheme of the Declaration. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: structures for recreation, storage or protection of equipment; fountains; statuary; sidewalks; common driveways; landscaping; swimming pools; tennis courts; boat ramps; and other similar and appurtenant improvements. References herein to "the Common Facilities (any Common Facility) in the Subdivision" shall mean and refer to Common Facilities as defined respectively in this Declaration and all Supplemental Declarations.

Section 11. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants and Restrictions bringing additional property within the scheme of this Declaration under the authority provided in Article VII hereof. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declarations" shall be deemed to relate to the respective properties covered by such Supplemental Declarations.

Section 12. "Member" and/or "Members" shall mean and refer to all those Owners who are members of the Association as provided in Article VII, Section I hereof, together with all the Owners in the Subdivision who are members of the Association as provided in all other Supplemental Declarations.

ARTICLE II

Reservations, Exceptions and Dedications

Section 1. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, the streets and easements shown thereon, and such Subdivision Plat further establishes certain restrictions applicable to the Properties, including, without limitation, certain minimum set back lines, and all dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying said property or any part thereof, whether specifically referred to therein or not.

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

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

Section 4. Neither Declarant nor any utility company using the easements herein referred to, shall be liable for any damages done by them or their assigns, their agents, employees or servants, to fences, shrubbery, trees or flowers or other property of the Owner situated on the land covered by said easements.

Section 5. It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land within the Properties by contract, deed or other conveyance shall be subject to (a) any easement affecting same for roadways or drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph, telephone or other utility purposes and shall convey no interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances thereto, constructed by or under Declarant or any easement owner, or their agents through, along or upon the premises affected thereby, or any part thereof, to serve said land or any other portion of the Properties and (b) the right of Declarant, its successors and assigns, to maintain, repair, sell or lease such appurtenances to any municipality, or other governmental agency or to any public service corporation or to any other party (and such right is hereby expressly reserved).

ARTICLE III

Land Use and Building Restrictions

Section 1. Residential Use. No Lot shall be used for any purpose except for single family residential purposes; provided that, until Owner, its successors or assigns, has sold all of the Lots in the subdivision, any Lot may be used by Owner for the erection and operation of a sales office, construction office, or model home. The term "residential purposes" as used herein shall be held and construed to exclude hospitals, clinics, duplex houses, apartment houses, multiple family dwellings, boarding houses, hotels, and to exclude commercial, business and professional uses whether from homes, residences or otherwise, and the above described uses of such property are hereby expressly prohibited. The term "building" or "buildings" as used herein shall be held and construed to mean those permissible buildings and structures which are or will be erected and constructed on the Property in Oaks of Inwood. No buildings shall be erected, altered, placed or permitted to remain on any Lot other than (a) one detached single family dwelling not to exceed three (3) stories in height, together with a private garage or carport for not more than three (3) cars and servant's type quarters, which may be occupied by an integral part of the family occupying the main residence on the building site or by servants employed on the premises; and, (b) a toolshed or workshop attached or unattached to the residence building, provided, however, nothing herein

shall be construed to permit or allow the use of any garage for other than, primarily, the housing of automobiles and any enclosure of the garage which prevents its use for such purpose is specifically prohibited. No building of any kind or character shall ever be moved onto any Lot, it being the intention that only new construction shall be placed and erected thereon.

All exterior construction of the primary residential structure, garage, porches and any other appurtenances or appendages of every kind and character on any lot and all interior construction (including but not limited to, all electrical outlets in place and functional, all plumbing fixtures installed and operational, all cabinet work completed, all interior wall, ceilings, and doors completed and covered by paint, wallpaper, paneling, or the like, and all floors covered by wood, carpet, tile or other similar floor covering) shall be completed not later than one (1) year following the commencement of construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set.

Section 2. Dwelling Size and Construction. No main one story residential structure shall be placed on any lot unless its living area has a minimum of two thousand (2,000) square feet of floor area, exclusive of porches and garages. The total living area, exclusive of porches and garages of the one and one-half (1-1/2), two (2) or three (3) story residences shall not be less than two thousand (2,000) square feet and the ground floor areas of such one and one-half (1-1/2), two (2) and three (3) story residences, including porches, shall not be less than one thousand two hundred (1,200) square feet. All residential structures shall be constructed on a concrete slab, the exterior walls of all residential structures shall be erected with at least a fifty-one percent (51%) brick or masonry veneer and all exterior first floor walls facing a street shall be erected with a complete brick or masonry veneer, except that the Architectural Control Committee has the authority to approve residential construction utilizing other building materials. All roofs of any permitted structures of whatever type shall be constructed of wood shingles or substitute as approved.

Section 3. Temporary Structures. No structure of a temporary character, trailer, basement, tent, detached living quarters of any kind (except for living quarters contained thereon for bona fide servants), barn, treehouse, or other outbuilding shall be used on any lot at any time unless such outbuilding is in the rear yard, is less than six (6) feet tall exclusive of the roof, and unless the rear yard is enclosed with a fence at least six (6) feet high. Under no circumstances shall an outbuilding be used as a residence, either temporarily or permanently.

Section 4. Garages. Garages must be provided for all residences and in no case shall a carport act as or be substituted for a garage. No carport shall be erected with a metal veneer. No garage shall be placed or maintained on any side or rear easement. No garage or any lot or building tract shall be placed or maintained, whether attached or detached, which faces a street, except that the Architectural Control Committee has the authority in its sole discretion to permit the construction of garages which face the street.

Section 5. Fences. No fence, wall, hedge, pergola or other attached or detached structure shall be erected, grown or maintained on any part of any lot parallel to the street and/or forward of the building line of such lot as the case may be. In no event, shall any fences or walls constructed of chain link or any form of metal, wire or wire mesh be erected in view of any street, nor shall any attached or detached structure be erected, grown or maintained on any part of the lot which is in excess of eight (8) feet in height, nor shall such wall, hedge, pergola or other attached or detached structure be permitted in front of the residential building should such be perpendicular to the street unless it has first been approved in writing by the Architectural Control Committee. The obligation contained in this paragraph to construct and maintain such fences shall be binding upon the respective Owners of the Lots, specified.

Section 6. Antennae. No electronic antennae or device of any type other than one antennae for receiving television signals, FM signals and/or citizen's band signals shall be erected, constructed, placed or permitted to remain on any of the Lots, residences thereon or other permitted buildings constructed in the Properties. The permitted antennae may be free standing (with or without down guys) or may be attached to the residential structure; however, in any event the antennae's location shall be restricted to the rear of the residential structure or to the rear of the roof ridge line, gable, or center line of the residential

structure so as to be hidden from sight, to the extent practicable, when viewed from the front of the Lot and in no event shall any antennae of any kind extend to a height which is more than five (5) feet above the highest point of the roof of the main residential structure on such Lot.

Section 7. Swimming Pools. The design and location of swimming pools must be approved by the Architectural Control Committee, and such pools must be fenced in accordance with all appropriate laws and ordinances and must comply with Section 5 above.

Section 8. Lot Area. No Lot may be resubdivided that would permit additional building sites to be erected on said Lot or any portion thereof other than those herein permitted, and boundary lines and lot areas as specified in the map of this Subdivision, filed of record in the Map Records of Harris County, Texas, in Volume 302, Page 26, shall remain fixed subject to amendments as herein-after provided.

Section 9. Signs. No sign, advertisement, billboard or advertising structure of any kind may be erected or maintained on any residential lot without the consent in writing of the Architectural Control Committee, except one (1) sign of not more than twenty-four (24) inches square advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction or sales period as established by the Owner. Owner or members of the Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any residential Lot without consent, 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.

Section 10. Oil and Mining Operations. No oil drilling, oil development operations or refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall any 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. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats and other household pets (not to exceed two of each category) may be kept, provided that they are not kept, bred or maintained for any commercial purposes, but only for the use and pleasure of the owner of such lots, and provided that they are not allowed to roam or wander unattended in the neighborhood.

Section 12. 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 13. Vehicle Parking. All boats, boat trailers, boat rigging, truck cabs, trailer cabs, trailer houses or campers shall be parked or placed in the garage of the homeowner unless they are only temporarily parked or placed on the driveway no closer to the street than the building front set-back line as shown on the recorded plat of the Subdivision. The parking of automobile vehicles on road shoulders or on the streets bordering any lot for a period longer than twelve (12) hours is prohibited.

Section 14. Removal of Dirt. The digging of dirt or the removal of dirt from any Lot is expressly prohibited, except when necessary in conjunction with construction being done on such lot. No tree shall be cut on any lot except to provide room for construction of buildings or to remove diseased, damaged, dead or unsightly trees.

Section 15. Water and Sewage Disposal Systems. No water well or septic tank shall be utilized or maintained on any Lot.

Section 16. Nuisances. No noxious or offensive trade or activity shall be permitted upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 17. Walls, Fences and Hedges. No wall, fence or hedge in excess of three (3) feet in height shall be erected or maintained nearer to the front lot line than the walls of the dwelling existing on such Lot. No side or rear fence, wall or hedge shall be more than six (6) feet in height. Any wall, fence or hedge erected as a protective screening on a Lot by Declarant shall pass ownership with title to the property and it shall be Owner's responsibility to maintain said protective screening thereafter. No chain link fence or chain type fence shall be allowed in the Subdivision.

Section 18. Visual Construction at the Intersections of Public Streets. Except for such objects or things that may be placed, planted or permitted by Declarant, no object or thing that obstructs site lines at elevations between two (2) feet and six (6) feet above the roadways within the triangular area formed by the intersecting street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street property lines or extensions thereof shall be placed, planted or permitted to remain on any corner lot. No chain-link type fence construction shall be permitted on any Lot.

Section 19. 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 as herein permitted) or permit the accumulation of garbage, trash or rubbish of any kind thereon and shall not burn anything on any Lot (except by use of an incinerator 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: the drying of clothes, yard equipment, wood piles or storage piles that 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, Declarant or its agents may without liability to the owner or occupant in trespass or otherwise enter upon said Lot and cut or cause to be cut such weeds and grass and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions 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 occupation of the property to pay such statement immediately upon receipt, such owner or occupant shall thenceforth be liable for interest on such amount at the rate of 10% per annum, together with reasonable attorney's fees and/or other expenses of collection.

Section 20. Composite Building Site. Any owner of one or more adjoining Lots or portion thereof may consolidate such lots or portions into one building site with the privilege of placing or constructing improvements on such resulting site in which case setback lines shall be measured from the resulting property lines. Any such composite building site must have a frontage at the building setback line of not less than the minimum frontage of the lots in the same block.

Section 21. Building Location. No structure shall be located on any Lot between the building setback lines shown on the Subdivision Plat and the street. No building shall be located on any Lot nearer than twenty-five (25) feet from the front line of such Lot. No building shall be located nearer than five (5) feet to any interior Lot line not abutting a street nor nearer than ten (10) feet to any Lot line (which is not the front Lot line) which abuts a street; provided however, a garage or other permitted accessory building located fifty-five (55) feet or more from the front Lot line may be located within three (3) feet of an interior Lot line not abutting a street. No main residence building, nor any part thereof, shall be located on any Lot nearer than ten (10) feet to the rear Lot line. For the purposes of this section, eaves, steps, and open porches shall not be considered as a part of the building; provided, however, that the foregoing shall not be construed to permit any portion of a building on any Lot to encroach upon another Lot or to extend beyond the building set back line. For the purposes of this Declaration, the front Lot line of each Lot shall coincide with and be the

Lot Line having the shortest dimension abutting a street. Unless otherwise approved in writing by the Architectural Control Committee, each main residence building will face the front of the Lot, and each detached garage will be located at least fifty-five (55) feet from the front Lot line of the Lot on which it is situated and will be provided with driveway access from the front of the Lot; provided that such access may be from the front or side of all corner Lots; provided that the Architectural Control Committee, in its discretion may permit side access, such permission to be granted in writing as hereinafter provided. For purposes hereof, the term "corner Lot" shall mean and refer to any Lot which abuts more than one street.

Section 22. Service Riser Conduit. Each residential structure shall have installed on the outside wall thereof a service riser conduit, beginning at least thirty (30) inches below the surface of the ground and terminating at the meter socket on such wall.

ARTICLE IV

EASEMENTS

Section 1. Utility Facilities. It is expressly agreed and understood that the title conveyed by Declarant to any Lot by contract, deed or other conveyance shall not in any event be held or construed to convey title to the water, gas, storm sewer, electric lights, electric power, telegraph or telephone lines, poles or conduits or any utility or appurtenance thereto constructed by or under Declarant or its agents or by any public utility companies through, along or upon said easements or any part thereof to serve said lot or any other portions of the subdivision, and the right to maintain, repair, sell or lease such lines, utilities and appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved by Declarant. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of this Subdivision. No Lot owner shall erect any wall, fence, barbecue pit or other landscaping structure within the area of the overhead power, easement which encircles the Property, of any path easement designated on the plat of this Subdivision as appurtenance to the created in connection with any easement, nor shall any hedges, shrubs, trees or other bushes be planted within, across or over such easement or easements.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Duties of Architectural Control Committee. No building or other improvements shall be erected, placed or altered on any residential building site or Lot until the construction plans and specifications therefor, and the plat plan of the building sites showing the locations of all buildings and sidewalks to be erected thereon, have been approved by the Architectural Control Committee as to use, quality of workmanship and materials, conformity and harmony with the external design of the existing structures in Oaks of Inwood, and as to location of building and improvements with respect to topography and finished grade elevation. A majority of the Committee may designate a representative with authority to approve the design and location of any building. Any approval or disapproval by the Committee of any matters herein required or permitted shall be in writing. If the Committee or its designated representative fails to give written approval or disapproval within thirty (30) days after any plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction under any such plans and specifications has been commenced prior to the completion of the improvements, approval will not be required and the provisions of this Agreement shall be deemed to have been fully satisfied. The Architectural Control Committee, at its sole discretion, is hereby permitted to approve deviations in building area and location in instance where, in its judgment, such deviation will result in a more commonly beneficial use. Such approval must be granted in writing and, when given will become a part of these restrictions.

Section 2. Committee Membership. The Architectural Control Committee members shall be three (3) in number, and shall be composed of Wayne Beshears, Reagan Stephenson, Robert Hudson, who by majority vote may designate a representative to act for them. At any time, the then record owners of a majority of the Lots shall have the power through a duly recorded instrument to change the membership of the committee or to withdraw from the committee or restore to it any of its powers and duties.

point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has either by designation on the Subdivision Plat or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair, and maintenance of each homeowner's owned and installed service wires. In addition, the Owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure, the Owner/Developer, shall at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric 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 Declarant (except for certain conduits, where applicable, and except as hereinafter provided) upon Declarant's representation that the Underground Residential Subdivision is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such Subdivision, townhouses, duplexes and apartment structures, all of which are designed to be permanently located where originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale or rent and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the Declarant or the Lot Owners in the Underground Residential Subdivision be changed so as to permit the erection therein of one or more mobile homes, Company shall not be obligated to provide electric service to any such mobile home unless (a) Declarant has paid to the Company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system of the cost of equivalent overhead facilities to serve such Subdivision or (b) the Owner of each affected Lot, or the applicant for service to any mobile home, shall pay to the Company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot or dwelling unit, plus (2) the cost of rearranging, and adding any electric facilities serving such Lot, which arrangement and/or addition is determined by Company to be necessary.

No provision of this Section 1 (the text of which is prescribed by the electric company) shall in any manner operate or be construed to permit the construction on any lot of any type of residential structure other than a single family residence as provided in Article III, Section 1.

ARTICLE VII

The Oaks of Inwood

COMMUNITY IMPROVEMENT ASSOCIATION

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

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

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

shall more than one vote be cast with respect to any such lot.

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

- a. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- b. On January 1, 1988.

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

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

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

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

ARTICLE VIII

COVENANTS FOR REGULAR, ANNUAL AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each lot in the Properties is hereby severally subjected to, and the Declarant, for each lot owned by it within the Properties, hereby covenants, and each Owner of any lot in the Properties, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following charges and assessments which shall run with the land and shall be in the same and equal amounts for each lot in the Properties:

- (a) a regular annual maintenance assessment in the amount per annum specified, and subject to increase or decrease as provided in, Section 3 of this Article below; and
- (b) special assessments as provided for in Section 4 of this Article below;

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

Section 2. Purpose of Assessments. The maintenance fund shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Subdivision, and the Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of the Subdivision provided, however, that each future section of Oaks of Inwood Subdivision (and any other property or properties included in the Subdivision), to be entitled to the benefit of this maintenance fund, but be impressed with and subjected to an annual maintenance charge and assessment on a uniform, per lot basis, substantially equivalent to the maintenance charge and assessment imposed hereby,

to special assessment provisions consistent with those contained in this Declaration, and further made subject to the jurisdiction of the Association in the manner provided in Article VII hereof. The uses and benefits to be provided by said Association shall include, by way of example but without limitation, at its sole option, any and all of the following: maintaining parkways, rights-of-way, easements and esplanades; furnishing and maintaining landscaping, lighting and beautification of the Properties; payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions, and conditions affecting the properties to which the maintenance fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employing policemen and watchmen; to pay the expenses for all utilities or services furnished to the Common Properties and Common Facilities in the Subdivision; to pay the expenses for all maintenance, repair, care, upkeep, beautification, protection, taxes, insurance, replacement, reconstruction, management, supervision and operation of or for the Common Properties and Common Facilities in the Subdivision; to pay for capital improvements to such Common Properties and Common Facilities; and doing such other things and taking such other actions as are necessary or desirable in the opinion of the Association to keep the Properties and the Subdivision neat and in good order, or which is considered of general benefit to the Owners or occupants of the Lots in the Subdivision, it being understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 3. Maximum Regular Annual Assessment. Until January 1, 1982, the maximum regular annual assessment shall be One Hundred Twenty and No/100 Dollars (\$180.00) per Lot, per annum.

(a) From and after January 1, 1982, the maximum annual assessment may be increased each year (beginning with the year 1980), without a vote of the membership, by an amount not in excess of ten percent (10%) of the maximum annual assessment for the previous year.

(b) From and after January 1, 1982; the maximum annual assessment may be increased for any year (beginning with the year 1980) by an amount in excess of ten percent (10%) of the maximum annual assessment for the previous year, only by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

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

meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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

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

(b) The rate for all Lots owned by Declarant shall be separately determined by the Association, but in no event shall such rate be less than fifty percent (50%), not more than one hundred percent (100%) of the applicable regular annual assessment.

Section 7. Date of Commencement of Regular Annual Assessments; Due Dates. The regular annual assessments provided for herein shall commence as to all Lots on the date fixed by the Board of Trustees to be the date of commencement, and the annual assessment period shall be the calendar year. The first regular annual assessment shall be adjusted according to the number of months remaining in the calendar year. Thereafter, the Board of Trustees shall fix the amount of the regular annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the regular annual assessment shall be sent to every Owner subject thereto. Except as hereinafter provided for Declarant, the due dates (which may be monthly, quarterly, semi-annually or annually) shall be established by the Board of Trustees. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. The due date for payment of any and all assessments (regular or special) accrued by Declarant for each Lot owned by it shall be the date on which Declarant conveys such Lot to an Owner other than Declarant.

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

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein, as it applies to any Lot, shall be second, subordinate and inferior to all liens, present and future, given, granted and created by or at the instance or request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot, and further provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting mortgage lien, said beneficiary shall give the holder of such mortgage lien sixty (60) days written notice of such proposed action, such notice, which shall be sent to the nearest office of such mortgage holder by prepaid U. S. Registered Mail, to contain the statement of the delinquent assessment(s) upon which the proposed action is based. Upon the request of any such mortgage lien holder, said beneficiary shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular Lot covered by such mortgage lien to the holder thereof. No sale or transfer of a Lot shall relieve the Owner of such Lot from liability for any assessments theretofore having become due or such Lot from the lien thereof.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of the Association and all Owners in the Subdivision, their respective legal representatives, heirs, successors and assigns, for an initial term commencing on the effective date hereof and ending December 31, 2019. During such initial term the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than fifty-one percent (51%) of all Lots in the Properties, and properly recorded in the appropriate records of Harris County, Texas. Upon the expiration of such initial term, said covenants and restrictions (if not previously terminated and as changed, if changed), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years. During such ten (10) year extension periods, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than fifty-one percent (51%) of all the Lots in the Properties, and properly recorded in the appropriate records of Harris County, Texas. Upon any violation or attempt to violate any of the covenants herein, it shall be lawful for the Association or any other Owner to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from doing so or to recover damages or other dues for such violations.

Section 2. Severability. In the event that any of the provisions hereof, or any portion thereof, shall become or be held to be invalid, whether by judicial decision or otherwise, such invalidity shall not affect, alter or impair any other provision hereof that was not so declared invalid and such other provisions shall be and remain in full force and effect in accordance with the terms hereof.

Section 3. Additions to Existing Property. Additional lands may become subject to the scheme of this Declaration in the following manner:

(a) Additions by Declarant/The Declarant, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development of Oaks of Inwood, upon the approval of the Board of Trustees of the Association, in its sole discretion. Any additions authorized under this and the succeeding subsection, shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property and the execution thereof by members of the Board of Trustees of the Association shall constitute all requisite evidence of the required approval thereof by such Board of Trustees. Such Supplemental Declaration must impose an annual maintenance charge assessment on the property covered thereby, on a uniform, per lot basis, substantially equivalent to the maintenance charge and assessment imposed by this Declaration, must impose provision for special assessments consistent with those contained in this Declaration, and may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be applicable to the additional lands.

(b) Other Additions. Upon the approval of the Board of Trustees of the Association, in its sole discretion, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association may file of record a Supplemental Declaration of covenants and Restrictions upon the satisfaction of the conditions specified in subsection (a) above.

(c) Mergers. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration and all Supplemental Declarations, together with the covenants and restrictions applicable to the properties of the other association as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration or any Supplemental Declaration.

Section 4. Enforcement. In the event of any violation or attempted violation of any of the terms or provisions hereof, including any of the restrictions or covenants set forth herein, enforcement of the terms and provisions shall be authorized by any proceedings at law or in equity against any person or persons so violating or attempting to violate any of the provisions hereof, including by means of actions to restrain or prevent such violation or attempted violation by injunction, prohibitive or mandatory, and it shall not be a prerequisite to the granting of any such injunction that there be an adequate remedy at law or that there be any showing of irreparable harm or damage if such injunction is not granted. In addition, any person entitled to enforce the provisions hereof may recover such damages, either actual or punitive, as such person may show himself justly entitled by reason of such violation of the terms and provisions hereof as well as reasonable attorney's fees for legal representation herefor. The terms and provisions hereof may be enforced by Declarant, or by the owner of any lot shown in the Replat of Oaks of Inwood, Sections 2, 4. Failure by anyone so to enforce any covenant or restriction hereof shall not be construed to constitute a waiver of the right to thereafter enforce such provision or any other provision hereof. No violation of any of the terms or provisions hereof, or any portion thereof, shall affect the rights of any mortgage under any mortgage or deed of trust presently or hereafter placed of record covering any of the land shown to be within the Replat of Oaks of Inwood, Sections 2,4.

Section 5. Easement for Surface Drainage. No wall, fence hedge, or other obstacle shall be constructed so as to prevent natural surface drainage across adjoining lots.

Section 6. Duration and Amendments. All of the terms and provisions hereof, including the covenants and restrictions imposed upon, and the assessments made and established against, each lot in the Replat of Oaks of Inwood, Sections 2,4, shall run with the land and shall be binding upon Declarant, its successors and assigns, and all persons or entities claiming under it or them for a term of twenty (20) years from and after the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than eighty five percent (85%) of the owners of lots shown to be included within such Replat, and may be amended during any successive ten (10) year period by an instrument signed by not less than seventy-five percent (75%) of the owners of lots shown to be included within said Replat. Any amendment must be recorded in the Office of the County Clerk of Harris County, Texas.

Section 7. Binding Effect. All of the terms hereof shall extend and be binding on all of the parties hereto and their respective heirs, personal representatives, successors and assigns.

EXECUTED THIS 17th day of August, 1983.

ATTEST:

First Mortgage Investors

Robbie L. Romero
Secretary

By: Wayne Beshears
Wayne Beshears

THE STATE OF TEXAS
COUNTY OF JEFFERSON

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY appeared Wayne Beshears of First Mortgage Investors, a savings association, 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 savings association, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17th day of August, 1983.

Gail G. Wright
NOTARY PUBLIC In and For
The State of Texas
My Commission expires: 6-29-84
Gail G. Wright

Return to: Heritage Title Company
18444 Key Bendahl