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187-12-0551

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CHARTERWOOD, SECTION 2
A SUBDIVISION IN HARRIS COUNTY, TEXAS

THE STATE OF TEXAS I
 I
COUNTY OF HARRIS I

THIS DECLARATION, made on the date hereinafter set forth by CONTINENTAL DEVELOPMENT COMPANY, INC., a Texas corporation, said corporation having its principal offices in Houston, Harris County, Texas, hereinafter called "Declarant."

RECORDER'S MEMORANDUM

At the time of recording, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, decolorized paper, etc. At block-out, additions and changes were present at the time the instrument was filed and recorded.

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W I T N E S S E T H:

WHEREAS, Declarant is the owner of that certain property, known as CHARTERWOOD, SECTION 2, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 258, Page 96, 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 such property in order to establish a uniform plan for the development, improvement and sale of such property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of lots in said subdivision;

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon CHARTERWOOD, SECTION 2, 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.

ARTICLE I.

DEFINITIONS

SECTION 1. "Properties" shall mean and refer to CHARTERWOOD, SECTION 2, subject to the reservations set forth herein and/or in the Subdivision Plat, and any additional properties made subject to the terms hereof pursuant to the provisions set forth herein.

SECTION 2. "Lot" and/or "Lots" shall mean and refer to the Lots shown upon the Subdivision Plat which are restricted hereby to use for residential purposes, and shall not include or refer to areas shown on said plat which are designated Reserve A, Reserve B or Reserve C.

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SECTION 3. "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.

SECTION 4. "Subdivision Plat" shall mean and refer to the map or plat of CHARTERWOOD, SECTION 2, recorded in Volume 258, Page 96, of the Map Records of Harris County, Texas.

SECTION 5. "Architectural Control Committee" shall mean and refer to the CHARTERWOOD, SECTION 2 Architectural Control Committee provided for in Article IV hereof.

SECTION 6. "Association" shall mean and refer to the CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION, INC., its successors and assigns, as provided for in Article V hereof.

SECTION 7. "Unrestricted Reserve" shall mean and refer to all areas designated as such on the Subdivision Plat.

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

SECTION 1. The Subdivision Plat dedicates for use as such, subject to the limitations set forth herein, the streets and easements shown thereon, and such Subdivision Plat further establishes certain restrictions applicable to the Properties, including, without limitation, certain minimum setback lines, and such Subdivision Plat further designates a certain 9.5921 acre tract as Reserve "A", a certain 1.5876 acre tract as Reserve "B", and a certain 5.5109 acre tract as Reserve "C", as shown thereon, and such Reserve "A", "B", and "C" shall not be a part of the Properties nor subject to the provisions hereof unless otherwise specifically provided herein. 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, telephone lines, gas, sanitary and

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storm sewers, water lines, 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, 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 any easement affecting same for roadways or drainage, water, gas, sanitary sewer, storm sewer, electric light, electric power, telephone purposes and shall convey no interest in any pipes, line, poles or conduits, or in any utility facility or appurtenance 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 other portion of the Properties, and, where not affected, the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party, and such right is hereby expressly reserved.

ARTICLE III

USE RESTRICTIONS

SECTION 1. Land Use and Building Type. All Lots shall be known and described as Lots for residential purposes only (hereinafter sometimes referred to as "Residential Lots"), and no structure shall be erected, altered, placed or permitted to remain on any Residential Lot other than one single-family dwelling not to exceed two (2) stories in height and a detached or an attached garage or carport for not less than one (1) or more than four (4) cars. As used herein, the term "residential purposes" shall be construed to

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prohibit the use of said Lots for duplex houses, garage apartments, or apartment houses; and no Lot shall be used for business or professional purposes of any kind, nor for any commercial or manufacturing purpose. No building of any kind or character shall ever be moved onto any Lot within said subdivision, it being the intention that only new construction shall be placed and erected thereon,

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

SECTION 3. Dwelling Size. The ground floor area of the main residential structure, exclusive of open porches and garages, shall not be less than 1,000 square feet for a one (1) story dwelling, nor shall the ground floor area plus the upper floor area of the main residential structure of any multi-story dwelling be less than 1,350 square feet.

SECTION 4. Type of Construction, Materials and Landscape.

(a) No external roofing material other than wood shingles, composition roofing, or such other types as approved by the Architectural Control Committee shall be constructed or used on any building in any part of the Properties.

(b) No window or wall-type air conditioners shall be permitted to be used, erected, placed or maintained on or in any building in any part of the Properties, in such a manner that it may be viewed from any street on which the Lot fronts or sides.

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

(d) No fence or wall shall be erected, placed or altered on any Lot nearer to the street than the minimum building setback lines as shown on the Subdivision Plat. The erection of chain link fences is expressly prohibited.

(e) No landscaping shall be done in the front of any dwelling in any part of the Properties until the landscape layout and plans shall have been first approved by the Architectural Control Committee.

SECTION 5. Building Location. No building shall be located on any Lot nearer to the front lot line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. No building shall be located nearer than five (5) feet to an interior lot line, except that any building may be located not less than three (3) feet from an interior lot line provided that the building or buildings on the adjacent Lot are complete and situated in such a manner as to be no closer than ten (10) feet to the nearest adjoining building. It is the purpose of this provision to maintain at least a ten (10) foot separation between buildings on contiguous Lots, while also allowing structures to be built as close as three (3) feet to an interior lot line. However, a garage or other permitted accessory building which is located more than sixty-five (65) feet from the front lot line may be located not less than three (3) feet from any interior lot line. No main residence building nor any part thereof shall encroach upon any utility easement. For the purposes of this Covenant, caves, steps and open porches shall not be considered a part of the main residence building; provided, however, that this shall not be construed to permit any portion of a building to encroach on any other lot. For the purposes of these Restrictions, the front of each Lot shall coincide with and be the property line having the smallest or shortest dimension abutting a street. Unless otherwise approved by the Architectural Control Committee, each main residence building will face the front of the Lot, and each detached

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of attached garage will either face upon the front Lot line or face upon a line drawn perpendicular to the front Lot line, and shall not be located nearer to the front Lot line than the minimum building setback lines shown on the recorded plat; provided, however, that upon approval of the Architectural Control Committee, any detached garage located more than sixty-five (65) feet from the front lot line shall not be required to face upon said lot line. Driveway access will be provided from the front of the Lot only, except that said access may be provided to corner Lots from a side street.

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SECTION 6. Minimum Lot Area. No Lot shall be resubdivided, nor shall any building be erected or placed on any Lot having an area of less than 6,000 square feet; provided, however, that nothing contained herein shall be construed to prohibit the resubdivision of any Lot or Lots within the Properties if such resubdivision results in each resubdivided Lot containing not less than the minimum Lot area aforesaid; it being the intention of this restriction that no building plot within the Properties contain less than the aforesaid minimum area.

SECTION 7. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance to the neighborhood.

SECTION 8. Temporary Structures. No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided, however, that Declarant reserves, for itself and any homebuilders in said addition, the exclusive right to erect, place and maintain such facilities or maintain a sales or construction office, in or upon any portions of the Properties as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Such facilities may

include, but not necessarily be limited to, sales and construction offices, storage areas, model units, signs and portable toilet facilities.

SECTION 9. Storage of Automobiles, Boats, Trailers, Other Vehicles and Equipment. No mobile homes, trailer, camper, boat or truck larger than a three-quarter (3/4) ton pickup, or similar equipment shall be parked or stored permanently or semi-permanently on any public street, right-of-way or on driveways. Permanent or semi-permanent storage of such vehicles or items must be screened from public view within the garage. The Board of Directors of the Association may adopt rules for the regulation of the admission and parking of vehicles within the Common Areas, including the assessment of charges to Owners who violate, or whose invitees violate, such rules.

SECTION 10. Signs and Billboards. No signs, billboards, posters or advertising devices of any character shall be erected, permitted or maintained on any Lot or plot except (i) one sign of not more than seven (7) square feet advertising the particular Lot or plot on which the sign is situated for sale or rent. The right is reserved by Declarant to construct and maintain such signs, billboards or advertising devices as is customary in connection with the general sale of property in this subdivision. In no event shall any sign, billboard, poster or advertising device of any character, other than as specifically prescribed in the first sentence of this Section 10, be erected, permitted or maintained on any Lot or plot without the express prior written consent of the Architectural Control Committee. The term "Declarant", as used in this Section 10, shall refer to the entities and such successors or assigns of such entities to whom the right under this Section 10 expressly and specifically transferred.

SECTION 11. Animals and Livestock. The raising or keeping of hogs, horses, poultry, fowls, or other livestock on any Lot in the Subdivision is strictly prohibited. Consistent with its use as a residence, dogs, cats and other household pets may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purposes.

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SECTION 12. Oil and Mining Operations. No oil drilling or development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, 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 13. 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 a clean and sanitary condition. No Lot shall be used for the open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

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ARTICLE IV.

ARCHITECTURAL CONTROL COMMITTEE

SECTION 1. Approval of Building Plans: No building shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the structure have been approved in writing as to harmony of exterior design and color with existing structures, as to location with respect to topography and finished ground elevation and as to compliance with minimum construction standards by the CHARTERWOOD, SECTION 2 Architectural Control Committee. A copy of the construction plans and specifications and a plot plan, together with such information as may be deemed pertinent, shall be submitted to the Architectural Control Committee, or its designated representative, prior to

commencement of construction. The Architectural Control Committee may require the submission of such plans, specifications and plot plans, together with such other documents as it deems appropriate, in such form and detail as it may elect at its entire discretion. In the event the Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the same are submitted to it, approval will not be required and the requirements of this Section will be deemed to have been fully complied with.

SECTION 2. Committee Membership. The Architectural Control Committee shall be initially composed of Albert L. Sellers, Dick W. Hicks and Joe F. Wheat, who by majority vote may designate a representative to act for them.

SECTION 3. Replacement. In the event of death or resignation of any member or members of said Committee, the remaining member or members shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans submitted or to designate a representative with like authority.

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

SECTION 5. Term. The duties and powers of the Architectural Control Committee and of the designated representative shall cease on and after ten (10) years from the date of this instrument. Thereafter, all power vested in said Committee by this covenant shall be assumed by the Board of Directors of the Association.

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ARTICLE V

CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION

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

SECTION 2. Non-Profit Corporation. CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION, a non-profit corporation, shall be organized and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

SECTION 3. --By-Laws. The Association may make whatever rules or by-laws it may choose to govern the organization; provided that the same are not in conflict with the provisions hereof.

SECTION 4. 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.

SECTION 5. Annexation of Property. Additional residential property and common area outside of CHARTERWOOD SUBDIVISION may be annexed to the Properties covered by the Association, and subject to the jurisdiction and benefits of the Association, with the consent of two-thirds (2/3) of each class of membership of the Association; provided, however, additional residential property within CHARTERWOOD SUBDIVISION may be annexed by the Declarant without the consent of the members, provided that the Federal Housing Association and Veterans Administration determine that the annexation is in accord with a general plan heretofore approved by them and the Federal Housing Administration and Veterans Administration approve each additional stage or section of CHARTERWOOD SUBDIVISION.

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ARTICLE V.

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SECTION 6. Maintenance Charge. Each lot in CHARTERWOOD, SECTION 2, is hereby subjected to an annual maintenance charge and assessment for the purpose of creating a fund to be designated and known as the "maintenance fund," which maintenance charge and assessment will be paid by the Owner or Owners of each Lot within CHARTERWOOD SECTION 2, to CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION on or before January 1 of each year, in advance annual installments, commencing on a date to be promulgated by the Board of Directors of the Association. The rate at which each Lot will be assessed will be determined annually and may be adjusted from year to year by the Association as the needs of the Subdivision may, in the judgement of the Association, require; provided, that such assessment will be uniform (except as hereafter provided) and in no event will such assessment or charge exceed \$15.00 per Lot per month, or \$180.00 per Lot per year, except that Declarant and any builder to whom Declarant sells a Lot shall not be liable for the payment of maintenance charge assessments for any Lot until such time as the improvements situated upon such Lot are occupied as a residence, or until such time as a home is completed and a permanent loan closed on such Lot, whichever is sooner, after which date, such maintenance charge shall accrue and be paid pro-rata, based on the number of months remaining in the current assessment year. The Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of CHARTERWOOD, SECTION 2, as well as all subsequent sections of CHARTERWOOD; provided, however, that each future section of CHARTERWOOD be entitled to the benefit of this maintenance fund must be impressed with and subjected to the annual maintenance charge and assessment on a uniform, per Lot, basis, equivalent to the maintenance charge and assessment imposed hereby, and further made subject to the jurisdiction of the Association. The uses and benefits to be provided by said Association shall include, by way of clarification and not limitation, at its sole option, any and all of the following: constructing and maintaining alleys, paths, parks, parkways, easements, esplanades.

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cul-de-sacs, and other public areas, 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, caring for vacant Lots, and doing other things necessary or desirable, in the opinion of the Association, to keep the Properties in the Subdivision neat and in good order or which is considered of general benefit to the Owners or occupants of the Properties, it being understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation that any of the above will, in fact, be provided by the Association. Each person who accepts a deed to a Lot or Lots agrees, by the acceptance of same, to pay such maintenance charge and assessments as herein provided.

SECTION 7. Term. The above maintenance charge and assessment will remain effective for the full term (and extended term, if applicable) of the within covenants.

SECTION 8. Classes of Membership. The Association shall have two classes of voting memberships, designated as "Class A" and "Class B", who shall be composed of and having voting rights as follows:

Class "A" members shall be all Owners with the exception of Declarant, its successors and assigns, if such successors or assigns should acquire more than one improved Lot from the Declarant for the purpose of constructing improvements thereon, each of which Owner shall be entitled to one vote for each Lot owned by him. When more than one person owns a fee interest in a Lot, all such interested persons shall be members; however, the vote for such Lot in which more than one person owns a fee interest shall be cast by the person or persons having a majority interest, and in the event the persons having a majority interest are not able to agree with

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respect to a vote on any matter, then such Owners shall not have a right to vote on such subject, as there shall be no fractional vote.

Class "B" members shall be the Declarant, its successors and assigns, if such successors or assigns shall acquire more than one unimproved Lot from the Declarant for the purpose of constructing the improvements thereon. Class "B" members shall be entitled to three votes for each Lot owned by them, whether improved or unimproved. The Class "B" membership shall cease and be converted to Class "A" membership (subject to revival of same, as hereinafter provided), upon the happening of either of the following events, whichever occurs earlier:

- a) When the total votes outstanding in the Class "A" membership equals the total votes outstanding in the Class "B" membership; or
- b) January 1, 1983;

provided, however, that upon the annexation of additional property to the Association, the Class "B" membership shall be revived until such time as the condition provided for herein are met once again, with the understanding that this shall continue upon each additional annexation.

SECTION 9. LIENS FOR PAYMENT. To secure the payment of the maintenance fund established hereby and to be levied on individual residential Lots, there shall be reserved in each deed (whether specifically stated therein or not) by which the Declarant will convey such Lots, the vendor's lien for the benefit of the Association, said lien to be enforceable through appropriate proceedings at law by such beneficiary; provided, however, that each such lien shall be secondary, subordinate, and inferior to all liens, present and future, given, granted and created by or at the instance and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the construction of improvements on any such Lot, to the extent of any such maintenance fund charge accrued and unpaid prior to foreclosure of any such purchase money lien or construction lien; and

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further, provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting first mortgage lien, for the aforesaid purpose or purposes, the Association shall give the holder of such first mortgage lien sixty (60) days written notice of such proposed action, which notice shall be sent to the nearest office of such first mortgage holder by prepaid U. S. Postal Service, and shall contain a statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of any such first mortgage lienholder, the Association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular Lot covered by such first mortgage lien to the holder thereof.

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SECTION 10. Subordination of Lien. The vendor's lien, reserved herein as security for the payment of the annual and special assessments set out herein, shall be subject, subordinate, inferior and secondary to all liens, mortgages and encumbrances, whether now or hereafter existing, that (i) are created to secure the payment of the purchase price of all or any part of any Lot (and any improvements thereon), situated within the plat establishing CHARTERWOOD, SECTION 2, or (ii) are created to secure the payment of all amounts due or to become due under and by virtue of any contract, now or hereafter executed, for the construction, addition or repair of any improvements now or hereafter situated upon all or any part of the Lot situated within the plat establishing CHARTERWOOD, SECTION 2.

The sale or transfer of any Lot shall not affect the lien securing the assessments provided for herein. However, the sale or transfer of any Lot, pursuant either to mortgage foreclosure or to any proceeding in lieu thereof, shall extinguish the lien of such assessments as to any payments that have become due and payable prior to such foreclosure, sale or transfer in lieu thereof. No foreclosure or sale or transfer in lieu thereof covering any Lot shall relieve the purchaser or transferee thereof from liability for any assessments thereafter becoming due and payable nor release any such Lot from the lien securing payment of such subsequent assessments.

ARTICLE VI

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An underground electric distribution system will be installed in that part of Charterwood Subdivision, Section II, designated herein as Underground Residential Subdivision, which underground service area embraces all of the lots which are platted in Charterwood Subdivision, Section II. In the event that there are constructed within the Underground Residential Subdivision structures containing multiple dwelling units 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 said point of attachment and at the meter. 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, 120/240 volt, three wire, 60 cycle, alternating current.

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The Electric Company shall not be obligated to provide electric service to any mobile home unless (a) Declarant has paid to the Company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision or (b) the Owner of each affected lot, or the applicant for service to any mobile home, shall pay to the Company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such lot or dwelling unit 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. This paragraph shall not, however, be construed to permit mobile homes of any type.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s) shown on the plat of Charterwood Subdivision, Section II. The above provisions do not apply to any future non-residential development in such Reserve(s).

ARTICLE VII

SECTION 1. 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 hereof 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 inadequate 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. The terms and provisions hereof may be enforced by Declarant, by the Association (and the Association is hereby expressly authorized to use its funds for the purpose of assisting in the enforcement of the terms and provisions hereof), or by the owner of any Lot shown in the plat establishing CHARTERWOOD, SECTION 2. Failure by the Association or any Owner to so 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 mortgagee under any mortgage or deed of trust presently or hereafter placed of record covering any of the land shown to be within the plat establishing CHARTERWOOD, SECTION 2.

SECTION 2. Term. These Restrictions shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each;

187-12-0568

INC.

unless an instrument signed by a majority of the then Owners of the Lots has been recorded agreeing to change or terminate said covenants in whole or in part. These covenants, or any of them, may be amended, by an instrument signed in writing by the Owners of a majority of the Lots and the recording of said instrument with the County Clerk of Harris County, Texas. Any such instrument shall show the Lots owned by each Owner signed same, and, in case the property is owned by a man and wife as community property, the signature of the husband alone shall be sufficient except that in cases where the husband resides elsewhere, or has abandoned his wife, her signature alone shall be sufficient. Notwithstanding anything herein to the contrary, as long as there is a Class "B" membership in the Association, the amendment of these covenants will require, in addition to the requirements above, the prior approval of the Federal Housing Administration or the Veterans Administration. However, if no loans in CHARTERWOOD, SECTION 2, are insured by the Federal Housing Administration or Veterans Administration, prior approval for such amendments will not be required by the Federal Housing Administration or Veterans Administration.

187-12-0569

SECTION 3. Severability. Invalidation of any one of these covenants by judgement or other court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

SECTION 4. Approval of Lienholder. The holder of a lien on CHARTERWOOD, SECTION 2, a subdivision in Harris County, Texas, joins in the execution hereof as evidence its consent hereto, and hereby subordinates its lien or liens to the provisions hereof.

EXECUTED this 14th day of February, 1978.

Attest:

CONTINENTAL DEVELOPMENT COMPANY, INC.
(Declarant)

By: [Signature]
Assistant Secretary

[Signature]

Attest:

GIBRALTAR SAVINGS ASSOCIATION
(Lienholder)

By: [Signature]
Assistant Secretary

[Signature]
William R. Wright

RECORDERS MEMORANDUM.
As the copy of recording, the instrument was
found to be a true and correct copy of the
public reproduction thereof of original, carbon,
photostat, or other reproducible copy. All checks
and other documents, including this instrument,
therein, the instrument is hereby approved.


CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF HARRIS

187-12-0570

BEFORE ME, the undersigned authority, on this day personally appeared Dick M. Hicks, known to me to be the person whose name is subscribed to the foregoing instrument, as ~~XXXX~~ President of Continental Development Company, a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the fourteenth day of February, A. D. 1978.

 DONNA LOU HOOD
NOTARY PUBLIC IN AND FOR
HARRIS COUNTY, TEXAS
MY COMMISSION EXPIRES 5/20/79

Donna Lou Hood
Notary Public in and for Harris
County, Texas

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF HARRIS

RECORDER'S MEMORANDUM

At the time of recording, the instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blocks, cuts, additions and changes were present at the time the instrument was filed and recorded.

BEFORE ME, the undersigned authority, on this day personally appeared William R. Whight, known to me to be the person whose name is subscribed to the foregoing instrument, as Assistant VP of Shrout & Shuman Associates, a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 14th day of February, A. D. 1978.

JENNIFER HOWELL
Notary Public in and for Harris County, Texas
My Commission Expires 6-30-79



Jennifer S. Howell
Notary Public in and for Harris
County, Texas

F605221

MAY-13-76 824907 CF 605221 LS B PJ 17.00

195-11-2453

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CHARTERWOOD, SECTION TWO, A SUBDIVISION IN HARRIS COUNTY, TEXAS

THE STATE OF TEXAS §
COUNTY OF HARRIS §

WHEREAS, CONTINENTAL DEVELOPMENT COMPANY, INC., a Texas corporation, as "Declarant", did execute and record one certain instrument entitled "Declaration of Covenants, Conditions and Restrictions for Charterwood, Section Two, a Subdivision in Harris County, Texas", and caused the same to be recorded under Clerk's File No. F481480 in the Official Public Records of Real Property of Harris County, Texas, herein referred to as the "Restrictions", Restrictions covering and affecting all residential lots included within Charterwood, Section Two, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 258, Page 96, of the Map Records of Harris County, Texas, such subdivision being herein referred to as "Charterwood, Section Two"; and

WHEREAS, Article VII, Section 2, of the Restrictions provides that the Restrictions or any of them may be amended by an instrument signed in writing by the owners of a majority of the lots and the recording of said instrument with the County Clerk of Harris County, Texas; and

WHEREAS, the undersigned, GENSTAR HOMES OF TEXAS, INC. and SUPERIOR HOMES, INC., are the owners of all of the lots in Charterwood, Section Two, as provided in the Restrictions for Charterwood, Section Two, and the undersigned desire to amend the Restrictions as hereinafter provided.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that, for and in consideration of the premises, the recitations provided above, and the mutual covenants provided for herein, the undersigned, GENSTAR HOMES OF TEXAS, INC. and SUPERIOR HOMES, INC., do hereby agree that the Restrictions for Charterwood, Section Two, shall be amended as follows:

195-11-2454

Article V, Section 6, shall be deleted in its entirety, and in its place, shall be inserted the following provision:

"SECTION 6. Maintenance Charge. Each lot in CHARTERWOOD, SECTION 2, is hereby subjected to an annual maintenance charge and assessment for the purpose of creating a fund to be designated and known as the "maintenance fund", which maintenance charge and assessment will be paid by the Owner or Owners of each Lot within CHARTERWOOD, SECTION 2, to CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION on or before January 1 of each year, in advance annual installments, commencing on a date to be promulgated by the Board of Directors of the Association. The rate at which each Lot will be assessed will be determined annually and may be adjusted from year to year by the Association as the needs of the Sub-division may, in the judgment of the Association, require; provided, that such assessment will be uniform (except as hereafter provided) and in no event will such assessment or charge exceed \$15.00 per Lot per month, or \$180.00 per Lot per year, except that Declarant and any builder to whom Declarant sells a Lot shall not be liable for the payment of maintenance charge assessments for any Lot until such Lot has been improved so that it is prepared for the construction of improvements thereon and from and after such time, Declarant and any Builder to whom Declarant sells a Lot shall be liable for one-half of the maintenance charge or assessment for such Lot until such time as a home is substantially completed on any such Lot. From and after the time a home is substantially completed on any such Lot, regardless of the

195-11-2455

ownership of such Lot, the Owner thereof shall pay the full assessment thereon. The Association shall use the proceeds of said maintenance fund for the use and benefit of all residents of CHARTERWOOD, SECTION 2, as well as all subsequent sections of CHARTERWOOD; provided, however, that each future section of CHARTERWOOD to be entitled to the benefit of this maintenance fund must be impressed with and subjected to the annual maintenance charge and assessment on a uniform, per Lot, basis, equivalent to the maintenance charge and assessment imposed hereby, and further made subject to the jurisdiction of the Association. The uses and benefits to be provided by said Association shall include, by way of clarification and not limitation, at its sole option, any and all of the following: constructing and maintaining alleys, paths, parks, parkways, easements, esplanades, cul-de-sacs, and other public areas, 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, caring for vacant Lots, and doing other things necessary or desirable, in the opinion of the Association, to keep the Properties in the subdivision neat and in good order or which is considered of general benefit to the Owners or occupants of the Properties, it being understood that

RECORDER'S MEMORANDUM

At the time of recordation, this instrument was found to be inadvisable for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All block-out, additions and changes were present at the time the instrument was filed and recorded.

195-11-2456

the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation that any of the above will, in fact, be provided by the Association. Each person who accepts a deed to a Lot or Lots agrees, by the acceptance of same, to pay such maintenance charge and assessments as herein provided."

GENSTAR HOMES OF TEXAS, INC. is the owner of the Lots described on Exhibit "A", attached hereto and referred to herein for all purposes. SUPERIOR HOMES, INC. is the owner of the Lots described on Exhibit "B", attached hereto and referred to herein for all purposes.

Except as herein specifically amended, the Restrictions for Charterwood, Section Two, shall remain in full force and effect as originally provided in such Restrictions.

EXECUTED this the 17th day of May, 1978. (21/15)

ATTEST:

Benetta S. Abbott
BENETTA S. ABBOTT

ATTEST:

Wanda Ashworth
WANDA ASHWORTH

GENSTAR HOMES OF TEXAS, INC.

BY *John E. Carr*
VICE PRESIDENT
JOHN E. CARR III

SUPERIOR HOMES, INC.

BY *Fred Sultan*
FRED SULTAN

The undersigned are holders of certain indebtedness secured by liens against some of the lots situated in Charterwood, Section Two, and have joined herein for the purpose of consenting to this Amendment to the Restrictions for Charterwood, Section Two, as above provided.

ATTEST:

Gail L. Hong
GAIL L. HONG

ATTEST:

Nita Chessher
NITA CHESSHER

AMERICAN REALTY COMPANY

BY *J.T. Westmceland*
J.T. WESTMCELAND

GIBALTAR SAVINGS ASSOCIATION

BY *W. Leroy Land*
Sr. Vice President

W. LEROY LAND

195-11-2457

THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared JIM E. CAER II, VICE PRESIDENT of GENSTAR HOMES OF TEXAS, INC., 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, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17th day of May, 1978.



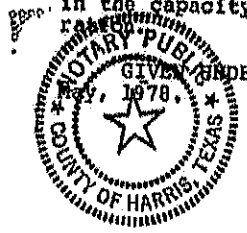
Linda R. Studabaker
Notary Public in and for
Harris County, Texas
LINDA R. STUDABAKER

THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Fred Sultan, Executive Vice President of SUPERIOR HOMES, INC., 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, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of May, 1978.



Melba P. Seymour
Notary Public in and for
Harris County, Texas

MELBA P. SEYMOUR

Notary Public in and for Harris County, Texas

My Commission expires 3/31/79

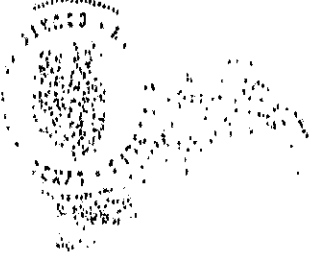
195-11-2458

THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared J. T. WESTMORELAND, Pres. V.P. of AMERICAN REALTY COMPANY, 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, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of May, 1978.



Dulane M. Bourdeau
Notary Public in and for
Harris County, Texas
DULANE M. BOURDEAU

THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Ch. Leroy Land, Ch. Vice President of GIBALTAR 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, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of May, 1978.

JENNIFER HOWELL
Notary Public in and for Harris County, Texas
My Commission Expires 6-20-79



Jennifer L. Howell
Notary Public in and for
Harris County, Texas

JENNIFER L. HOWELL

195-11-2459

EXHIBIT "A"

Lots 2-21, Block 10; Lots 1-46, Block 14; Lots 1-9, Block 13; and Lots 21-37, Block 13; Section Two (2) of Charterwood, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 258, Page 96, of the Map Records of Harris County, Texas.

195-11-2460

EXHIBIT "B"

Lots 22 through 67 in Block 10; Lots 1 through 6 in Block 11; Lots 1 through 34 in Block 12; Lots 10 through 20 in Block 13; and Lots 1 through 7 in Block 17; all in Charterwood, Section 2, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 258, Page 96 of the Map Records of Harris County, Texas.



PLEASE RETURN TO:
CALVIN D. DUNHAM, JR.
2500 TANGLEWILDE
SUITE 110
HOUSTON, TX 77063