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see pages 54-7

DEEDS

LAKE VIEW VILLAGE, SECTION TWO
RESERVATIONS, RESTRICTIONS, COVENANTS,
DECLARATIONS, EASEMENTS AND PARTY WALL AGREEMENT

THE STATE OF TEXAS \$
COUNTY OF MONTGOMERY \$

KNOW ALL MEN BY THESE PRESENTS:

That LAKE VIEW ASSOCIATES, a partnership composed of JAMES M. HILL, JR., J. R. BRODNAX, JR., and FERRIN INVESTMENT CO., a Texas corporation (hereinafter called "Owner"), being the owner of that certain tract of land which has heretofore been platted into that certain subdivision known as LAKE VIEW VILLAGE, SECTION TWO (being a subdivision of 3.9661 acres of land in the Wm. C. Clark Survey, Abstract 6, in Montgomery County, Texas), according to plat of LAKE VIEW VILLAGE, SECTION TWO, recorded in the office of the County Clerk of Montgomery County, Texas, after having been approved as provided by law, and being recorded in Cabinet B, Sheet 60, of the Map Records of Montgomery County, Texas, and desiring to create and carry out a uniform plat and scheme for the improvement, development and sale of property in said Lake View Village, Section Two (hereinafter referred to as the "Subdivision"), does hereby adopt, establish, promulgate and impress the following Reservations, Restrictions, Declarations and Covenants, including, but not limited to provisions for Easements and Party Wall Agreement which shall be and are hereby made applicable to the Subdivision.

United Savings Association of Texas (hereinafter called "Developer") joins herein for the purpose of evidencing its consent and agreement to the terms and provisions hereof, both as holder of liens on the land covered hereby, and as Developer of the several sections of April Sound.

I.

GENERAL PROVISIONS

1.01. Each Contract, Deed or Deed of Trust which may be hereafter executed with respect to any property in the Subdivision shall be deemed and held to have been executed, delivered and accepted subject to all of the provisions of this instrument, including, without limitation, the Reservations, Restrictions and Covenants herein set forth, regardless of whether or not any of such provisions are set forth in said Contract, Deed or Deed of Trust, and whether or not referred to in any such instrument.

1.02. The Utility Easements, Sidewalk Easements, Paved Driveways and Walkways shown on the plat referred to above are dedicated subject to the reservations hereinafter set forth.

1.03. (a) The Utility Easements shown on the recorded plat are dedicated with the reservation that such Utility Easements are for the use and benefit of any public utility operating in Montgomery County, Texas, as well as for the benefit of the Owner and the property owners in the Subdivision to allow for construction, repair, maintenance and operation of a system or systems of electric light and power, telephone lines, gas, water, sanitary sewers, storm sewers, and any other utility or service which the Developer or Owner may find necessary or proper.

RETURN TO:
CARL, LEE & FISHER
P. O. BOX 2712
HOUSTON, TEXAS 77001

ORIGINAL DIM

(b) The title conveyed to any property in the Subdivision shall not be held or construed to include the title to the water, gas, electricity, telephone, storm sewer or sanitary sewer lines, poles, pipes, conduits or other appurtenances or facilities constructed by the Developer or Owner or public utility companies upon, under, along, across or through such streets, roads, public utility easements; and the right (but no obligation) to construct, maintain, repair and operate such systems, utilities, appurtenances and facilities is reserved to the Developer, its successors and assigns.

(c) The right to sell or lease such lines, utilities, appurtenances or other facilities to any municipality, governmental agency, public service corporation or other party is hereby expressly reserved to the Developer.

(d) The Owner reserves the right to make minor changes in and minor additions to such utility easements for the purpose of more efficiently serving the Subdivision or any property therein.

(e) When necessary or convenient for the installation of any utility system or systems, the Owner or any utility company making such installation in utility easements dedicated on the above mentioned plat or dedicated herein or hereafter created in the Subdivision, may, without liability to the owner of the land encumbered by such utility easements, remove all or any trees and other vegetation within the utility easements. When necessary or desirable for the maintenance of such utility system or systems, Owner or a utility company may trim trees and shrubbery or roots thereof which overhang or encroach into such easements, without liability to the owner of such shrubbery or trees.

DURATION

1.04. The provisions hereof, including the Reservations, Restrictions and Covenants herein set forth, shall run with the land and shall be binding upon the Owner, its successors and assigns, and all persons or parties claiming under it or them for a period of thirty-five (35) years from the date hereof, at which time all of such provisions shall be automatically extended for successive periods of ten (10) years each, unless prior to the expiration of the initial period of thirty-five (35) years or a successive period of ten (10) years, the then owners of a majority of lots in the Subdivision shall have executed and recorded an instrument changing the provisions hereof, in whole or in part, the provisions of said instrument to become operative at the expiration of the particular period in which such instrument is executed and recorded, whether such particular period be the aforesaid thirty-five (35) year period or any successive ten (10) year period thereafter.

ENFORCEMENT

1.05. In the event of any violation or attempted violation of any of the provisions hereof, including any of the Reservations, Restrictions or Covenants herein contained, enforcement shall be authorized by any proceedings at law or in equity against any person or persons violating or attempting to violate any of such provisions, including proceedings to restrain or prevent such violation or attempted violation by injunction, whether prohibitive in nature or mandatory in commanding compliance with such provisions; and it shall not be prerequisite to the granting of any such injunction to show inadequacy of legal remedy or irreparable harm. Likewise, any person entitled to enforce the provisions hereof may recover such damages as such person has sustained by reason of the violation of such provisions. It shall be lawful for the Owner or for any person or persons owning property in the Subdivision (or in any Section of April Sound) to prosecute any proceedings at law

or in equity against the person or persons violating or attempting to violate any of such provisions.

Definition of "APRIL SOUND":

Whenever used in this instrument the term "APRIL SOUND" shall be construed to include not only all sections of April Sound subdivided by Developer or its assigns, but also all sections of April Village, all sections of April Point, all sections of April Point North, and all sections of Lake View Village.

PARTIAL

INVALIDITY

1.06. In the event that any portion of the provisions hereof shall become or be held invalid, whether by reason of abandonment, waiver, estoppel, judicial decision or otherwise, such partial invalidity shall not affect, alter or impair any other provisions hereof which was not thereby held invalid; and such other provisions, including Restrictions, Reservations and Covenants shall remain in full force and effect, binding in accordance with their terms.

EFFECT OF
VIOLATIONS

ON MORTGAGES

1.07. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any Mortgage or Deed of Trust presently or hereafter placed of record or otherwise affect the rights of the Mortgagee under any such Mortgage, holder of any such lien or beneficiary of any such Deed of Trust; and any such Mortgage, lien or Deed of Trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained, including said Reservations, Restrictions and Covenants.

II.

ARCHITECTURAL CONTROL

BASIC RULE 2.01.

(a) No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made in the design thereof or any addition made thereto or exterior alteration made therein after original construction, on any property in the Subdivision until the approval of the Architectural Control Authority (as hereinafter provided) of the construction plans and specifications or other improvements has been obtained. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument, quality of materials, harmony of external design with existing and proposed structures and location with respect to topography and finished grade elevation.

(b) Notwithstanding any other provision hereof, no fence shall be permitted on any lot or adjoining easement which would in any manner interfere with or in any manner obstruct the view of Lake Conroe from any other lot in any section of Lake View Village either heretofore or hereafter platted, and the Architectural Control Authority shall not have the right to waive this requirement.

ARCHITECTURAL
CONTROL AUTHORITY

2.02. (a) The authority to grant or withhold architectural control approval as referred to above is vested in the Architectural Control Authority (herein sometimes referred to as the "Authority"), which Authority shall be the Developer; except, however, that such authority of the Developer shall cease and terminate upon the election of the April Sound Architectural Control Committee, in which event such authority shall be vested in and exercised by the April Sound Architectural Control Committee (as provided in [b] below), hereinafter referred to, except as to plans and specifications and plats theretofore submitted to the Developer which shall continue to exercise such authority over all such plans, specifications and plats.

(b) Each application made to the Architectural Control Authority (whether Developer or Architectural Control Committee) shall be accompanied by two sets of plans and specifications for all proposed construction to be done on such lot including plot plans showing the location on the lot and dimensions of all proposed walls, driveways, curb cuts and all other matters relevant to architectural approval.

(c) The Architectural Control Authority (whether Developer or Architectural Control Committee) shall have the power and authority to create, alter or amend building set-back lines, utility easement lines, and requirements as to design of buildings and materials to be used in the construction thereof for any lot or lots within the Subdivision provided that such authority shall be exercised for the purpose of making the lot or lots so affected useful for the purpose for which they were designed or for the purpose of harmonizing and making esthetically attractive the Subdivision or the neighborhood of the Subdivision in which the lots so affected are located, as such matters may be determined in the good faith judgment of the Architectural Control Authority (whether Developer or Architectural Control Committee).

(d) At such time as all of the lots in the Subdivision and in all Sections of April Sound (as platted, from time to time, hereafter) shall have been sold by the Developer, then the Developer shall cause a Statement of such circumstances to be placed of record in the Deed Records of Montgomery County, Texas. Thereupon, the lot owners in April Sound (including lot owners in Lake View Village) may, by vote as hereinafter provided, elect a committee of three (3) members to be known as the April Sound Architectural Control Committee (herein referred to as the "Committee"). Each member of the Committee must be an owner of property in some Section of April Sound. Each lot owner shall be entitled to one (1) vote for each whole lot or building site owned by that owner. In case of any building site composed of more than one (1) whole lot, such building site owner shall be entitled to one (1) vote for each whole lot contained within such building site.

(c) The members of the Committee shall be entitled to such compensation for services rendered and reimbursement for reasonable expenses incurred as may, from time to time, be authorized or approved by the Developer. All such sums payable as compensation and/or reimbursement shall be payable only out of the "Maintenance Fund", hereinafter referred to.

EFFECT OF
INACTION

2.03. Approval or disapproval as to architectural control matters as set forth in the preceding provisions shall be in writing. In the event that the Authority exercising the prerogative of approval or disapproval (whether the Developer or the Committee) fails to approve or disapprove in writing any plans and specifications and plat submitted to it in compliance with the preceding provisions within thirty (30) days following such submission, such plans and specifications and plat shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plat, and all of the other terms and provisions hereof.

EFFECT OF
APPROVAL

2.04. The granting of the aforesaid approval shall constitute only an expression of opinion, whether by the Developer or the Committee, that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plat; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and plat or in the event that such building and/or improvements are constructed in accordance with such plans and specifications and plat, but, nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reason of the good faith exercise thereof. Exercise of any such prerogative by one (1) or more members of the Committee in their capacity as such shall not constitute action by the Developer after the election of such Committee members, notwithstanding that any such Committee member may be a Director of the Developer.

III.

COMMON AREAS

3.01. There are shown on the aforesaid plat of the Subdivision certain areas not lying within the boundary lines of any lot, some designated as "Paved Street", some as "Paved Drive", and some as "Utility Easement, and some being undesignated. All said areas not lying within the boundary lines of any lot are hereby designated "Common Areas". No conveyance of any lot in the Subdivision shall be held or considered to convey title to or any right or interest in the Common Areas, other than right of use in common with other owners of lots in the Subdivision. Additional areas may be excepted in conveyance of lots and designated as Common Areas.

3.02. No Common Area shall be obstructed by any lot owner, or by Owner or Developer, but shall remain open and unobstructed for use of all owners of lots in the Subdivision and their invitees and guests. No automobile, or other motor vehicle, shall be parked or left standing on any Paved Driveway or any Walkway, except in the rectangular areas designated by Owner or Developer for the purpose of parking.

3.03. No boat, camping unit, boat trailer, travel or other type trailer, or motorcycle shall be brought into the Subdivision, or any part thereof (including, but not limited, to, Common Areas, as well as lots) for any purpose whatsoever.

IV.

DESIGNATION OF TYPES OF LOTS

4.01. All lots in the Subdivision are hereby designated "Cottage Lots".

4.02. Cottages on adjoining lots may be attached to each other and may have and use Party Walls, as defined in Section 6.01 hereof.

V.

GENERAL RESTRICTIONS

5.01. The exterior materials of all residential structures on all lots shall be of such material as may be approved by the Architectural Control Authority (whether Developer or Architectural Control Committee).

5.02. No noxious or offensive activity of any sort shall be permitted, nor shall anything be done on any lot which may be or become an annoyance or nuisance to the neighborhood. All lots in the Subdivision shall be used only for residential purposes. For the purpose of this covenant, a lot shall be deemed to be used for residential purposes when it is used to house persons and their belongings, without regard to whether the persons are owners of the property or occupy the lot pursuant to a rental or leasing arrangement. Except for the leasing or renting of any improvements on a lot, no lot in the Subdivision shall be used for any commercial, business or professional purpose nor for church purposes. No tent, house trailer, camper trailer, camper vehicle or motor vehicle (or portion thereof) shall be lived in on any lot.

5.03. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, except that a field office, as hereinafter provided, may be established.

Until Owner has sold all other lots in Lake View Village (and during the progress of construction of residences in the Subdivision), a temporary field office for sales and related purposes may be located and maintained by the Owner or Developer (and/or other parties authorized by Owner or Developer). The location of such field office may be changed, from time to time, as lots are sold. The Owner's and Developer's right to maintain or allow others to maintain such field office (or permit such field office

to be maintained) shall cease when all lots in Lake View Village, except the lot upon which such field office is located, have been sold. No building may be used as a field office without the prior consent of the Architectural Control Authority (whether Developer or Architectural Control Committee).

5.04. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats and other common household pets may be kept as household pets provided they are not kept, bred or maintained for commercial purposes and provided they do not constitute a nuisance and do not, in the sole judgment of the Developer constitute a danger or potential or actual disruption of other lot owners, their families or guests.

5.05. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above roadways within the triangular area formed by intersecting street right-of-way lines and a line connecting them at points twenty-five (25) feet from the intersection of the street right-of-way lines (or extensions thereof) shall be placed, planted or permitted to remain on lots. No fence, regardless of its height, shall be permitted to be erected nearer to the front line of the lot than the front wall of the main residence erected on the lot, and no fence shall be permitted which violates the provisions of 2.01(b).

5.06. The drying of clothing, household linens, towels, sheets, blankets, covers, spreads, swim suits, rugs, carpets, fabrics and any other materials of like or similar character to any of the foregoing, in 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 the public shall construct and maintain a drying yard or other suitable enclosure to screen drying of any of the items or materials above enumerated from public view.

5.07. All lots shall be kept at all times in a sanitary, healthful and attractive condition, and the owner or occupant of all lots shall keep all weeds and grass thereon cut and shall in no event use any lot for storage of material or equipment except for normal residential requirements or incident to construction or improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon, and shall not burn any garbage, trash or rubbish. All clotheslines, yard equipment or storage piles shall be kept screened by a service yard, drying yard or other similar facility as herein otherwise provided, so as to conceal them from view of neighboring lots, streets or other property. No motor vehicle shall be parked on any lot except in the rectangular parking area provided on each Lot, or as otherwise may be designated by the Owner or Developer. Motor vehicles shall not be parked in any of the Common Areas, except in those rectangular areas designated by Owner or Developer as parking areas.

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, the Developer (until the Committee is selected, and thereafter, the Committee) may, without liability to the owner or occupant in trespass or otherwise, enter upon (or authorize one or more others to enter upon) said lot, and 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 reasonable cost of such work and associated materials. 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 thereof; however, the payment of such charge is not secured by any nature of lien on the property.

5.08. No sign, advertisement, billboard or other advertising structure of any kind may be erected or maintained on any lot in the Subdivision without the prior approval of the Developer; and any such approval which is granted by the Developer may be withdrawn at any time by the Developer, in which event, the party granted such permission shall immediately remove such structures.

The Architectural Control Authority (whether Developer or the Committee) shall have the right to remove and dispose of any such prohibited sign, advertisement, billboard or advertising structure which is placed on any lot, and in so doing shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal nor in any way be liable for any accounting or other claim by reason of the disposition thereof.

5.09. The digging of dirt or the removal of any dirt from any lot is expressly prohibited except as necessary in conjunction with the landscaping of or construction on such lot. No trees shall be cut or removed except to provide room for construction of improvements or to remove dead or unsightly trees.

5.10. No outside aerial, pole or other device shall project above the highest ridge of the house by more than fifteen (15) feet. This prohibition shall not apply to any community antenna or aerial maintained in accordance with the provisions of Article XII hereof.

5.11. No lot or other portion of the Subdivision shall be used or permitted for hunting or for the discharge of any pistol, rifle, shotgun, or any other firearm, or any bow and arrow, or any other device capable of killing or injuring.

5.12. Driveways shall be entirely of concrete (except, however, some other material may be used with the prior permission of the Architectural Control Authority).

5.13. No outside toilets will be permitted, and no installation of any type of device for disposal of sewage shall be allowed which would result in raw or untreated or unsanitary sewage being carried into any water body. No septic tank or other means of sewage disposal may be installed unless approved by the proper governmental authorities having jurisdiction with respect thereto and by the Developer.

5.14. No oil drilling, oil development operations, oil refining, or mining operations of any kind shall be permitted upon any lot, nor shall any wells, tanks, tunnels, mineral excavations or shafts be permitted upon any lot. No derrick or other structure designed for use in boring for oil, or natural gas, shall be

erected, maintained or permitted on any building site. At no time shall the drilling, usage or operation of any water well be permitted on any lot.

5.15. Neither the Owner nor Developer, nor the successors or assigns of either shall be liable for any loss of use of or damage done to any shrubbery, trees, flowers, improvements, bulkheads, piers (or any vessels attached thereto), fences, walls or buildings of any type, or the contents thereof, on any lot whatsoever in the Subdivision caused by changes in the water level of Lake Conroe.

5.16. No building shall be located on any lot except as approved by the Architectural Control Authority, and no building shall be located upon or within any portion of any easement. For the purpose of this covenant, caves, steps and unroofed terraces shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of the construction on a lot to encroach upon another lot.

5.17. Any owner of one or more adjoining lots (or portions thereof) may consolidate such lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting site. Any modification of a building site (changing such building site from either a single lot building site or from a multiple whole lot building site), whether as to size or configuration, may be made only with the prior written approval of the Developer until the Committee is selected, and thereafter, only with the prior written approval of the Committee. Upon any such required approval having been obtained, such composite building site shall thereupon be regarded as a "lot" for all purposes hereunder, except, however, that for purposes of voting for the Committee (as provided under paragraph 2.02(d) above) an owner shall be entitled to one (1) vote for each whole lot within such owner's building site.

VI.

SPECIAL RESTRICTIONS - PARTY WALLS

COTTAGE LOTS

In addition to the General Restrictions set forth in Article V above, the following restrictions shall be applicable to all Cottage Lots (being all the lots in the Subdivision):

6.01. In the event that any two buildings on Cottage Lots share a common wall (the "Party Wall"), then the following provisions shall apply with respect thereto unless the owners of such buildings provide otherwise by a written contract between them which has been approved in writing by the Architectural Control Authority (whether Developer or Architectural Control Committee):

- (a) Each wall or fence which is built as part of the construction of the houses upon the building sites and placed on or adjacent to the dividing line between the

building sites shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damaged due to negligence or wilful acts or omissions shall apply thereto.

- (b) In the event of damage or destruction of a party wall, the cost of reasonable repair and maintenance shall be shared equally by the owners who abut the wall; each party, his successors and assigns, shall have the right to the full use of said wall so repaired or rebuilt. If (other than in the case of damage by fire), either party's negligence or wilful acts shall cause damage, to or destruction of said wall, such negligent party shall bear the entire cost of repair or reconstruction; provided, however, that in the case of damage by fire, the party negligently causing such fire (if any) shall be liable only to the extent that such damage is not covered by insurance, and to the extent of insurance proceeds therefor, the other party shall not have any claim against the negligent party, nor shall any insurance carrier have any such claim through assignment, subrogation or otherwise. If either party shall fail or refuse to pay his share, or all of such costs in the case of negligence or wilful act, the other party may have such wall repaired or restored and shall have a lien on the premises of the party so failing to pay, for the amount of such defaulting party's share of the repair or replacement costs (which lien shall be subordinate to and shall not affect the validity or priority of the lien of any mortgage or deed of trust on the premises of such defaulting party, in the same manner as provided in Section 1.07 hereof).
- (c) The right of any owner to contribution from any other owner under this Article shall be apportioned to the said building site owned by such owner and shall pass to such owner's successors in title.
- (d) Neither owner shall alter or change any such party wall in any manner, interior decoration excepted, and said party walls shall always remain in the same location as when erected, and each party to said common or division wall shall have a perpetual easement in that portion of the premises of the abutting owner on which said party wall is located, for party wall purposes.
- (e) The easements hereby created are and shall be perpetual and construed as covenants running with the land and each and every person accepting a deed to any building site in said multiple unit shall be deemed to accept said deed with the understanding that each and every purchaser is also bound by the provisions herein contained, and each and every purchaser by accepting a deed to any building site shall thereby consent and agree to be bound by the covenants herein contained to the same extent as though he had executed this instrument.

6.02. In the event that two buildings on Cottage Lots share a common wall (the "Party Wall"), then the Architectural Control Authority may require that such wall be constructed of such fire-resistant materials as may be deemed necessary or desirable in its judgment or in order to comply with any federal, state or local building regulation or code; provided, however, that no owner of any Cottage Lot shall be required to construct or pay for more than one Party Wall to be constructed of such fireproof materials.

6.03. Each lot and the Walkways and Driveways shall be subject to a temporary easement for ingress, egress and encroachments and overhangs during and in connection with the construction of improvements on adjacent property, and a permanent easement for minor encroachments due to the settling of structures erected on an adjacent lot.

VII.

SPECIAL RESTRICTIONS

COTTAGE LOTS

In addition to the general restrictions set forth in Article V above and in addition to the special restrictions set forth in Article VI above, the following restrictions shall be applicable to all Cottage Lots (being all the lots in the Subdivision):

7.01. No building shall be erected, altered or permitted to remain on any Cottage Lot other than one (1) single-family residential dwelling not to exceed two (2) stories in height.

7.02. The living area of the structure (exclusive of porches, whether open or screened, and terraces) shall be not less than 1000 square feet for one (1) story residences, and not less than 1200 square feet for two (2) story residences.

7.03. In the event two (2) buildings either on one or adjoining lots are so closely adjacent that the Architectural Control Authority reasonably believes that a fire in one might endanger the other, the Architectural Control Authority may require that such walls be constructed of such fire-resistant materials and/or designed in such manner as will be necessary or desirable to prevent the destruction of property or in order to comply with any federal, state or local building regulation or code. Without limiting the discretion of the Architectural Control Authority, it is now intended that walls which are at least three but less than five feet apart will not be required to be constructed of fire-resistant materials, but may have no windows or other openings therein, and walls which are five feet or more apart shall not be required to be constructed of any fire resistant material and may have such windows or openings as may be appropriate to the design of the structure.

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VIII.

MAINTENANCE FUND

8.01. Each lot (or residential building site) in the Sub-division shall be and is hereby made subject to an annual Maintenance Charge, except as otherwise hereinafter provided.

8.02. The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund", which shall be used as herein provided and such charge shall also include amount relating to certain recreational facilities in April Sound; and each such Maintenance Charge shall (except as otherwise hereinafter provided) be paid by the owner of each lot (or residential building site) to April Sound Recreational Corporation, a Texas corporation (hereinafter referred to as the "Recreational Corp."), monthly, in advance, on or before the first day of each calendar month, beginning with the first day of the second full calendar month after the date of purchase of the lot or residential building site.

8.03. The exact amount of each maintenance charge will be determined by the Developer during the month preceding the due date of said maintenance charge. All other matters relating to the assessment, collection, expenditure and administration of the Maintenance Fund shall be determined by the Developer, subject to the provisions hereof.

In addition to the maintenance charge herein referred to, each lot shall be subject to a monthly charge for street lighting services, beginning on the date on which street lighting is extended to the street or paved driveway adjoining each lot (or to the street adjoining the access easement of those lots which have no adjoining street or paved driveway). Such charge will be included in the monthly bill for residential electric services from Gulf States Utilities Company to each lot owner, and shall be in addition to all other charges which such lot owner may incur for electric service. The exact amount of the street lighting charge will be determined by Gulf States Utilities Company.

In the event that Developer and a Municipal Utility District should so contract for the benefit of the said Utility District, in addition to the maintenance charge herein referred to, each lot shall also be subject to a monthly utility charge of Five and no/100 Dollars (\$5.00) and payable to the said Municipal Utility District commencing on the first day of the first calendar month following the month in which a waterline and a sanitary sewer line are extended by such Municipal Utility District to a property line of the subject lot and terminating upon the completion of the construction of a residence on such lot and the connection of such residence to such waterline and sanitary sewer line. Developer, at its election, may require the payment of such utility charge annually in advance, subject to a prorata rebate in the event that a residence is completed during such year. Payment of the aforesaid street lighting charge and the aforesaid utility charge are

and shall be secured by the same lien which secures the maintenance charge. The Developer shall have the right, at its option, to contract with Gulf States Utilities Company or the said Utility District, or both, to collect the maintenance charges, street lighting charges, and/or utility charges herein imposed, and in connection therewith may assign the lien securing payment thereof to either or both of said entities for the period of said contract.

8.04. The maintenance charge shall not, without the consent of the Developer, apply to lots owned by Owner or Developer, or owned by any person, firm, association or corporation engaged primarily in the building and construction business which has acquired title to any such lots for the sole purpose of constructing improvements thereon and thereafter selling such lots; however, upon any such sale of such lots by such person, firm, association or corporation to a purchaser whose primary purpose is to occupy and/or rent and/or lease such lot (and improvements thereon, if any) to some other occupant, then the maintenance charge shall thereupon be applicable to such lot; and Owner and Developer hereby consent to the applicability of the maintenance charge to each such lot under the circumstances herein stated. Any transfer of title to any lot by any such person, firm, association or corporation engaged primarily in the building and construction business shall not result in the applicability of the maintenance charge to such lot owned by the transferee or any succeeding transferee primarily engaged in the building and construction business without the consent of the Developer. The Developer reserves the right at all times, in its own judgment and discretion, to exempt any lot in the Subdivision from the maintenance charge, and exercise of such judgment and discretion when made in good faith shall be binding and conclusive on all persons and interests. The Developer shall have the further right at any time, and from time to time, to adjust, alter or waive said maintenance charge from year to year as it deems proper; and the Developer shall have the right at any time to discontinue or abandon such maintenance charge, without incurring liability to any person whomsoever by filing a written instrument in the office of the County Clerk of Montgomery County, Texas, declaring any such discontinuance or abandonment.

8.05. The maintenance charges collected shall be paid into the Maintenance Fund to be held and used for the benefit, directly or indirectly, of the Subdivision; and such Maintenance Fund may be expended by the Developer for any purposes which, in the judgment of the Developer will tend to maintain the property values in the Subdivision, including, but not by way of limitation: providing for the enforcement of the provisions of this instrument, including the aforesaid Reservations, Restrictions and Covenants, reasonable compensation and reimbursement to the Developer and members of the Committee with respect to services performed by such Developer and Committee members incident to their duties hereunder; for the maintenance, operation, repair, benefit and welfare of any recreational facilities which might hereafter be established in April Sound; and generally for doing any other thing necessary or desirable in the opinion of the Developer to maintain or improve the property of the Subdivision. The use of the Maintenance Fund for any of these purposes is permissive and not mandatory, and the decision of the Developer with respect thereto shall be final, so long as made in good faith.

8.06. In order to secure the payment of the Maintenance Charge hereby levied, a vendor's lien shall be and is hereby reserved in the Deed from the Owner to the purchaser of each lot or portion thereof, which lien shall be enforceable through appropriate judicial proceedings by the Developer. Said lien shall be deemed subordinate to the lien or liens of any bank, insurance company or savings and loan association ("Institutional Lender") which hereafter lends money for the purchase of any property in the Subdivision, and/or for construction (including improvements) and/or permanent financing of improvements on any such property.

8.07. These provisions as to the Maintenance Charge and Maintenance Fund shall continue in effect unless changed in the manner and at the time or times hereinabove provided for effecting changes in the restrictive covenants hereinabove set forth.

8.08.(a) There shall be included in the Maintenance Charge levied upon each lot a sum to be determined by the Board of Trustees of April Sound Property Owners Association (such sum is hereinafter referred to as the "property charge") and a sum to be determined by the Board of Trustees of April Sound Country Club (such sum is hereinafter referred to as the "recreational charge"). The Recreational Corp. may add such additional sum to the Maintenance Charge as in its judgment is necessary to carry out the objectives for which the Maintenance Charge is to be used and such additional sum shall be deemed to be part of the "recreational charge". The Maintenance Charge shall be paid to the Recreational Corp. at the times and in the amounts set forth herein, and the Recreational Corp. shall distribute the Maintenance Charge payments to the Maintenance Fund, the April Sound Country Club, the owner of the recreational facilities in April Sound, and other entities entitled thereto. The recreational charge shall be secured by the lien referred to in paragraph 8.06 hereof.

(b) The owner of each lot, the Maintenance Charge on which is current and not delinquent, shall be a member in good standing for the particular month for which such charge is current as aforesaid, of the April Sound Social Club as that club is organized pursuant to the by-laws of the April Sound Country Club, and shall, subject to good behavior and compliance by the owner with provisions of the by-laws, rules and regulations applicable to such facilities, be entitled to entry into the club house (including its dining room facilities) and use of the swimming pool, use of the launching facilities at the marina, use of bridge trails, and use of such other facilities as may from time to time be designated by the Recreational Corp. Unless and until otherwise determined by the Recreational Corp., neither membership in the April Sound Social Club nor payment of the property charge for recreation charge nor any other term or provision of these Restrictions shall entitle the property owner to use the golf course, tennis center or any other recreational facility except as expressly stated above. The Recreational Corp. may make reasonable charges for storage of boats at the marina, and stabling of horses at the equestrian center.

8.09. Without limiting the right of the Board of Directors of the April Sound Recreation Corporation to determine and assess

the exact amount of the Maintenance Charge and Recreational Charge, it is contemplated that the initial Maintenance Charge (including the Recreational Charge) shall be Sixteen Dollars (\$16.00) per month.

8.10. The Board of Directors of the April Sound Recreational Corporation may, at its own discretion, admit to membership persons other than owners of property in April Sound upon the payment of admission fees and monthly dues as determined by the Board of Directors. The Board of Directors of April Sound Recreational Corporation may create such other clubs within April Sound Recreational Corporation as they might deem desirable, and may charge a membership fee and monthly dues to the members of such clubs, whether such members are property owners or not.

IX.

COMMON AREA MAINTENANCE FUND

9.01. Each lot in the Subdivision shall, in addition to the maintenance charge referred to in Article VIII above, be and is hereby made subject to an annual Common Area Maintenance Charge, except as otherwise hereinafter provided.

9.02. The Common Area Maintenance Charge referred to above shall be used to create a fund to be known as the "Common Area Maintenance Fund", which shall be paid monthly, in advance, on or before the first day of each calendar month, beginning with the first day of the second full calendar month after the date of the purchase of the lot or residential building site.

9.03. The exact amount of the Common Area Maintenance Charge will be determined by the Developer during the month preceding the due date of said Maintenance Charge. All other matters relating to the assessment, collection, expenditure and administration of the Common Area Maintenance Fund shall be determined by the Developer, subject to the provisions hereof. In the event that any streets in the Subdivision are dedicated to the public and maintenance is assumed by Montgomery County or any other governmental authority but other streets in the Subdivision are not so dedicated or maintenance thereof is not so assumed (which streets are herein called "private Streets"), there shall be included in the Common Area Maintenance Charge levied upon each lot a sum to be determined by the Board of Trustees of the April Sound Property Owners Association (which sum is herein after referred to as the "Street Maintenance Charge"), which shall be used to create a fund to be known as the "Street Maintenance Fund" to be used for maintenance, repair and repaving of such Private Streets and as herein provided. Developer may add such additional sums to the Common Area Maintenance Charge as in its judgment is necessary to carry out the objectives for which the Common Area Maintenance Charge is to be used. The Common Area Maintenance Charge (including the Street Maintenance Charge and the sum established by Developer) shall be paid to the Developer at the times and in the amounts set forth herein, and the Developer shall distribute the Common Area Maintenance Charge payments to the Street Maintenance Fund, the April Sound Property Owners Association or other entities entitled thereto.

9.04. The Common Area Maintenance Charge shall not, without the consent of the Developer, apply to lots owned by Owner or Developer or owned by any person, firm, association or corporation engaged primarily in the building, firm, association or business which has acquired title to any such lots for the sole purpose of constructing improvements thereon and thereafter selling such lots; however, upon any such sale of such lots by such person, firm, association or corporation to a purchaser whose primary purpose is to occupy and/or rent and/or lease such lot (and improvements thereon, if any) to some other occupant, then the Common Area Maintenance Charge shall thereupon be applicable to such lot; and the Developer hereby consents to the applicability of the Common Area Maintenance Charge to each such lot under the circumstances herein stated. Any transfer of title to any lot by any such person, firm, association or corporation engaged primarily in the building and construction business shall not result in the applicability of the Common Area Maintenance Charge to such lot owned by the transferee or any succeeding transferee primarily engaged in the building and construction business without the consent of the Developer. The Developer reserves the right at all times, in its own judgment and discretion, to exempt any lot in the Subdivision from the Common Area Maintenance Charge, and exercise of such judgment and discretion when made in good faith shall be binding and conclusive on all persons and interests. The Developer shall have the further right at any time, and from time to time, to adjust, alter or waive said Common Area Maintenance Charge from year to year as it deems proper; and the Developer shall have the right at any time to discontinue or abandon such Common Area Maintenance Charge without incurring liability to any person whomsoever by filing a written instrument in the office of the County Clerk of Montgomery County, Texas, declaring any such discontinuance or abandonment.

9.05. The Common Area Maintenance Charges collected shall be paid into the Common Area Maintenance Fund to be held and used for the benefit, directly or indirectly, of the property and property owners of the Subdivision; and such Common Area Maintenance Fund may be expended by the Developer for any purposes which, in the judgment of the Developer, will tend to maintain or enhance the property values in the Subdivision, including, but not limited to: Providing for the enforcement of the provisions of this instrument, including reasonable compensation and reimbursement to the Developer or members of the Committee with respect to services performed incident to their duties hereunder; for the construction, maintenance, operation and repair of those areas designated on the plat as Paved Driveway; or Walkway, or Utility Easement (and not lying within the boundaries of any lot), maintenance of bulkheads, and maintaining and landscaping Common Areas adjoining the water front, and generally for doing any other thing necessary or desirable in the opinion of Developer to maintain or improve the property of the Subdivision. The use of the Common Area Maintenance Fund for any of these purposes is permissive and not mandatory, and the decision of the Developer with respect thereto shall be final, so long as made in good faith.

9.06. The Street Maintenance Charges, if and when collected, shall be paid into the Street Maintenance Fund to be held and used for the benefit, directly or indirectly, of the Subdivision and

Such Street Maintenance Fund may be expended by the Developer for any purpose or purposes which, in the judgment of the Developer, will tend to maintain the Private Streets and any sidewalks adjacent thereto, in the Subdivision, including, without limitation: (a) the maintenance, repair or patching of any Private Streets or sidewalks built in the Subdivision. The use of the Street Maintenance Fund for any of these purposes is permissive and not mandatory, and the decision of the Developer with respect thereto shall be final, so long as made in good faith.

The Street Maintenance Charge and the Street Maintenance Fund shall continue until the latter to occur of:

1. The permanent assumption of the duties of maintenance and repair of all streets in the Subdivision by Montgomery County or another public governmental unit; or
2. The termination of these Restrictions pursuant to the terms hereof.

Upon the termination of the Street Maintenance Charge and the Street Maintenance Fund, all funds remaining in the Street Maintenance Fund shall be disbursed to the Common Area Maintenance Fund created herein, and shall be held and expended as part of that Fund pursuant to the terms hereof.

X.

TRANSFER OF FUNCTIONS OF THE DEVELOPER

10.01. The Developer may at any time hereafter cause a non-profit corporation to be organized under the laws of the State of Texas for the purpose of exercising all or any of the duties and prerogatives of the Developer hereunder (including the matters relating to Maintenance Charges and all Maintenance Funds). Any such delegation of authority and duties shall serve automatically to release the Developer from further liability with respect thereto and vest such duties and prerogatives in such non-profit corporation. Any such delegation shall be evidenced by an instrument amending this instrument, placed of record in the Deed Records of Montgomery County, Texas, and joined in by the Developer and the aforesaid non-profit corporation but not, however, requiring the joinder of any other person in order to be fully binding, whether such other person be an owner of property in the Subdivision, a lienholder, mortgagee, Deed of Trust beneficiary or any other person.

XI.

BINDING EFFECT

11.01 All of the provisions hereof shall be covenants running with the land thereby affected. The provisions hereof

shall be binding upon and inure to the benefit of the owners of the land affected, the Owner and the Developer, and their respective heirs, executors, administrators, successors and assigns.

11.02. Upon disposition by Owner of all of its lots in the Subdivision, all rights, powers and authority reserved to Owner under the terms hereof shall automatically, and without further action on the part of Owner, pass to and vest in Developer, its successors, assigns and transferees.

XII.

SPECIFIC EASEMENTS APPLICABLE TO COTTAGE LOTS
AND
SPECIAL PROVISIONS APPLICABLE TO LOTS 47 THROUGH 59.

12.01. Owner may establish and erect a community antenna for furnishing TV antenna service to residents of the Subdivision, other sections of Lake View Village, and adjoining or adjacent other sections of April Sound, and in the event such antenna is established, the Owner may assess each lot in the Subdivision a proportionate share of the cost of maintaining said community antenna, said assessment to be determined by the Owner during the month preceding the due date, and paid with the maintenance charges elsewhere provided for herein, and used to create a fund to be known as "Community TV Antenna Maintenance Fund" and administered the same as other maintenance charges and funds in the same manner as provided in Article IX hereof for common area maintenance fund.

12.02. Owner shall have an easement to cross any lot at a most convenient route for the purpose of laying underground cable for providing TV antenna service to individual residences. Owner shall have the right to release such easement as to any lot or lots, either in whole or in part.

12.03. In the original installation of streets, driveways, and walkways, in order to facilitate construction, pavement may extend outside the line of such street, driveway or walkway as delineated on the recorded plat. Likewise, some utility mains or service lines may be situated on a lot outside of a street or utility easement. A valid permanent easement is hereby created for each such encroachment of street, driveway or walkway pavement and for the maintenance of same, and for the repair or rebuilding thereof, and a valid permanent easement is hereby created for each utility main or service line situated on a lot outside of a street, driveway or utility easement, and each such easement shall continue, and the conveyance of any lot, plot or tract upon which any such pavement, utility main or utility service line is located shall, without specific mention thereof, be a conveyance subject to such easement or easements.

12.04. In the conveyances of Lots 47 through 59, both inclusive, in Lake View Village, Section Two, Owner anticipates that it will convey with the title to each of said lots (but does not hereby covenant to do so, nor obligate itself to do so) all of the rights of Owner to the area lying between the water's edge of Lake Conroe and the boundaries of such lot (such area being hereinafter referred to as "Waterfront Easement"), including, but not limited to, all rights of Owners by virtue of easement from San Jacinto River Authority to Lorena Stakley, et al, dated December 22, 1976, recorded Volume 970, page 530, Montgomery County Deed Records. Each of said lots when so conveyed shall be subject to the following additional special provisions, which shall be covenants running with the land, to-wit:

(a) With respect to the area of the Waterfront Easement conveyed to the owner of an adjoining lot, the owner of such lot shall be obligated to keep, observe, and perform all of the terms, provisions and obligations set forth and imposed by said easement deed of December 22, 1976.

(b) With respect to the area of the Waterfront Easement conveyed to the owner of an adjoining lot, the owner of such lot shall be obligated to landscape and keep such area in a neat and attractive appearance, and to maintain the bulkhead adjoining same, and in the event of default by any lot owner in performing such obligations, then the Owner or Developer may perform or procure performance of the work necessary to cure the default, and assess the cost thereof against the owner of the abutting lot, and such charge shall be secured by the same lien which secures the maintenance charge as provided in Article VIII hereof, and enforced in the manner there provided.

12.05. All of the terms of this entire instrument shall, to the extent practical, be in all respects applicable to and enforceable against all the interest of Owner, its successors and assigns, in and to any land lying between the water's edge of Lake Conroe and the boundaries of Lake View Village, Section Two.

RESERVATION

Nothing herein contained shall be held or construed to enlarge the limited dedication of streets or easements as reflected by the dedicatory statement contained on the plat of Lake View Village, Section Two, and all such streets and easements shall remain subject in all respects to the terms of such dedicatory statement.

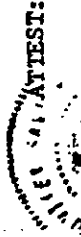
EXECUTED AT HOUSTON, TEXAS, this 11 day of April, A.D., 1978.

LAKE VIEW ASSOCIATES

BY: [Signature]
J. R. BRODIX, JR., Partner

BY: [Signature]
JAMES M. HILL, JR., Partner

BY: [Signature]
PERRY INVESTMENT CO., Partner
President



ATTEST:

[Signature]
Secretary

United Savings Association of Texas

BY: [Signature]
Vice President

[Signature]
Assistant Secretary

STATE OF TEXAS:
COUNTY OF HARRIS:

BEFORE ME, the undersigned authority, on this day personally appeared
J. R. BRODWAY, JR., 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, and in the capacity therein stated.

GIVEN under my hand and seal of office this 11th day of April

A.D., 1978.

Suzanne Kirkpatrick
Notary Public in and for Harris County,
Texas
Suzanne Kirkpatrick
MY COMM. EXPIRES 11/30/78

STATE OF TEXAS:
COUNTY OF HARRIS:

BEFORE ME, the undersigned authority, on this day personally appeared
JAMES M. HILL, JR., 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, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 11th day of April

A.D., 1978.

Suzanne Kirkpatrick
Notary Public in and for Harris County,
Texas
Suzanne Kirkpatrick
MY COMM. EXPIRES 11/30/78

STATE OF TEXAS:
COUNTY OF HARRIS:

BEFORE ME, the undersigned authority on this day personally appeared
Barbara Kirkpatrick, known to me to be the person and officer 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 PERRIN
INVESTMENT CO., a corporation, and in the capacity therein stated.

A.D. 1978

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 11th day of April

Barbara Kirkpatrick
Notary Public in and for Harris County,
Texas
Barbara Kirkpatrick
My Commission Expires 11/30/78

STATE OF TEXAS:
COUNTY OF HARRIS:

BEFORE ME, the undersigned authority, on this day personally appeared
Charles, known to me to be the person and officer 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 United Savings Associati
of Texas a corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 11th day of April

A.D., 1978.

Suzanne Kirkpatrick
Notary Public in and for Harris County,
Texas

FILED FOR RECORD
AT 2:00 CLOCK P.M.

MAY 1 2 1978

ROY HARRIS, Clerk
County Court, Montgomery County, Texas

By Walter Staudt, Jr. Deputy