SINGLE FAMILY

PROTECTIVE COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

That HORIZON DEVELOPMENT CORPORATION, a Delaware corporation, qualified to do business in the State of Texas, being the owner of all the property described on Schedule A attached, in order to provide for a general plan for the development, use and sale of the said property does by these presents impose upon said land the following covenants and restrictions, which shall run with the land and be binding upon and inure to the benefit of all present and future owners of the land and all persons claiming under them. Any lot owner or the Board as hereinafter defined may enjoin or abate any violation hereof by appropriate action at law or in equity, in which event the prevailing party shall recover costs incurred, together with reasonable attorney's fees. During the first five (5) years following the date hereof and so long as Horizon Development Corporation, its successors or assigns, owns and has not deeded fifty-one (51%) per cent of the lots in any unit described in Schedule A attached these covenants and restrictions as to any such unit may be amended at any time by Horizon Development Corporation, its successors or assigns; thereafter these covenants and restrictions as to any such unit may be amended at any time by the vote of the owners of eighty (80%) per cent of the lots in such unit as well as the owners of eighty (80%) per cent of the lots in any unit of the same subdivision adjoining such unit. Where more than one person owns a lot, or any interest therein, the concurrence of all such owners shall be necessary to entitle the owners of such lot to vote for such amendment or modification. It being intended that there shall be only one (1) vote cast per lot.

1. The lots described in Schedule A shall only be used for single family purposes. Not more than one single family dwelling shall be erected, altered, placed or permitted to remain on any lot except as otherwise provided herein. In addition to such single family dwelling there shall be permitted guest houses, maid's quarters, garages, carports and other accessory buildings that are necessary and contributory to the overall improvement of said lot. All such accessory structures shall conform to every provision of these covenants and shall be constructed simultaneously with or subsequent to the construction of the principal dwelling located on the same lot.

2. All plans and specifications for any structure or improvement whatsoever to be erected on or moved upon or to any portion of any lot, and the proposed location thereof, the construction material, the roofs and exterior color schemes, and any later changes or additions thereto shall be subject to and shall require the approval in writing of the Architectural Control Board, hereinafter called "Board", as the same from time to time is composed, before any such work is commenced. The Board shall be composed of three (3) members to be appointed by Horizon Development Corporation. Board members shall be subject to removal by Horizon Development Corporation and any vacancies from time to time existing shall be filled by appointment of Horizon Development Corporation; provided, however, that at any time hereafter Horizon Development Corporation may, at its sole option, relinquish to Waterwood Improvement Association, Inc., the power of appointment and removal herein reserved to Horizon Development Corporation. Such transfer of powers shall be evidenced in writing.

3. There shall be submitted to the Board on forms approved by the Board an application for a permit to build, together with two complete sets of plans and specifications for any and all proposed improvements and alterations which are desired and no improvements of any kind shall be erected, placed or maintained upon any lot until the final plans, elevations and specifications therefor have received such written approval as herein provided. Such plans shall include plot plans showing the location on the

lot of the building, wall, fence, landscaped areas (including any proposed rearrangement of the native vegetation), or other improvement proposed to be constructed, altered, placed or maintained, together with the plans for roofs and exteriors thereof. Such applications shall be accompanied by a reasonable filing fee to be determined and set by the Board, said fee to defray the Board's expenses.

4. The Board shall approve or disapprove plans, specifications and details within forty-five (45) days after receipt thereof. One set of such plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the person submitting them and the other copy thereof shall be retained by the Board for its permanent files. The Board shall advise the applicant of the reason for the disapproval and suggest acceptable changes. In the event the Board fails to approve or disapprove any plans which have been submitted to it within forty-five (45) days from receipt thereof, approval shall not be required and the related covenants shall be deemed to have been fully complied with.

5. The Board shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with all of the provisions of these restrictions, if the design or color scheme of the proposed improvements is not in harmony with the general surroundings of the real property or with existing adjacent improvements and natural environment, if the plans and specifications submitted are incomplete, or in the event the board deems the plans, specifications or details or any part thereof to be contrary to the interest, welfare or rights of owners of the lots covered hereby. The decisions of the Board shall be final.

6. No approval of the plans or permit to build shall be issued by the Board until the person applying for the same shall file proof with the Board of the payment of the applicable Capital Improvement Charge specified in the General Warranty Deed and Declaration of Covenants filed of record in the Deed Records of the county wherein the herein described property is located by the Waterwood Improvement Association, Inc., covering the lots described in Schedule A hereof.

7. Neither the Board, Horizon Development Corporation nor any architect or agent thereof shall be responsible in any way for any defects of any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications.

8. The native growth on any lot shall not be destroyed or removed from any lot, except such native growth as may be necessary for the construction and maintenance of roads, driveways, residences, garages, accessory buildings and/or walled-in service yards and patios, which native growth shall not be removed prior to commencement of construction and unless written permission is first obtained from the Board. In the event such growth is removed, except as stated above, the Board may require the replanting or replacement of same, the cost thereof to be borne by the lot owner. Anything to the contrary notwithstanding the property owners may remove with prior written permission of the Board native growth which is dead, unhealthy, detrimental to the remaining growth or otherwise undesirable for the maintenance of healthy and attractive natural vegetation. However, nothing shall be done which will change the general character of those areas where native growth is required to be maintained. Provided, that as to any lot with a boundary on the shoreline of the lake, no alteration of the shoreline configuration or of the natural topography of the land defined by the flowage easement line and the shoreline shall be permitted without prior written approval of the Board. Further, bulkheadings shall be provided by the property owner if necessary for erosion control

and the materials and design of any bulkheading shall have the prior written approval of the Board. Provided further, that as to any lot with a boundary contiguous to any golf course, no trees may be pruned higher than eight (8) feet for the sole purpose of securing view to the golf course and no tree removal for the purpose of securing view of the golf course shall be permitted within that portion of the lot which is defined by the extension of the side yard setback line into the rear yard setback. Within the remainder of the rear yard fifty (50%) percent of the trees may be removed at the discretion of the owner to permit view of the golf course.

9. No structure shall be constructed that exceeds thirty (30) feet in height. The height of the structures shall be measured from the natural grade at the highest elevation beneath the structure to the highest point of the roof or any projection. The Board may grant a waiver of this requirement in the event that rigid adherence to this requirement would work undue harship on the owner. The living area measured to the outside walls of the principal dwelling shall not be less than eleven hundred (1100) square feet; should the dwelling be more than one (1) story in height the ground floor living area of such dwelling shall not be less than eight hundred (800) square feet except as provided further in this paragraph. The Board may permit a variance from the minimum square footage requirement but in consideration of this variance consideration shall be given to a greater front setback than required herein. The Board shall have the authority to set up regulations as to height, design and material content of any walls and fences enclosing yards or patios. Provided further, as to any lot which has a boundary contiguous with any golf course, no property fence, wall or berm shall be erected, altered or maintained on any lot without the prior written approval of the Board. Further, all materials used for the construction of any such fence or wall facing the golf course shall have the prior written approval of the Board. No such fence or wall located on the lot side which is contiguous to the golf course shall be higher than forty-two (42) inches and in the case of any berm so located, it shall be a maximum of forty-two (42) inches measured from the point on the uphill side where the berm meets existing grade. No such lot shall have direct access to a golf course except as provided by the regulations covering such course. Provided further, as to any lot contiguous to a golf course or the lake, the minimum square footage of living area of such dwelling shall be fifteen hundred (1500) square feet; in determining whether this minimum has been met one-half (½) of the square footage of any enclosed, attached garage may be counted.

10. Unless otherwise designated on the plat all lots shall have the following building lines which shall be measured from the nearest projection of any portion of principal dwellings or other accessory buildings: A front setback of not less than twenty-five (25) feet in depth from the front lot line; provided that the three tier lake front lots shall have a front setback of not less than fifteen (15) feet. The accessways within the three tier lots shall be considered to be within the lot setback. A lake front lot has a boundary contiguous with the lake or an easement providing pedestrian access to the lake over a portion of the intervening lot situate on the cul-de-sac common to both lots. All lots shall have a rear setback of not less than six (6) feet in depth from the real lot line. All lots shall have a minimum side setback of five (5) feet in depth from the side boundary of the lot. Lots with a side boundary facing on any street shall have a side setback of not less than fifteen (15) feet in depth from the lot line contiguous with the street right-of-way. Lots with a rear boundary facing on any Parkway shall have a setback of not less than thirty (30) feet in depth from the rear lot line. For purposes of determining the front setback line of any lot located at the intersection of streets adjacent to such lot, that lot line which is common to the front lot line of interior lots situated

on the same side of the access street shall be considered the front thereof. Provided further, as to any lot which has a rear lot or side lot line contiguous with a golf course or the lake, the rear or side setback line shall be not less than fifteen (15) feet from the rear or side line respectively. Should the Trinity River Authority flowage easement be greater than fifteen (15) feet from the lake, construction therein shall be subject to the Authority's regulations pertaining to flowage easements. Notwithstanding any other provision hereof, nothing in these covenants shall be so interpreted as to prohibit the owner or owners of contiguous lots from erecting dwelling units whether attached or detached in disregard of the common side or rear lot lines of said contiguous lots so long as the density of use created by such construction shall not exceed the density of use which would be created by the construction of one single family detached dwelling on each such contiguous lot and provided that such owner or owners shall not violate front yard setbacks hereinbefore set forth nor shall such owner or owners construct any such dwelling units closer than seven (7) feet to any side lot line common with a lot not owned by said owner or owners nor closer than ten (10) feet to any rear lot line common with any lot not owned by said owner or owners. Notwithstanding any provision hereof, an owner of seven (7) lots each of which contains ten thousand (10,000) square feet or more in a contiguous row or in two (2) continuously adjacent rows of adjacent lots with each row sharing common back boundary and neither row extending more than one-half (½) lot width beyond the other shall be entitled to construct a cluster not to exceed eight (8) single family dwellings thereon. Further, each additional aggregation of such lots under common ownership shall be entitled to the total number of dwellings as set forth in Schedule B attached and made a part hereof. Any such owner or owners of contiguous lots desiring to construct any such dwellings over or upon any easements as dedicated on the plat shall first make all necessary arrangements and agreements with any governmental agency or utility company which have any rights under, on or over said easements as to the relocation and vacation thereof. The front building line, the exterior side building lines and the exterior rear building lines shall remain as above.

11. Any lot with a lot line on more than one street shall have driveway and walkway access only to the street having the narrowest right-of-way.

12. No business or professional service of any nature shall be conducted on any lot, and no building or structure intended for or adapted to business or professional purposes, and no apartment house, double house, flat building, lodging house, roominghouse, hotel, hospital or sanitarium shall be erected, placed, permitted or maintained on any lot. No room or rooms in any principal residence, nor any accessory buildings, or parts thereof, may be rented or leased to others by the owner or owners of any lot; nothing in this paragraph, however, shall be construed as preventing the renting or leasing of an entire lot, together with its improvements.

13. No air conditioning condensing unit and fan, evaporative cooler or other object, which in the opinion of the Board is unsightly, shall be placed upon or above the roof of any dwelling or other building except where it is architecturally concealed from view in plans submitted to and approved by the Board and then only when, to the satisfaction of the Board, the same is not aesthetically objectionable and is otherwise in conformity with the overall development of the property.

14. No butane or other tank used for storage of gas or liquids for fuel shall be placed on a lot unless the same is architecturally

concealed from view. In the event natural gas is made available to any lot, then the owner thereof shall properly connect with the source of natural gas and discontinue the use of butane gas.

15. All mailboxes shall be located in such areas as designated by the Board and shall be of such design and construction as required by the published guidelines of the Board.

16. No hunting or discharging of firearms shall be allowed on the land described in Schedule A except in such areas or on such lot as Horizon Development Corporation, its successors or assigns, or Waterwood Improvement Association, Inc., may designate.

17. No animals or fowl other than ordinary household pets commonly housed in a residence shall be permitted on any lot and the breeding or maintaining of such animals or fowl for commercial purposes shall not be permitted.

18. No resubdivision of residential lots shall occur unless prior written approval has been granted by the Board and such subdivision results in the creation of lots meeting all minimum standards of adjacent or surrounding lots and which, by determination of the Board, shall be in keeping with the general character of the existing or proposed adjacent residential development. All structures of any nature shall be constructed in accordance with and inside all applicable building lines and setback lines defined herein or as shown on the recorded plat. All restrictions as to building line setbacks, structure heights and living area requirements of dwelling may be modified by the Board where strict enforcement thereof may create an undue hardship because of special site conditions and/or a deviation therefrom is considered by the Board to be advantageous to the subdivision and in keeping with the spirit of the restrictions herein, provided that such modification may not be granted as to the number of bonus units.

19. No building, structure, wall, fence, garage, carport, accessory building or landscaping shall be maintained on any lot in such a manner as in the opinion of the Board may obstruct traffic sight lines and/or create traffic hazards.

20. Easements for the installation and maintenance of utilities are reserved as indicated on the recorded plat and no structure, planting or other materials except as specifically approved by the Board shall be constructed or maintained within any such easements; nor may anything be done which may alter in any way the direction or flow of water through the natural drainage channels within the easements. Provided, however, that this shall not prevent the changing of any such channels within the easements which, in the opinion of the Board, shall be an upgrading of the same.

21. All driveways shall have minimum width of ten (10) feet and meet all minimum standards for driveway construction as specified in the guidelines published by the Board. Where driveway access enters streets at points where landscaping, boundary structures or other visual barriers are located which may create a potential traffic hazard, such driveway access shall be installed and maintained so as to provide adequate sight lines from the vehicle onto the streets.

22. No mobile home, trailer of any kind, truck, camper or boat shall be kept, placed or maintained on a residential lot except in a carport, garage or in an outside storage area screened from view from streets. No mobile home, trailer or temporary structure of any nature whatsoever shall be used for occupancy either temporarily or permanently.

23. All on-site utility connections, including water, gas and sewer lines, power, telephone and television cables shall be located underground. The Board may issue variances as to the above where strict enforcement may impose an undue hardship.

24. No water well or other independent water supply or facilities shall be constructed or maintained within any residential area as long as there is available to such a residential area a source of water supply through one or more community water distribution systems. Nor shall any such well or water supply be installed without the approval of the Municipal Utility District within which the lot is located and, further, any such approval may be of the condition that when water is available from a community water distribution system that any such private water well or water facility shall be abandoned.

25. No exterior radio tower or antenna shall be installed or maintained on any lot. No exterior television tower or antenna or FM antenna shall be installed or maintained on any lot without the express prior written permission of the Board. Such permission shall only be good for so long as cable television is not available. Upon the installation of cable television facilities all exterior television towers, antennas and FM antennas shall be removed by the lot owner. Only Horizon Properties Corporation, its successors or assigns, shall have the right and authority to install cable television facilities on the property herein.

26. All chimneys, flues, vents for fireplaces and open flame heating units shall have U.S. Forestry Service Approved Spark Arresters attached in an approved manner.

27. All site improvements and structures shall be built, erected, altered or maintained in such a manner as to preserve as nearly as possible the land in its natural state.

28. All exterior lighting shall be constructed in a functional manner so as to enhance the overall appearance of the community. All such exterior lighting shall be installed in such a manner so as not to create a nuisance to occupants of adjacent lots, users of the golf course and the lake or users of adjacent streets.

29. No signs whatsoever, including commerical, political or other similar signs, visible from adjoining lots, golf course, the lake or streets, shall be permitted on any lot except as follows: such signs as may be required by legal proceedings; residential identification signs of a combined total face area of one and one half (1½) square feet or less; during the time of construction of any residence or other improvement one job identification sign having a maximum total face area of twelve (12) square feet; not more than one "for sale" or "for rent" sign having a maximum face area of three (3) square feet; flashing, lighted or moving signs shall not be permitted. No sign of any description or supports or braces for signs, shall be nailed or spiked to any tree. All signs must be on their own supporting standards. Advertising banners, pennants and wind powered devices will not be permitted. All signs including proposed location, sizes and colors shall be reviewed by the Board and must receive prior written approval from the Board before installation. The Board may issue variances as to the above on such conditions and for such time periods as it may deem necessary. Provided further, that in no event shall any sign on any lot be visible from the lake or from the golf course except as may be required by legal proceedings.

30. All buildings, landscaping, fences, drives, parking areas and any other improvements shall be maintained in good and sufficient repair and such premises shall be kept painted, windows glazed and the property otherwise maintained in an aesthetically pleasing manner as determined by the Board. All owners of property shall be responsible for keeping their lots free from debris, rubbish or trash of any kind. Landscaping shall be properly maintained by the owner of the property, whether said property is occupied or not, in a neat and adequate manner which shall include lawns mowed, underbrush cleared, hedges trimmed, watering when necessary and removal of weeds from planted areas. No owners of any lots shall be permitted to store wrecked or disabled motor vehicles

on a lot or any street nor shall any lot or street be used for the repair, reconstruction or modification of motor vehicles.

31. All laundry drying yards shall be screened from view from the streets, neighbors, golf course, the lake and common areas. Trash, garbage and other wastes shall be stored in sanitary containers so situated as to be accessible to the service agency responsible for collection of said wastes and such area screened from view from adjacent properties, golf course, the lake and from the street. No obnoxious, offensive or illegal activities shall be carried on on any lot nor shall anything be done on any lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

32. Each developed single family residential lot shall contain sufficient parking space for at least one (1) automobile by one of the following means: (a) a garage or carport either attached to or detached from the main structure or (b) an exterior parking area screened from view of adjacent lots, golf course or the lake.

33. Except as provided in paragraph 22, no mobile home, trailer, tent, garage or other out building shall be placed or erected temporarily or permanently on any lot; provided, however, the Board may grant permission for any temporary structure for storage of materials during construction. No such temporary structures as may be approved shall be used at any time as a dwelling place. Such approved temporary structure shall be removed upon completion of the construction for which permission was granted.

34. No pier or float for the mooring of boats or other water craft shall be erected, altered or maintained without the prior written approval of the Board and no such pier or float shall extend beyond the side yard setback lines of the lot served. Provided further, all such piers and floats shall be constructed of materials which shall blend harmoniously with the natural and architectural environment. Provided further, no boat storage facility, boat house or other structural cover for boats shall be erected, altered or maintained on any lake front lot without the prior written approval of the Board nor shall any such storage facility, boat house or other structural cover for boats protrude into the lake but shall be constructed entirely within the property boundaries and shall be constructed of such materials as shall blend harmoniously with the natural environment as well as be architecturally compatible with other structures constructed upon such lots. In constructing any such storage facilities tree clearance shall be minimized and no trees shall be removed without the prior written approval of the Board.

35. No houseboat shall be permitted to be maintained or moored at any pier or float of a lake front lot without the prior written approval of the Board and, the keeping of houseboats on the lake shall be conditioned upon the meeting of all rules and regulations of the Trinity River Authority, including regulations pertaining to the disposal of waste from water craft.

36. After the Board has issued a permit to build and construction of buildings has commenced all improvements must be substantially completed in accordance with the plans and specifications, as approved, within one (1) year from the date such permission is given. If the owner fails to comply with the above conditions, any approval given shall be deemed revoked unless, on written request of the owner made to the Board prior to the expiration date of the designated one (1) year period, the Board may extend the time for commencement and completion. During construction, all building sites shall be kept clear on a weekly basis, and all trash, rubbish and debris removed from the construction site after any construction is completed. Burning of any and all trash, rubbish and debris is prohibited within the subdivision, except for burning of stumps required for construction clearance. Disposal of all trash, rubbish and debris must be accomplished in accordance

with procedures established by the Board. On completion of construction of improvements, exposed openings shall be backfilled and disturbed grounds shall be graded, leveled, paved or landscaped. Ground areas disturbed by grading construction activities shall be replanted or restored at the earliest opportunity.

37. Upon completion of construction, notification in writing shall be given to the Board so that it may determine compliance with these covenants and grant a certificate of occupancy without which no building may be occupied. The Board shall have ten (10) days from receipt of such notice in writing within which to act.

38. The approval or disapproval as required in these covenants shall be in writing and shall be based upon consideration of each submission conforming to the Board's published guidelines and any and all environmental design guidelines which may have been adopted by said Board. In the event there is a conflict between the Board's published guidelines and any environmental design guidelines which may be adopted, the environmental design guidelines shall take precedence.

39. In the event that any one or more of the provisions, conditions, restrictions and covenants herein set forth shall be held by any court of competent jurisdiction to be null and void, all remaining provisions, conditions, restrictions and covenants set forth herein shall continue unimpaired and remain in full force and effect.

IN WITNESS WHEREOF, HORIZON DEVELOPMENT CORPORATION, a Delaware corporation, has caused these presents to be executed on the 14th day of May, 1974.

HORIZON DEVELOPMENT CORPORATION

ATTEST:

Helen M. Kottelhut
Assistant Secretary

By L. E. Steele
Vice President

STATE OF ARIZONA)
) ss
COUNTY OF PIMA )

Before me, the undersigned authority, in and for said county and state, on this day personally appeared L. E. Steele, Vice President of Horizon Development Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as Vice President of said corporation, and as the act and deed of said corporation and for the purpose and consideration therein expressed.

Given under my hand and seal of office this 14th day of May, 1974.

Reta F. Adamare
Notary Public

My commission expires:

May 6, 1976

SCHEDULE A

All lots in Replat Unit I Waterwood Country Club Estates, a subdivision in San Jacinto County, Texas, according to the plat thereof on file for record in the Office of the San Jacinto County Clerk EXCEPT Lot 11 of Block 4, Lots 18 and 21 of Block 5, Lot 1 of Block 10, Lot 1 of Block 11 and Lot 1 of Block 12 and FURTHER EXCEPT Golf Course Tracts therein; and

Lots 1-25 of Block 4, Lots 1-28 of Block 5, Lots 1-10 of Block 6, Lots 1-16 of Block 7, Lots 1-16 of Block 8, Lots 1-11 and 13-20 of Block 10, Lots 1-29 of Block 16 and Lots 1-29 of Block 17 in Replat Unit II Waterwood Country Club Estates, a subdivision in San Jacinto County, Texas, according to the plat thereof on file for record in the Office of the San Jacinto County Clerk; and

All lots in Replat Unit III Waterwood Country Club Estates, a subdivision in San Jacinto County, Texas, according to the plat thereof on file for record in the Office of the San Jacinto County Clerk EXCEPT Lots 1-4 of Block 1, Lots 1-5 of Block 6 and Lot 1 of Block 7 and FURTHER EXCEPT Golf Course Tracts and Green Belt Reserves therein.