

107

5723 GENERAL WARRANTY DEED
AND DECLARATION OF COVENANTS

THE STATE OF TEXAS)
)
COUNTY OF SAN JACINTO) KNOW ALL MEN BY THESE PRESENTS:

THAT, PUTTERS POINT HOMEOWNERS ASSOCIATION, a Texas non-profit corporation ("Grantor", also referred to sometimes hereinafter as "the Association"), for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration to it in hand paid by HORIZON DEVELOPMENT CORPORATION, a Delaware corporation, qualified to do business in Texas ("Grantee"), the receipt and sufficiency of which are hereby acknowledged, has GRANTED, SOLD and CONVEYED and by these presents does GRANT, SELL and CONVEY unto Grantee, subject to the remaining terms and provisions hereof, those certain tracts or parcels of land situated in the County of San Jacinto, State of Texas, and more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes, together with, all and singular, the rights and appurtenances thereto in anywise belonging.

TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said Grantee, its successors and assigns, forever; and Grantor hereby binds itself, its successors and assigns, to WARRANT and FOREVER DEFEND all and singular the said premises unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject, however, to all rights-of-way, easements, reservations, encumbrances and other exceptions of record and further subject to the provisions, covenants, easements, reservations and restrictions contained in the Articles set forth below:

ARTICLE I - DEFINITIONS

For the purposes hereof, unless the context otherwise requires, the terms defined in this Article have the following meanings:

- 1.1. "Association" means the Putters Point Homeowners Association, a Texas non-profit corporation, and any non-profit corporation which succeeds to all or substantially all its assets by any merger, consolidation or transfer of assets.
- 1.2. "Board" means the Board of Directors of the Association.
- 1.3. "Common Properties" means any property, real or personal, hereafter conveyed to or otherwise acquired by the Association and so long as the property is owned by the Association.
- 1.4. "Grantee" means Horizon Development Corporation, a Delaware corporation, and any entity which succeeds to all or substantially all of the land by any merger, consolidation or transfer of the land described in Exhibit "A".
- 1.5. "Land" means those certain lots or parcels of land described in Exhibit "A" attached hereto, and any other parcel of land owned as of the date hereof or later acquired by the Grantee and subjected to the terms of this Declaration.
- 1.6. "Lot" means any parcel or subdivided portion of the land (whether described by metes and bounds or by lot

number in accordance with a plat filed of record) which is held by an owner.

1.7. "Owner" means any person or entity (whether one or more) who is purchasing or has purchased under contract for deed, deed or other instrument, any parcel of the land, but owner shall not mean (i) the United States of America, the State of Texas or any municipal corporation or political subdivision or agency of the State of Texas; (ii) any person or entity holding only a lien, easement, mineral interest or royalty interest burdening such parcel; (iii) the Association; or (iv) the Grantee.

1.8. "Lot Improvement" means any improvement or landscaped area situated upon a lot held by an owner constructed in accordance with restrictions of record applicable to such lot.

ARTICLE II - ASSESSMENT OF CHARGES

2.1. The Association, by action of the Board, shall have the right to levy and collect from time to time as herein provided certain charges described hereinafter (sometimes referred to herein as "charges") against each lot to obtain such funds as the Board shall deem reasonably necessary to satisfy the purposes stated in Section 2.11 and 2.12 including reasonable reserves for contingencies and for capital improvements to common properties, replacements and repairs. Each owner of a lot, by execution of a contract for deed covering such lot, or by acceptance of a deed or other conveyance therefore, whether or not it shall be so expressed in any such contract for deed, deed or other conveyance, shall be deemed to covenant and agree to pay the Association the charges, which shall be charged on and secured by a continuing lien on the lot against which such charges are made. Such charges, together with such interest thereon and the cost of collection thereof as are hereinafter provided for, shall also constitute the personal obligation of the owner of such lot as such charges accrue or become due and payable, notwithstanding any subsequent transfer of such lot. Such personal obligation shall not pass to such owner's successors in interest unless expressly assumed by them, but shall be secured by the continuing lien referred to above.

2.2. In each calendar year, a charge herein sometimes called the "annual charge" shall become due and payable on such lot on December 31 of said year if collected annually or on the last day of each and every month if collected monthly, and delinquent on March 31 of the following calendar year. The amount of the annual charge if collected annually on any lot in the year in which such lot is purchased or otherwise acquired from the Grantee by the owner thereof shall be an amount which bears the same relationship to the annual charge as the remaining number of months of such year bears to twelve, commencing with the first day of the first calendar month after such purchase or acquisition. The annual charge for such year shall be due and payable on December 31 of such year and delinquent on March 31 of the following year.

2.3. The annual charge shall be levied on each lot on a uniform basis at \$180.00 per annum until the swimming

109

pool facility to be situate on Lot 31 is constructed, then at \$360.00 per annum.

- 2.4. In addition to the annual charge authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common properties, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the owners who are voting in person or by proxy at a meeting duly called for this purpose.
- 2.5. Both annual charges and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.
- 2.6. The Board will cause to be prepared a roster of all lots showing the amount of such charges, which roster shall be kept in the office of the Association and shall be open to inspection by any owner. For a reasonable fee to be paid at the time a request is made, the Association shall furnish, upon request of any owner, a certificate in writing signed by an officer of the Association setting forth whether there are any unpaid charges against said lot and the amount of unpaid charges, if any. Such certificates shall be conclusive evidence of payment of any charge therein stated to have been paid, as to any third party who in good faith relies thereon to his economic detriment.

2.7.

If the annual charge or special assessment is not paid by March 31 immediately following the December 31 on which it becomes due, such charge shall automatically (without notice) become delinquent, and together with interest at the rate of ten percent per annum from that date and the cost of collection provided for herein shall thereupon be secured by a continuing lien upon the lot against which the charge was levied, including improvements thereon, which shall bind such property in the hands of the then owner thereof, his heirs, devisees, personal representatives, successors and assigns; and the Association may bring an action at law against the owner personally obligated to pay the same or an action at law to foreclose the lien securing the charge, and there shall be added to the amount of such charge all reasonable expenses of collection, including the cost of preparing and filing the petition, reasonable attorneys' fees and costs of court.

2.8.

The lien securing any charge provided for herein shall be subordinate to the lien of any mortgage(s) now or hereafter placed upon any of the land subject to the charge for the purpose of securing the indebtedness incurred to purchase or improve any of such land (including any vendor's lien, right of re-entry or other remedy retained by Grantee as seller of any parcel of such land pursuant to any contract for deed covering same); provided, however, that such subordination shall apply only to the charges which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, a foreclosure by trustee's sale under a deed of trust, a conveyance in lieu of foreclosure or a right of re-entry or repossession by Grantee pursuant to a contract for deed. Such sale or

110

transfer shall not release such property from liability for any charge thereafter becoming due, nor from the lien securing any such subsequent charge. In addition to the automatic subordination provided for herein, the Association in the discretion of the Board, may subordinate the lien securing any charge provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as the Board may determine.

2.9.

Annually, the Board shall increase or decrease the annual charge set forth in Section 2.3 above by a fraction the numerator of which is the then current Engineering News Record Cost Index of the Engineering News Record (published by McGraw-Hill), or any successor index, and the denominator of which is the said Index as of June 1, 1977. In the event publication of said Index (or any successor index) is discontinued by the publisher at any time, the applicable index for determining increases or decreases hereunder shall be designated by the Board.

2.10.

The Association shall not be obligated to spend in any calendar year any part of or all the funds collected in such year and shall carry forward as surplus any balances remaining; nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the charges in the succeeding year, but shall carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the effectuation of its purposes.

2.11. The Association shall apply requisite funds received by it, from whatever source, for the purposes set forth below:

- A. To repay all principal and interest, when due, and premium, if any, on any notes, bonds, debentures, or other evidences of indebtedness issued and sold by the Association and to meet all contractual obligations of the Association;
- B. To pay all costs and expenses of the Association; and
- C. To improve, repair and maintain the capital improvements, including any fixtures and personal property located on the common property.

2.12. The Association shall apply funds received by it, from whatever source, for the benefit of the land in the manner set forth below, it being understood, however, that unless projected future revenues and funds remaining in hand are sufficient for the purposes set forth nothing herein shall require the Association to apply any funds for any of the purposes set forth below:

To improve, beautify, maintain, manage and otherwise develop the land, and to promote the recreation, health, safety, convenience and welfare of the owners by the acquisition, construction, reconstruction, alteration, enlargement, laying, renewing, replacement, repair, maintenance, operation and subsidizing of any of the following: projects, facilities, studies, programs, systems and properties relating to parks, recreational

111
areas or services, including ponds, swimming pools, parks, tennis courts, playgrounds, trees, flowers and landscaping, fountains, benches and shelters; walkways, curbing, gutters, sidewalks and streets, street lighting facilities; parking facilities; directional and information signs; and any and all other improvements, facilities and services that the Board shall find to be necessary, desirable or beneficial to the interest of the owners of the land.

Nothing in this Declaration shall be construed to restrict the rights and powers of the Association to:

- (i) assign and pledge all or any part of any funds received by it from any source whatsoever; or
- (ii) enter into a contract with the holders of any notes, bonds, debentures or other evidence of indebtedness issued and sold by the Association, agreeing for the benefit of such holders
 - (a) to assess or collect the charges when the same shall become due and payable; to establish sinking funds or other security deposits; to apply all funds received by the Association first to the payment of the costs of collection and then to the payment of all principal and interest, when due, on any such evidences of indebtedness;
 - (b) to establish such collections, payments and lien enforcement procedures as may be required by such holders; and
 - (c) to provide for the custody and safeguarding of all funds received by the Association.

ARTICLE III - RIGHTS OF ENJOYMENT IN COMMON PROPERTIES

- 3.1. Subject to the provisions of Section 3.2., Grantee and every owner shall have a common right and easement of enjoyment in the common properties, and such rights shall be appurtenant to and shall pass with every lot.
- 3.2. The rights and easements of enjoyment created hereby in favor of Grantee and the owners shall be subject to the rights and easements now existing in favor of Grantee or others as referred to or provided for herein, and shall also be subject to the following rights of the Association:
- (i) The Association shall have the right to borrow money and in aid thereof to mortgage common properties, and the enjoyment rights granted under this Article III shall be subordinate to the rights of any such mortgagee;
 - (ii) The Association shall have the right to take such steps as are reasonably necessary to protect the common properties against a foreclosure of any such mortgage;
 - (iii) The Association shall have the right to suspend the enjoyment rights of any owner for

112
any period during which the annual charge or other amount owed by such owner to the Association remains unpaid;

- (iv) The Association shall have the right to promulgate reasonable rules and regulations governing the owners' use and enjoyment of the common properties, and to suspend the enjoyment rights of any owner for any period not to exceed sixty days for any infraction of such rules and regulations;
- (v) The Association shall have the right to assess and collect the annual charge, either monthly or annually as provided for herein, and to charge reasonable admission and other fees for the use of any facilities which are a part of the common properties and in charging such admission and other fees, to establish reasonable classifications among owners for the purpose of implementing any rules and regulations promulgated by the Association hereunder;
- (vi) The Association shall have the right to rent or lease any part of the common properties for the operation (for profit or otherwise) of any service activity intended to serve a substantial number of owners, such as, but not limited to, child care nurseries.

112
3.3. Subject to the provisions of (iv) and (v) above, each owner shall have the right to extend rights and easements of enjoyment vested in him hereunder to the members of his family and/or to his tenants who reside on the land and to such other persons as may be permitted by the Association.

ARTICLE IV - TERM

- 4.1. Except as provided in Section 4.2 below, all covenants set forth or provided for herein shall be deemed covenants running with the land and/or charges and liens upon the land and any and every conveyance or transfer of any part of the land shall be absolutely subject to said covenants whether or not it shall be so expressed in the deed, lease or other conveyance thereof. These covenants shall continue in full force and effect until January 1, 2017, and shall automatically be extended thereafter for successive periods of ten years provided, however, that the record owners of two-thirds of the lots may revoke, amend or supplement this Declaration of Covenants at any time by executing and acknowledging an appropriate agreement or agreements, in writing, for such purpose and filing the same for record in the Office of the County Clerk of San Jacinto County, Texas.
- 4.2. Notwithstanding any provision of this Declaration, the right of the Association to levy and collect the charges shall not be subject to termination or reduction by any revocation, amendment or supplement of this Declaration; provided, however, that the Board shall have the authority at any time and from time to time to reduce or eliminate the assessment of the charges if the Board determines within its sole discretion that the funds received from the collection of the charges are no longer needed

because (i) all obligations have been fulfilled or (ii) adequate funds are available and assured from other sources. 114

ARTICLE V - MISCELLANEOUS

- 5.1. It is expressly provided that Grantee shall have the right (but not the obligation) to impress the terms and charges imposed by this Declaration upon any other tracts belonging to or later acquired by the Grantee; and that the Grantor shall have the further right to apply the charges collected against the tracts described in Exhibit "A" hereto, and the charges collected against any such other tracts, for the benefit of any or all the land without distinction among tracts so long as the terms of this Declaration are otherwise complied with in such application of charges, it being understood, however, that the amounts of such charges may vary depending upon the obligation of Putters Point Homeowners Association assumed as to any property of Grantee later impressed as provided herein.
- 5.2. No change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions hereof.
- 5.3. The determination of any court that any provisions hereof are unenforceable or void shall not affect the validity of any other provision hereof.

5.4.

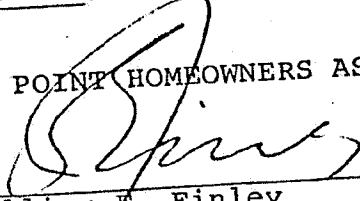
The Association shall be empowered to assign its rights hereunder to any successor non-profit corporation and upon any such assignment, such successor shall have the rights and be subject to all the duties of the Association hereunder and shall be deemed to have agreed to be bound by all the provisions hereof, to the same extent as if such successor had been the original party hereto, and all references herein to the "Board" shall thereupon refer to the Board of Directors of such successor corporation. Any such assignment must be accepted by such successor corporation under written agreement pursuant to which such successor corporation expressly assumes all duties and obligations of the Association hereunder. If for any reason the Association shall cease to exist without having first assigned its rights hereunder, the covenants, easements, charges and liens imposed herein shall nevertheless continue, and any owner may petition a court of competent jurisdiction to appoint a trustee for the purpose of organizing a non-profit corporation and assigning to it the rights of the Association hereunder.

5.5.

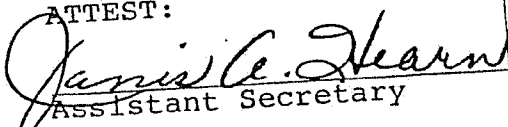
All titles and headings to the Articles herein are for the purpose of reference and shall not be deemed to limit, modify or otherwise affect any of the provisions hereof.

115
EXECUTED this 14th day of November, 1977.

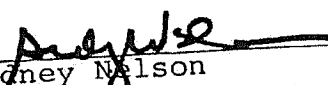
PUTTERS POINT HOMEOWNERS ASSOCIATION

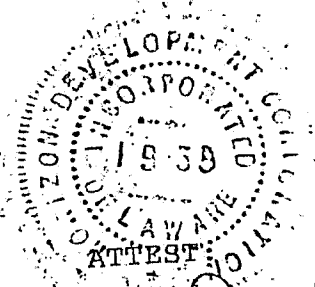
By 
William E. Finley
President

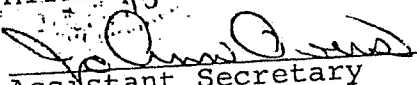
ATTEST:


Assistant Secretary

HORIZON DEVELOPMENT CORPORATION

By 
Sidney Nelson
President

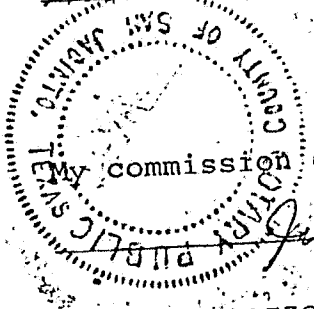



Assistant Secretary

STATE OF TEXAS)
) ss
COUNTY OF SAN JACINTO)

Before me, the undersigned, a Notary Public, in and for said County and State, on this day personally came and appeared William E. Finley, President of Putters Point Homeowners Association, a Texas non-profit corporation, 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, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office, this 21 day of November, 1977.



My commission expires:

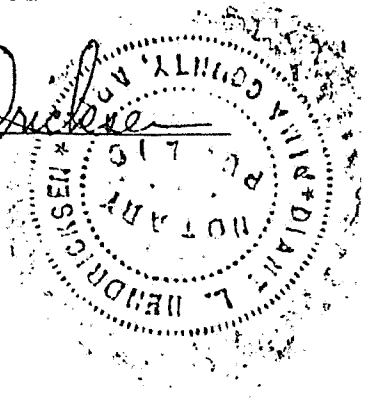
STATE OF ARIZONA)
) ss
COUNTY OF PIMA)

Mary Parker
Notary Public in and for San Jacinto
County, Texas

Before me, the undersigned, a Notary Public, in and for said County and State, on this day personally came and appeared Sidney Nelson, President of Horizon Development Corporation, a Delaware corporation, 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, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office this 14th day of
November, 1977.

Wm. L. Hendricks
Notary Public



My commission expires:

October 20, 1979

EXHIBIT "A"

Lots 1 through 30 of Putters Point, a subdivision within San Jacinto County, Texas, according to the plat thereof on file for record in the Office of the San Jacinto County Clerk in Book 5 of Plat Records at page 25.

15876

STATE OF TEXAS
COUNTY OF SAN JACINTO I, MRS. IMOGENE H. TRAPP, COUNTY CLERK OF SAN JACINTO
COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT WAS FILED IN MY
OFFICE ON THE 30th DAY OF Nov. A. D., 19 77 AT 3:30 O'CLOCK
P. M. AND DULY RECORDED THIS 30th DAY OF Nov. A. D., 19 77
AT 4:40 O'CLOCK P. M. IN THE D E E D RECORDS OF SAID
COUNTY, IN VOLUME 170 ON PAGES 107 et seq.

WITNESS MY HAND AND THE SEAL OF THE COUNTY COURT OF SAID COUNTY, AT
OFFICE IN COLD SPRINGS, THE DAY AND YEAR LAST ABOVE WRITTEN.

Imogene H. Trapp CLERK
COUNTY COURT, SAN JACINTO COUNTY,

BY _____ DEPUTY

5723

PUTTERS POINT HOMEOWNERS
ASSOC.

TO

HORIZON DEVELOPMENT
CORPORATION

GENERAL WARRANTY DEED
AND DECLARATION OF
COVENANTS
FILED
FOR RECORD

NOV 30 1977
3:30 P.M.

RETURN TO: MRS. IMOGENE H. TRAPP, COUNTY CLERK
SAN JACINTO COUNTY, TEXAS

SMITHER, MARTIN & HAGGARD
1107 University Avenue
Huntsville, Texas 77340

B 2/02

117

5724 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 scheme 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 described in Schedule A attached these covenants and restrictions may be amended at any time by Horizon Development Corporation, its successors or assigns; thereafter these covenants and restrictions may be amended at any time by the vote of the owners of eighty (80%) per cent of the lots. 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 patios, barbecues and such storage structures as are necessary and any 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 Properties 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 schemes 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 residences, accessory buildings, walkways 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.

9. No structure shall be constructed that exceeds thirty (30) feet in height. The height of the structures shall be

119
measured from the natural grade at the highest elevation beneath the structure to the highest point of the roof on any projection. The Board may grant a waiver of this requirement in the event that rigid adherence to this requirement would work undue hardship on the owner. The living area measured to the outside walls of the principal dwelling shall not be less than seven hundred (700) 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 four hundred (400) square feet. The Board may permit a variance from the minimum square footage requirement. 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.

10. 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 except that a bedroom-bathroom combination with a separate outside entry thereto being a part of the principal residence may be rented provided that no kitchen facilities shall be contained therein; nothing in this paragraph, however, shall be construed as preventing the renting or leasing of an entire lot, together with its improvements.

11. 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.

12. 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.

13. 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.

14. No hunting or discharging of firearms shall be allowed on the land described in Schedule A.

15. 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.

16. 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. Minimum setback requirements may be modified by the Board in response to special site conditions.

17. No building, structure, wall, fence, 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.

18. Easements for the installation and maintenance of utilities and for ingress, egress and regress 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.

19. No mobile home, trailer of any kind, truck, camper, motor home or boat shall be kept, placed or maintained on a lot. No mobile home, trailer or temporary structure of any nature whatsoever shall be used for occupancy either temporarily or permanently.

20. 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.

21. 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 on 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.

22. 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.

23. 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.

24. 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.

25. 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 or users of adjacent streets.

26. No signs whatsoever, including commercial, political or other similar signs, visible from adjoining lots or streets, shall be permitted on any lot except as follows: such signs as

121
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.

27. All buildings, landscaping, fences, walkways 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 any 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.

28. All laundry drying yards shall be screened from view from the streets, neighbors 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 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.

29. All parking will be in the designated areas on the two (2) cul-de-sac streets designated as Putter's Point East and Putter's Point West. No vehicles are to be driven or parked in any areas other than these paved street areas.

30. 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.

31. 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 sub-division, 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.

152

32. 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.

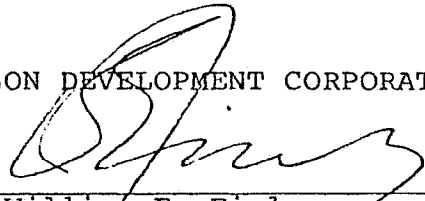
33. The approval or disapproval as required in these covenants shall be in writing and shall be based upon consideration of each submission conforming to the Board's published guidelines and any and all environmental design guidelines which may have been adopted by said Board. In the event there is a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

34. 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 November, 1977.

HORIZON DEVELOPMENT CORPORATION

By

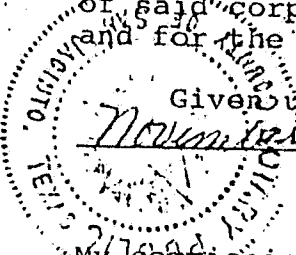

William E. Finley
Vice President

ATTEST:


Assistant Secretary

STATE OF TEXAS)
) ss
COUNTY OF SAN JACINTO)

Before me, the undersigned authority, in and for said county and state, on this day personally appeared William E. Finley, 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 purposes and consideration therein expressed.



Given under my hand and seal of office this 21 day of November, 1977.

Mary Parker
Notary Public

My Commission expires:
June 1980

SCHEDULE A

Lots 1 through 30 of Putters Point, a subdivision within San Jacinto County, Texas, according to the plat thereof on file for record in the Office of the San Jacinto County Clerk in Book 5 of Plat Records at page 25

2-17-71