

HOLIDAY SHORES RESTRICTIONS
SUBDIVISION NO. 2 - HOLIDAY HARBOR SECTION NOS. 7, 8, & 9

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

WHEREAS STEPHENS HILLS PROPERTY OWNERS ASSOCIATION, a Texas Corporation (hereinafter referred to as "SHPOA"), chartered December 20, 1976 is the assignee of EARL DUNGAN and GILDA M. DUNGAN and retains all rights and powers thereof of certain real property comprising HOLIDAY SHORES, SUBDIVISION TWO, HOLIDAY HARBOR SECTIONS SEVEN, EIGHT and NINE and herein sometimes collectively referred to as the "Subdivision", according to the maps or plats thereof of record in Vol. 44, Page 731, of the Plat Records of San Jacinto County, Texas, to which map or plat and its record thereof reference is hereby made for full and particular description of said real property; and

Whereas SHPOA in its desire to keep the development of said real property for the mutual benefit and pleasure of the property owners in said Subdivision, and for the protection of said property values thereon, desires to place on and against said property certain protective and restrictive covenants regarding the use thereof.

Now, therefore, SHPOA does hereby make and file the following declarations regarding the use and/or improvements on the lots located in HOLIDAY SHORES, SUBDIVISION TWO, HOLIDAY HARBOR, SECTION NOS. SEVEN, EIGHT and NINE as follows:

Article 1

1.00 All lots in HOLIDAY SHORES, SUBDIVISION TWO, HOLIDAY HARBOR, SECTIONS SEVEN, EIGHT and NINE shall be known and designated as "residential lots" and shall be used for single family residential purposes only; except Reserve Areas 900-A, 900-B, 900-D and existing breakwater areas. Reserve Areas 900-A, 900-B and 900-D have been retained by the Developers, Earl and Gilda Dungan, and they, their heirs, administrators and assigns, have full and complete authority and control over the development, building, subdivision and use of all said reserve areas.

1.01 No building or detached garage (detached garages will not be approved until a residence is being constructed) shall be erected, placed or altered on any lot, property or area in this Subdivision until the building plans, specifications and plot plans showing the location and size of such building have been approved, in writing, as to conformity and harmony of external and structural design and quality, and in conformity with the reservations, protective covenants, limitations, conditions and restrictions as hereinafter set out, and a building permit has been issued by an Architectural Control Committee (the "Committee"), designated by SHPOA, its successors or assigns. Additionally, no Pre-manufactured homes shall be permitted, including but not limited to: house trailers, mobile homes, modular homes, or any derivative thereof, as defined by the Board of Directors. However, site built homes may be relocated to this subdivision, provided the home is determined to comply with all of the requirements outlined in this paragraph and paragraph 1.06.

1.02 In the event said Committee or its designated representative fails to approve or disapprove such design and location with thirty (30) days after said plans and specifications have been submitted to it, and if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to be fully complied with. Notice of disapproval shall be by delivery in person or by registered letter, to the person submitting said plans and specifications addressed to the applicant's last known address, and which said notice will set forth in detail the elements disapproved and the reasons therefor. Such notice need not, however, contain any suggestions as to the methods of curing the matter and things disapproved. The judgement of the committee or its designated representative shall in all things be final.

1.03 Each residence, once commenced, must be "dried in" within six (6) months from the date of commencement thereof. The term "dried in" means that the exterior must have the appearance, from the outside, of being a completed house, including all necessary doors, windows, roof, paint and trim. If any such residence is not dried in within six (6) months after the date of building commencement, the owner of same hereby gives the Committee, its representative or agent the right and authority to enter upon the property upon which such structure is situated and to disassemble said structure and store the building materials on the premise or elsewhere at the discretion of the Committee. The owner or occupant of any such lot agrees, by purchase or occupancy thereof, that the Committee shall not be liable, in trespass or otherwise, in entering said lot and disassembling any such structure. The owner or occupant further agrees to pay any and all cost incurred in enforcing this clause.

1.04 No building or other structure, including fences, shall be located nearer to the street than the building setback lines as set forth herein. The building setback lines on all residential lots shall be at least twenty (20') feet back from the street in all cases except corner lots and lots 906 through 912, inclusive. In the case of corner residential lots, the twenty (20) foot setback shall be on the side of the lot fronting on the street. In the case of the side of the lot abutting the street, the minimum setback shall be ten (10') feet. In the case of lots 906 through 912, the minimum setback line from the road shall be five (5) feet. Corner residential lots shall be deemed to front on the street side having the least frontage. With the exception of waterfront lot lines abutting the Trinity River Authority ("TRA") fee taking line of Lake Livingston, no building shall be located nearer than five (5) feet to any interior lot line, except in the event one building is constructed on more than one lot, the combined areas shall be considered as one lot for the purposes of determining the interior set back line only and in no case does this clause merge two lots into one for the purposes of any annual maintenance fund assessment. Waterfront lots may build up to fee taking line and fifteen (15') feet beyond said lot line extending into Lake Livingston, subject to proper permits from the TRA or other governing authority and subject to covenants hereinafter stipulated. In any determination of this clause, the building line shall include open porches and garages or any other abutting structures to the principle residence. Variations from these requirements as to building location may be granted by SHPOA, its successors or assigns, upon the recommendation of the Committee and upon such variations being ratified by all abutting property owners.

1.05 No portable building, storage building, other out-building or structure shall be constructed or moved onto this subdivision prior to construction or commencement of construction of residence except with the following exception. Storage buildings may be allowed, subject to all of the requirements specified in paragraph 1.01, as well as a maximum size limitation of 8'X10', and must have prior Board approval. No garage or other out-building shall be used as a temporary or permanent residence in this subdivision. No lot owner shall allow any occupied or unoccupied recreational vehicle, camper, house trailer, tent or tent trailer to remain on any unimproved lot ("unimproved lot" means a lot without a house constructed or being constructed on the lot) for a period exceeding two (2) weeks and a period of at least twelve (12) days must have elapsed in between any two week period. No lot owner shall allow any person to live in any recreational vehicle, camper, house trailer, tent or tent trailer stored an improved lot.

1.06 The floor area of all residences, exclusive of open porches and garages, shall be not less than 1,200 sq. feet. The design, materials, and workmanship in all buildings shall be in conformity with common use by architects and builders of quality homes, and no building or structure shall be occupied or used until the exterior thereof is completely finished.

1.07 In no event shall any "residential" lot be used for any business purposes.

1.08 Wherever a residence is established on any lot, it shall be provided with an inside toilet and said toilet, together with any dishwashers and plumbing fixtures, shall be connected immediately to the central sewage system in the Subdivision. The central sewage

system has been installed by permit of the Texas Natural Resource Conservation Commission ("TNRCC"). Connection fee and maintenance of any equipment located on property owner's lot necessary for connection into the central sewage system shall be borne exclusively by the property owner. Connection, standby and user fees of an undetermined amount for the sewage system will be assessed by the owner/operator of such system under the permission of the TNRCC or other Texas regulatory agencies. Construction permits must be obtained from the TRA and SHPOA before any construction may begin on all waterfront and non-waterfront lots.

1.09 No window or wall type air-conditioning unit shall be permitted to be used, erected, placed or maintained on any residential structure subject to these restrictions.

1.10 In no event shall any building, boathouse, porch, deck, boat lift, pier, eve, step or any other structure project or protrude from any residential lot further than fifteen (15') feet beyond the fee taking line of the Lake Livingston Reservoir and shall comply with the TRA regulations for same. Any owner may construct a recessed boat slip upon his lot provided it is constructed in accordance with these restrictions and all proper permits are obtained from the proper authorities. For clarification purposes, upon Lots 878, 879, 880, 881, 882, 883, 884, and 885 only, the bulkhead waterline shall be construed to be the same as the said fee taking line. No pier, boat lift, ramp, porch, deck boat slip or any structure shall be permitted to protrude or project beyond the fee taking line on Lots 891, 896, 897, 931, 932 and 933, nor from that area abutting the fee taking line of Lot 898 within twenty-five (25') feet of the boundary line of Lot 897, nor from that area of Lot 895 abutting the fee taking line of Lot 898 within twenty-five (25') feet of the boundary line of Lot 896, nor from the area of the fee taking line of Lots 890 and 893 within twenty-five (25') feet of the boundary line of Lot 891, nor from an area abutting the fee taking line of Lot 930 within twenty-five (25') feet of the boundary line of Lot 931. Lots 891, 896, 897, 931, 932 and 933 specifically are required to install and use recessed boat slips to accommodate at least one boat per lot. Any owner may construct a boat shed over any recessed slip so long as all necessary permits from the proper authorities are obtained.

Article 2

2.00 Lots are to be purchased subject to easements as established, at any time, by grant or agreement between SHPOA, its successors or assigns, and the utility companies furnishing electricity, telephone, water, gas or sewage and all utilities shall have the right, without fear of damages, when it has permission from SHPOA, its successors or assigns, to enter upon said lots and cut any trees or do what work it deems necessary to install and maintain such utilities. A twenty (20') foot wide common access right-of-way easement is hereby established from the Marina Court cul de sac road right-of-way to Lots 887, 888, 889, 890 and 891 to provide an unobstructed common access right-of-way to said lots from the public road. In addition thereto, all waterfront lots shall be subject to flood easements established or to be established and granted to TRA or other authority controlling Lake Livingston. Floor level of all buildings erected upon TRA easement areas must be above 137 feet elevation above sea level or otherwise permitted by said TRA. SHPOA shall not be held responsible or accountable for lake area depths providing water access to purchasers lot.

2.01 Culverts must be used for driveways and walks. The drainage structures under private driveways shall have a net drainage opening of sufficient size to permit free flow of water without back water and shall be a minimum of a fifteen (15") inch diameter pipe culvert. Exceptions to this restriction can be granted upon written petition and approval by the Board of Directors. Before installation, permission must be obtained, in writing, as to size and location from the Committee or County Commissioner.

2.02 No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to the neighborhood.

2.03 No animals, livestock or poultry of any kind shall be raised, bred or kept by a

property owner, except that dogs and cats (not to exceed two of any category) may be kept provided they are not kept, bred or maintained for any commercial purposes, but only for the use and pleasure of the property owner regardless of the number of lots owned.

2.04 The owners and/or occupants of all lots in this subdivision shall, at all times, keep all weeds and grass thereon cut (18" average with a maximum of 24") in a sanitary, healthful and attractive manner, and shall in no event use any lot for storage of material and equipment, except for normal residential construction requirements, or permit the accumulation of garbage, trash, waste, refuse, litter or rubbish of any kind thereon. Trash, garbage and other rubbish shall be kept in attractive, sanitary containers and removed promptly to area county dumpsters or other approved disposal. Each lot owner shall be responsible for disposing of all his/her trash, garbage and rubbish. In the event of default on the part of the owner or occupant of any lot in this subdivision in observing any of the above requirements, SHPOA, its successors or assigns, may, without liability to the owner or occupant, in trespass or otherwise, enter upon said lot, cut or cause to be cut such weeds and grass and remove or cause to be removed such garbage, trash, rubbish, etc. so as to place said lot in a neat, attractive, healthful and sanitary condition, and may bill either the owner or occupant of such for the cost of such work. The owner or occupant, as the case may be, agrees by the purchase or occupation of any lot in this subdivision to pay such invoice immediately upon receipt thereof and further agrees that SHPOA, its successors or assigns, shall be entitled, but not limited, to enforce its rights to collect said sums, attorney's fees and costs incurred in the collection of said sums by non-judicial foreclosure. This covenant shall constitute a request and authorization, by each lot owner, for SHPOA, its successors or assigns, to furnish labor and/or materials hereunder.

2.05 No sign, advertisement, billboard, or advertising structure of any kind may be erected or maintained on any residential lot without the consent, in writing, or SHPOA, its successors or assigns. SHPOA, its successors or assigns, shall have the right to remove any such sign, advertisement, or billboard or structure which is placed on any residential lot without such consent, and in so doing shall not be liable and is expressly released from any liability or trespass or other sort in connection therewith or arising from such removal. This does not apply to "For Sale" signs. However, there is a restriction of no more than two (2) signs per lot. Signs are to be no larger than three (3') feet by three (3') feet.

2.06 On all residential lots, no boats, boat trailers, or boat rigging shall ever be parked or placed nearer to the street than the twenty (20') foot building setback lines for a period of time exceeding seventy-two hours. The parking of motor vehicles on road shoulders for a period of longer than twenty-four hours is prohibited.

2.07 On all residential lots, no used appliances, inoperable motor vehicles (including tractors, backhoes and other industrial vehicles), inoperable recreational vehicles, inoperable motorcycles, inoperable off road vehicles and inoperable boats shall be stored, parked, or placed on any lot. "Inoperable" shall be defined as any boat or vehicle which does not have current valid license tag and state inspection sticker affixed thereon where required by state law. This clause is not to be interpreted as restricting any lot owner from storing such used appliances, inoperable motor vehicles, inoperable recreational vehicles, inoperable motorcycles or other inoperable off road vehicles or inoperable boats from being stored, parked or placed in the lot owner's garage. Variations from these requirements, as to storage of inoperable motor vehicles or inoperable boats, may be granted by SHPOA, its successors or assigns, upon petition and approval of SHPOA's Board of Directors and upon such variations being ratified, in writing by all abutting property owners.

Article 3

3.00 Each lot in said subdivision shall be subject to an annual maintenance fund assessment, due and payable annually each July 1st of each year. Said fund is to be set and collected by SHPOA, its successors or assigns. Said fund shall be used for the purpose of building, maintaining and operating the parks, boat launching facilities, docks, swimming pool, tennis courts and recreational centers, disposing of garbage, rubbish, or doing any

other thing necessary or desirable to keep the property neat, clean, and in good order, as deemed necessary in the opinion of SHPOA, its successors or assigns. Each lot owner, for each lot owned, hereby covenants, and each lot owner by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay SHPOA, its successors and assigns, the annual maintenance fund assessment. The annual maintenance fund assessment, together with interest, costs, and reasonable attorney's fees (said interest, costs and attorney's fees shall be deemed as a special assessment), shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Each such assessment, together with interest, costs and attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time the assessment fell due. The owner further agrees, by the purchase of any lot in this subdivision, that SHPOA, its successors or assigns, shall be entitled, but not limited, to enforce its rights to collect said sums, attorney's fees and costs incurred in the collection of said sums by non-judicial foreclosure. Interest on any such delinquent assessment and accompanying late fees shall accrue at the rate of eighteen (18%) percent per annum.

3.01 SHPOA, a legal Texas non-profit corporation, is governed by its Board of Directors. All SHPOA members, in good standing ("good standing" shall mean lot owners who are current in the payment of all dues and assessments), shall have one vote per lot owned when voting for the election of Directors during the annual meeting. All SHPOA members in good standing shall have free and unrestricted ingress and egress to the lake through designated areas, and have full use of all waterfront improvements, pool, park and recreational facilities, at their own risk.

3.02 SHPOA is composed of all property owners in Holiday Shores Subdivisions Two, Three, Four and Holiday Harbor and is governed by its By-Laws, Rules and Regulations. Guests of commercial properties, such as hotels and motels, shall enjoy the same privileges, but shall be billed at special rates for their maintenance fees by SHPOA, its successors or assigns, as determined by the size of the said business and the degree of its participation in the use of the facilities.

3.03 Any and all of the covenants herein may be annulled, amended or modified at any time by vote of two-thirds of the Board of Directors of SHPOA, its successors or assigns, and ratified by a majority of the lot owners in the affected section for which such amendment is proposed. Ratification shall be achieved by ballot. All affected lot owners shall be given thirty (30) days written notice of any proposed amendment before the same is adopted and provided with a ballot for each lot owned in the affected section. All ballots shall be returned to SHPOA within thirty (30) days from the date contained in the letter accompanying the proposed amendments. All ballots not received within the prescribed period shall be deemed as having ratified the proposed amendment. The person(s) requesting the amendment shall bear all the expense of such amendment.

3.04 All covenants and restrictions are for the benefit of the entire subdivision and shall be binding upon all property owners or their successors, heirs, or assigns. Violation of any of these restrictions or covenants by one lot owner shall not necessarily void or affect the responsibility of any other lot owner to abide by these restrictions. Invalidation of any one of the covenants or restrictions by a judgement of any court shall in no way affect any of the other provisions which shall remain in full force and effect. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five years from the date these covenants are recorded with the County Clerk of San Jacinto County, Texas, after which time said covenant shall be extended automatically for successive five-year periods unless aforementioned steps are taken to terminate them.

3.05 Enforcement shall be by proceedings at law or in equity, either to restrain such violation or proposed violation or to recover damages, against any person(s) violating or attempting to violate any covenant or restriction contained herein. The person(s) found in violation of the covenants and restrictions contained herein agree to pay all attorney's fees, court costs, interest, and any other sums reasonably incurred in enforcing compliance.

violating or attempting to violate any covenant or restriction contained herein. The person(s) found in violation of the covenants and restrictions contained herein agree to pay all attorney's fees, court costs, interest, and any other sums reasonably incurred in enforcing compliance. Such enforcement may be initiated by the owner of any lot in said subdivision.

IN WITNESS WHEREOF, STEPHENS HILLS PROPERTY OWNERS ASSOCIATION has caused these presents to be executed by its President thereunto duly authorized on this 21st day of November, 2003.

STEPHENS HILLS PROPERTY OWNERS ASSOCIATION

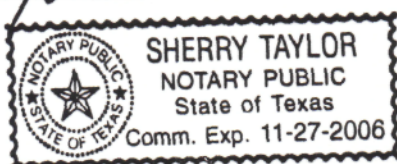
BY: Donald L. Carnes
Donald L. Carnes, President

CORPORATE ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF SAN JACINTO §

BEFORE ME, THE UNDERSIGNED AUTHORITY, on this day personally appeared Donald L. Carnes, President of the Stephens Hills Property Owners Association, a Texas non-profit 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 the act and deed of said corporation and for the purposes and consideration therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 21st DAY OF Nov., 2003.



[SEAL]

Sherry Taylor
Notary Public in and for
The State of Texas

Sherry Taylor
Printed Name of Notary

My Commission Expires:

11/27/06

CLERK'S NOTICE: ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE, IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

FILED FOR
RECORD

2004 JAN 26 P 3:29

Charlene Vann
COUNTY CLERK
SAN JACINTO COUNTY, TEXAS

STEPHENS HILLS
PROPERTY OWNERS ASSOCIATION
P. O. BOX 256 (936)377-2529
POINT BLANK, TEXAS 77364

STATE OF TEXAS
COUNTY OF SAN JACINTO
I, Charlene Vann, hereby certify that this instrument was FILED in file number sequence on the date and at the time stamped hereon by me and was duly RECORDED, in the official public records of San Jacinto County, Texas as stamped hereon by me on

JAN 26 2004



CHARLENE VANN
COUNTY CLERK
SAN JACINTO COUNTY, TEXAS