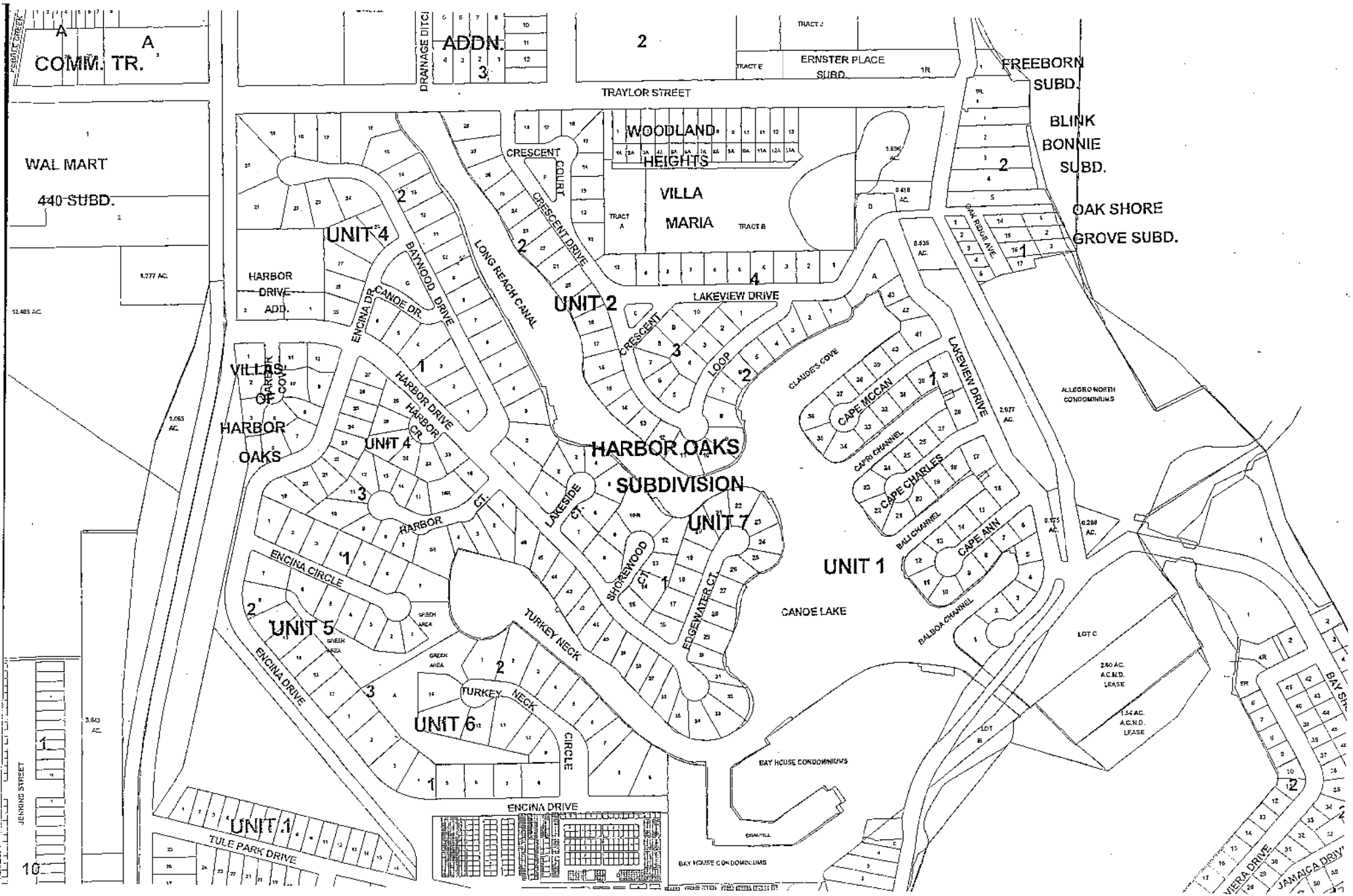
HARBOR OAKS
DEED RESTRICTIONS


COMM. TR.
ADDN.
DRAINAGE DITCH
TRAYLOR STREET
ERNSTER PLACE SUBD.
FREEBORN SUBD.
BLINK BONNIE SUBD.
OAK SHORE GROVE SUBD.
WOODLAND HEIGHTS
VILLA MARIA
CRESCENT COURT
CRESCENT DRIVE
WAL MART 440 SUBD.
HARBOR DRIVE ADD.
UNIT 4
UNIT 2
UNIT 1
UNIT 5
UNIT 6
UNIT 7
UNIT 4
UNIT 1
BAYWOOD DRIVE
LONG REACH CANAL
ENCINA DR.
CANOE DR.
LAKEVIEW DRIVE
CRESCENT
LOOP
CLAUDES COVE
CAPE MCCAN
CAPRI CHANNEL
CAPE CHARLES
BALI CHANNEL
CAPE ANN
BALBOA CHANNEL
LAKEVIEW DRIVE
ALLEGRO NORTH CONDOMINIUMS
VILLAS OF HARBOR OAKS
HARBOR COVE
HARBOR DRIVE
HARBOR CR.
HARBOR CT.
HARBOR OAKS SUBDIVISION
LAKESIDE CT.
SHOREWOOD CT.
EDGEWATER CT.
ENCINA CIRCLE
ENCINA DRIVE
TURKEY NECK
TURKEY NECK CIRCLE
CANOE LAKE
BAY HOUSE CONDOMINIUMS
TULE PARK DRIVE
JENNING STREET
OAK RIDGE AVE
LOT C
2.50 AC. A.C.N.D. LEASE
1.54 AC. A.C.N.D. LEASE
BAY STR
VIERA DRIVE
JAMAICA DRIV

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Unit 1

THE STATE OF TEXAS }

COUNTY OF ARANSAS }

PROTECTIVE RESTRICTIONS AND COVENANTS AND

LANDOWNERS' AGREEMENT

HARBOR OAKS, UNIT I

Canoe Lake Corp., a Texas corporation, hereinafter called "Developer", is the owner of the surface estate in and to the following described property situated in Aransas County, Texas, to-wit:

> Harbor Oaks, Unit I, a subdivision adjacent to the City of Rockport, in Aransas County, Texas, as shown by map or plat thereof recorded in Volume 3, pages 39, the Map Records of Aransas County, Texas, reference to which is hero made, hereinafter referred to as the "addition" or "subdivision."

subject to that certain lien in favor of Corpus Christi Bank and Trust, which joins herein for the sole purpose of acknowledging, ratifying and approving the covenants and restrictions hereinafter set forth.

Developer has subdivided said land into lots and blocks with intervening streets, parks, beautification areas, waterways and easements, for the construction, operation and maintenance of streets, parks, beautification areas, waterways, utilities, drainage facilities and easements, and Developer has dedicated said streets and easements, as set forth on the above described map or plat.

I. SCOPE OF RESTRICTIONS

1. For the purpose of creating and carrying out a uniform plan for the improvement and sale of said subdivision, as a high-quality subdivision, the following restrictions, conditions and use limitations are hereby established, adopted and imposed upon the following portions only of said subdivision, to-wit:

> Lots Nos. One (1) through Forty-three (43), in Block No. One (1); Lots Nos. One (1)through Ten (10), in Block No. Two (2); Lots Nos. One (1) through Five (5), in Block No. Three (3); and Lots Nos. One (1) through Five (5), in Block No. Four (4); all in said Harbor Oaks, Unit I, in Aransas County, Texas, as shown by said recorded map or plat.

All other portions of said Unit I and adjoining lands are specifically excluded from the terms, provisions and effects of this instrument.

2. The restrictions, conditions and use limitations hereinafter set forth shall constitute covenants running with the land, and shall be binding upon and inure to the benefit of Developer, its successors and assigns, and upon all persons acquiring property in said subdivision, whether by purchase, descent, devise, gift or otherwise; and each person, by the acceptance of title to any lot out of such subdivision, shall agree and covenant to abide by and perform the terms, conditions, restrictions and covenants as set forth herein. Such restrictions, conditions and use limitations shall be considered to be made a part of each contract and/or deed conveying any lot in said subdivision whether such restrictions or this instrument be referred to or not, and b; acceptance thereof, the grantee, and all persons claiming under him, shall be subject to and bound thereby, and any conveyance of any such lot shall be construed to be subject to the terms of this instrument.

3. Although Developer is not the owner of the oil, gas and other minerals under said land, it does own the surface estate and has the undisturbed and exclusive right to use of the surface, since the reservation of oil, gas and other minerals heretofore made precludes any right of the owner of such minerals to enter

upon such surface for prospecting, drilling mining for or producing such reserved minerals, and the owner of such minerals may obtain the same only by drainage or directional drilling from adjacent lands not embraced in the subdivision. Any conveyance of lots it said subdivision shall be deemed to except said oil, gas and other mineral by reference to these restrictions, but will pass to the grantee undisturbed and exclusive right to use of the surface of the property conveyed subject to the restrictions herein contained.

II. DEFINITIONS

1. A "street" is any street, roadway, avenue or drive, designated as such on the recorded map of such subdivision.

2. A "utility easement" is any easement designated as such on the recorded nap of such subdivision, which easement may be used for the construction, maintenance and/or installation of any and all utilities, sewage, telephone and water drainage facilities (surface and subsurface).

3. A "waterway" is any area covered by water, whether it be a canal or lake, except that boat slips constructed for private purposes shall not be considered part of any waterway.

4. A "lot" as used herein, shall be interpreted to mean a residential building site having an area of not less than six thousand (6,000) square feet.

5. A "corner lot" is a lot which abuts more than one street. Any lot, except a corner lot, shall be deemed to front the street upon which it abuts. A corner lot shall be desired to front on the street on which it has the smallest dimension and improvements shall be built to front on such street, except that the Architectural Control Committee, hereinafter specified, shall have the right to grant permission for the improvements constructed on any such corner lot to face diagonally or on the street having the longest dimension.

6. A "waterfront lot" is a lot which abuts a waterway.

7. A "water-view lot" is a lot which does not abut a waterway, but which will entitle the owner thereof to the nonexclusive use of water access areas and other common areas shown on said map in common with the use thereof by owners of other lots.

8. A "mooring area" is that portion of a waterway abutting a waterfront lot and designated as such on the plat of such subdivision within which limited mooring facilities may be constructed as set forth in paragraph 2 of Part IV, below. Developer reserves the right hereafter to designate additional mooring areas along waterways adjoining areas not included in Unit I.

9. A "navigation area" is that portion of a waterway not designated as a mooring area on the plat of such subdivision. Absolutely no obstructions are permitted in a navigation area.

10. "Harbor Oaks Project" shall mean not only said Unit I, but any subdivided areas which may be hereafter added thereto as, additional units by the Developer.

III. ARCHITECTURAL CONTROL

1. The Architectural Control Committee, hereinafter called "the Committee", is composed of three (3) members. The initial members, each of whom shall serve until his successor is named as provided herein, are:

a. J. E. McCord, P. O. Box 1231, Rockport, Texas, 78382.

b. Robert P. Wallace, United Savings Bldg., Corpus Christi, Texas 78411.

c. Leo J. Welder, P. O. Box 1159, Victoria, Texas, 77901.

A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the remaining members shall have full authority to designate and appoint a successor. No member of the Committee, or his designated representative, shall be entitled to any compensation for services performed hereunder. At any time after January 1, 1975, the record owners of a majority of the lots or tracts into which Harbor Oaks Project shall then be subdivided shall have the power to change the membership of the Committee, to withdraw powers and duties from the Committee, or to restore the powers and duties of the Committee. Such action shall be effective upon recordation of a written instrument properly reflecting same.

2. No building, structure or improvements of any nature shall be erected, placed, or altered on any lot subject to these restrictions until the construction plans and specifications and n plan showing the location of such building, structure or improvement have been approved by the Committed as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation. Likewise, no bulkheads constructed by the Developer shall be cut or any slips for boats be constructed unless plans and specifications therefore shall be prepared by a professional engineer (licensed by the State of Texas), and then submitted to and approved by the Committee. In addition, no substantial change in the originally approved finish grade elevation of any lot shall be made without the prior written approval of the Committee.

3. Final plans and specifications shall be submitted in duplicate to the Committee for approval or disapproval. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of plans will be marked "Approved", and returned to the lot owner. Any modification or change in the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval.

4. The Committee's approval or disapproval as required in these covenants shall be in writing. If the Committee, or its designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after they have been submitted to it, and if no suit to enjoin the construction is commenced prior to the completion of such construction, then approval is presumed.

5. The Committee shall have the right and authority to waive, modify, alter, change or approve any covenant, term, condition or restriction where, in the opinion of the Committee, such change is necessary or required for the advantage and best appearance of the subdivision, in the following particulars, to-wit:

a. Change all restrictions in conflict where one lot and all or a portion of other contiguous lots are being used together for the purpose of building a residence.

b. Change these restrictions in the case of lots which are unusual in size, or which are of an unusual or irregular shape, where such change is deemed best for the advantage or best appearance of the immediate community.

6. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of these restrictions.

IV. GENERAL LAND USE

1. All lots in said subdivision which are subject to these restrictions shall be used for single family dwellings, and for no other purpose.

2. No structure or obstruction of any nature whatsoever shall be constructed or allowed by any Lot owner on, in or under any waterway. This will not prevent the construction of any water line, sewer line or other developmental features by the Developer when the same do not interfere with navigation. Docks, piers and mooring posts may be constructed within the mooring areas only after the size, design and placement of such have been approved in writing by the Committee.

3. All buildings and other improvements placed on any of said lots shall be newly erected on said lot and no second-hand or used buildings or other improvements shall be moved onto any of said lots, and no used or second-hand materials may be used in the exterior of such improvements unless specifically approved in advance, in writing, by the Committee.

4. All lots subject to these restrictions shall be used exclusively for private single family residential purposes, and in the use of such lots for such purposes nothing shall be done thereon which may be or become an annoyance or nuisance to the neighborhood. No commercial, trade, business or professional activity of any nature shall be carried on upon any lot or any part thereof. Ho cattle, hogs, poultry, horses, or other animals may be kept on any part of the subdivision, except that this paragraph shall not preclude the keeping of pets or animals other than the above mentioned such as arc ordinarily kept as pets in residential subdivisions provided they are not kept or bred for any commercial purposes.

5. No outside toilet will be permitted, and any installations of any kind for disposal of sewage shall be connected with the sanitary sewer system.

6. No oil drilling, oil storage, oil refining, quarrying or mining operations of any kind shall be conducted upon any lot.

7. No sign of any kind shall be displayed to the public view except one sign of not more than six square feet advertising the property for sale or rent or signs used by a builder during the construction period.

8. No structure of a temporary character, and no trailer, basement, tent, shack, garage, barn or other outbuilding, or any part thereof, shall be placed on any lot or used as a residence or dwelling, either temporarily or permanently. Garages and outbuildings that are appurtenant to a residence may be erected on each building site upon which a main dwelling has been erected.

9. Use of house trailers, buses, trucks or similar vehicles for residential purposes is hereby prohibited, but such vehicles may be temporarily parked only if and where approved by the Committee. No vehicles shall be kept or permanently parked on the paved portion of any street within the subdivision.

10. No building material of any kind or character shall be placed or stored upon any lot until the owner is ready to commence improvements, and then such material shall be placed within the property lines of the building site upon which the improvements are to be erected and shall not be placed in the streets or between the roadbed and property line.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage and trash shall not be kept except in covered sanitary containers. Such containers shall be kept in a clean and sanitary condition and shall be stored so as not to be seen from a street or waterway.

12. No garage for separate rental purposes or any detached outbuilding apartments for rental purposes will be permitted on any lot. All living quarters on the property are to be for the bona fide use of the Lot owner's or occupant's immediate family, non-paying guests and servants only.

13. No clotheslines may be placed where they would be visible either from a street or waterway. Such clotheslines must be enclosed by a hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the property.

14. No radio or television aerial or guy wires shall be maintained on any portion of any lot forward of the front building line of the respective main building.

15. No portion of any boat slip shall be nearer than six (6 feet to any side property line; except that exceptions to this may be granted by the Committee in its discretion where the frontage of a lot on a waterway is unusually short, or when adjoining lot owners desire to construct a single slip for their joint use.

16. All waterways shall at all times be kept free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation. None of the foregoing or any other foreign matter shall be at any time deposited, dumped or loft in any waterway, nor shall any hazard to navigation, or boats, hulks, derelicts, or other floating objects other than properly tended or moored boats be at any tine permitted in any waterway. The owner of each lot shall be responsible for the maintenance of the portion of any bulkhead and mooring area contiguous to his property in accordance with the provisions hereof.

17. Lot owners shall have the non-exclusive right to use of the waterways in Harbor Oaks Project for navigation and boating purposes only. The owners of waterfront lots shall have no rights to fill any submerged area or enlarge the land area of any lot shown on said nap of the subdivision.

18. A lot may not be so subdivided or areas sold off so that there will be left in such lot, when combined with an adjoining lot or portion of an adjoining lot, a building plot having an area which is less than the total area and frontage of the larger of the two original lots from which such areas are taken.

19. Construction must begin within three (3) months after the approval of plans by the Committee. Completion of such improvements must take no longer than nine months from the start of construction, unless delayed for some reason beyond owner's control, in which event the Committee may extend the foregoing time limits.

V. SIZE, DESIGN AND PLACEMENT OF IMPROVEMENTS

1. Facing: All improvements on any lot shall be constructed so as to face the street upon which such lot fronts, as specified in paragraph 5 of Part II, but the entry door of a dwelling need not be on the front side. Improvements placed on corner lots may face as approved by the Committee.

2. Minimum Floor Areas: No dwelling shall be permitted on any lot within the subdivision unless the floor area of the enclosed main dwelling, exclusive of porches, garages, whether attached or detached, breezeways, patios or other appendages, complies with the following requirements:

a. The total area of the enclosed main dwelling of any residence, whether one story or more, must contain not less than 1200 square feet; and

b. The floor area of the enclosed main floor of any two-story residence must contain not loss than 800 square feet. The main floor is the one containing

the larger floor area, whether it be the first or second floor.

3. Exterior Walls: The design of and materials used in the exterior walls and surface areas of any outbuilding constructed on any lots must be in keeping with the general architectural design of the main dwelling. Asbestos and metal may be used only as approved by the Committee.

4. Telephone and Electric Lines: All telephone and electric lines will be underground to the terminal point of the property line, and all service lines must also be installed underground from the terminal point to the building which they serve.

5. Fences or Walls: Ho fence or wall shall be erected, placed, altered or maintained on any building site nearer to the street lot line than the front building line shown on the map of such subdivision. No fence shall be constructed higher than six feet (6'), and all fences shall be subject to approval by the Committee.

6. Building Lines: No building shall be erected on any lot or lots in said subdivision in front of the front building line shown on the nap of said subdivision nor farther away from the street lot line than is determined to be in harmony with existing structures by the Committee. No portion of any building shall be erected nearer than six feet (6') to any interior lot line. However, roofs, eaves, of steps may extend over the minimum building setback line for a distance of not more than two feet. No load bearing walls shall be constructed nearer than twelve (12) feet to the waterfront property line of--any-waterfront lot, except that patios and open overhead decks nay be erected in such areas, subject to the approval of the Committee.

7. Piling Construction: Houses constructed on piling shall require piling of a minimum diameter of ten (10) inches. Piling shall be driven into soil with a minimum penetration of eight (8) feet.

8. Upkeep: Each lot owner shall keep the weeds out of the particular property owned, by him and shall not permit the accumulation of trash, rubbish or other unsightly articles on the premises, the casement, or in the street abutting the same, and shall keep the grass cut. The area in all the streets between the pavement and the property line shall at all times be kept clean and free of unsightly obstacles. Developer shall have the privilege of having said lots cleaned to comply with the above, in the event the lot owner after 10 days notice shall fail to do so, and any reasonable expense incurred in doing the same shall be paid by the owner of the respective lot or lots, and shall be secured by a lien in the same manner as the maintenance charge as provided in Section VI, paragraph 5, hereinafter.

VI. LANDOWNERS' AGREEMENT

In order to provide for the common use, enjoyment, benefit and maintenance of the common areas such as waterways, parks, beautification areas, and boat loading and ramp areas, within Harbor Oaks Project, and for the preservation of a marina typo community of the highest quality, Developer, for the benefit of itself and each successor owner of a lot or parcel out of such subdivision, hereby binds itself, its assigns and each successor owner, as follows:

1. At such time as any of the common areas in Harbor Oaks Project have been improved and if same are not being maintained by Aransas County, a city, or other type of taxing authority within which such addition is located. Developer shall convey such common areas to Canoe Lake Corp., Trustee, hereinafter called "Trustee", which shall have such supervisory authority to provide for the proper maintenance of the common areas as may be appropriate to such subdivision, and

shall have the rights and powers hereinafter mentioned. Trustee shall not be liable to an owner of any interest in such subdivision for any damage, claim or expense for the manner in which said common areas are maintained and repaired, or for failure to maintain or repair said common areas.

2. In order to provide a fund for the proper maintenance of such common areas, hereinafter called "Maintenance Fund," there is hereby imposed upon each waterfront lot in the subdivision an annual maintenance charge which shall not exceed one cent (1¢) per square foot of such lot, and there is hereby imposed upon each water-view lot in the subdivision an annual maintenance charge which shall not exceed one-half cent (1/2C) per square foot of such lot. Such maintenance charge shall be determined annually by the Trustee based upon the projected cost of maintaining ouch common areas; however, no maintenance charge shall be assessed by Trustee until some portion of the common areas has been improved. Once assessed by the Trustee, one-twelfth (1/12) of such maintenance charge shall be payable monthly, in advance, on the first day of each month, by each beneficial owner of a lot in such subdivision. The maintenance charge hereby imposed shall not apply to Developer or to lots to which Developer owns both the record and beneficial title.

3. Neither Developer nor Trustee shall be liable or responsible to any person or persons for failure or inability to collect the maintenance charge or any part thereof from any person or persons.

4. The Maintenance Fund way be pooled, merged or combined with the maintenance funds of other portions of the Harbor Oaks Project as developed by Developer, provided the lots and/or owners of lots in such other portions of such Harbor Oaks Project arc subject to a maintenance charge, lien and administrative provisions substantially the same as set forth in this Part VI. Such pooled maintenance fund may be expended by the Trustee for the general benefit and common good of the various sections or units of the Harbor Oaks Project paying into such fund, without regard to the amount collected from each section or portion, and without regard to the relative benefits accruing to each lot owner from such expenditures. Trustee may use such funds, or any part thereof, for safety and/or recreational projects and for developing, improving and maintaining any and all of the common areas which the owners and/or occupants of lots in any of the sections or portions of the Harbor Oaks Project may be privileged or shall have the right to use, regardless of who may own such common areas and regardless of their location within the entire Harbor Oaks Project. It is agreed and understood that the judgment of the Trustee, as custodian and administrator of said Maintenance Fund, when used in good faith in the expenditure of said funds, or any part thereof, shall be binding, final and conclusive upon all parties in interest. Trustee shall receive no compensation for acting as custodian and administrator of said Maintenance Fund, but shall be reimbursed for expenses paid.

5. The payment of the maintenance charge hereby imposed shall be secured by an express lien in favor of Trustee, as custodian and administrator of the Maintenance Fund, which lien is placed and imposed upon each lot in the subdivision subject to such charges. There is hereby granted unto the Trustee an express lien against each lot or parcel of the subdivision to secure nil obligations of the owner or owners of said lot or parcel imposed upon such owner, or lot, under the provisions hereof. Said lien may be foreclosed in the same manner as a vendor's lien, without prejudice, however, to any other rights, powers or causes of action which the holder of said lien may have against any party who is then or who has theretofore been the owner of the property affected thereby. Said lien and all other provisions of this agreement shall be secondary and subordinate, however, to any liens, deeds of trust and encumbrances whatsoever given to secure the purchase price of the lot or any part thereof, or given to any bank, savings and loan association, insurance company, trust company, fraternal benefit organization, or corporation with banking or related powers, lawfully lending money for the purpose

of making repair or constructing dwellings or any other improvements whatsoever on any portion of such lot, or acquiring any note or other evidence of indebtedness previously made for any such purpose. If any such lender or party acquiring such indebtedness should be in doubt as to the purpose for which such loan was made, or indebtedness incurred, or as to whether the lien herein granted is subordinate to any lien or deed of trust given for the purpose of securing any such mortgage or indebtedness, such lender or party acquiring such indebtedness may rely conclusively upon the written statement of the Trustee, with respect thereto. The Trustee may release or subordinate said lien and any other provisions of this agreement, in whole or in part, with respect to any lot or lots, should it deem it advisable, for any reason whatsoever, without affecting said lien insofar as it applies to any other lot or lots in the subdivision. If any lot owner should make default for a period of more than ninety (90) days in payment of any maintenance charges, the lien provided above may be evidenced of record by the filing for record in the office of the County Clerk of Aransas County of a written statement by the Trustee, setting forth the amount of charge in default and the period for which same accrued, with a statement of the lot to which same applies, and the name of the lot owner, if known to the Trustee, which statement shall be prima facie evidence of the correctness of the amount and the existence of a lien therefore.

Without diminishing the personal obligations of any owner for any suit imposed under the terms hereof, the lion hereby granted upon any lot shall not secure any sum in excess of the lesser of the following amounts:

a. The unpaid assessments made under the terms hereof for the four years next preceding the date that such lien is sought to be asserted or foreclosed; or

b. The sun of Six Hundred Dollars ($600.00).

6. Any person negligently or willfully damaging or destroying all or any portion of the common areas, including the bulkheads and tie backs, shall be responsible to the Trustee for damages, and the Trustee shall use any funds collected by claim, lawsuit or settlement agreement growing out of such damage or destruction, to repair such damage or destruction, to the extent of such funds.

7. Trustee shall have, and it is hereby granted, the full right, power and authority to convey all of its right, title and interests in and to the common areas and the Maintenance Fund as well as all of its powers, rights, liens, responsibilities, duties and authority under the terms of this Part VI to: (a) a non-profit corporation, or other organization, formed by Developer for the purpose of maintaining the common areas in any portion of the Harbor Oaks Project; or (b) a public or quasi-public corporation or entity with the power to tax such as a city, Aransas County or a public district having such powers.

8. All references to "Trustee" in this Part VI shall apply with equal force and effect to any successor in interest to Trustee, a.3 provided in paragraph 7 of this Part VI.

9. The figures in dollars and cents expressed in this instrument are based on the purchasing value of a dollar in the year 1969, as shown by the Commodity Price Index of the United States Department of Commerce, and if the value of the dollar should change with respect thereto, a corresponding adjustment of the figures set out in this instrument shall be made each year based on the value of a collar for the year involved, as shown by said Price Index by comparison with the value for the year 1969.

10. Each owner of a waterfront lot shall maintain the portion of the bulkhead adjacent to his lot in good condition. If such portion of the bulkhead should be in need of repair from any cause other than defects in original construction, the Trustee may give written notice to the owner of said lot; and if such owner fails

to make the needed repairs within ninety (90) days after such notice is given, then the Trustee nay do so, using the Maintenance Fund. The owner shall be obligated to pay to the Trustee the amounts so expended, with interest at the maximum legal rate, and the amounts so expended shall be a special assessment and charge against the lot involved, and be secured by a lien against same, in the same manner and with the same rights of enforcement as in the case of the general maintenance charge as provided above.

VII. DURATION

The restrictions and covenants herein set forth shall continue and be binding upon Developer, its successors and assigns, for a period of thirty-five (35) years from this date. At the expiration of said torn of thirty-five (35) years the restrictions and covenants herein set out shall automatically be extended for an additional ten (10) year period and for successive periods of ten (10) years thereafter, unless same are nullified or revised as hereinafter provided. After the expiration of thirty-five (35) years from the date of this instrument, the owners of a majority of the lots in said Unit I may execute and acknowledge an agreement in writing terminating or revising these restrictions and covenants and file the same in the Office of the County Clerk of Aransas County, Texas, or in such office as conveyances of real estate may be required to be filed, at such time, thereupon those restrictions and covenants shall be null, void and of no further force and effect, or shall be modified or revised as such instrument nay direct.

VIII. AMENDMENT

At any time the owners of the legal title to 51% of the lots in said Unit I (as shown by the records of Aransas County, Texas) may amend the restrictions, covenants, conditions, and matters set forth herein by filing an instrument containing such amendment in the Office of the County Clerk of Aransas County, Texas, except that, prior to the expiration of fifteen (15) years from date hereof, no such amendment shall be valid or effective without the joinder of Developer, its successors or assigns.

IX. ENFORCEMENT

The restrictions, conditions and use limitations herein set forth shall be binding upon Developer, its successors and assigns, and all parties claiming by, through, or under them and all subsequent owners of each lot, each of whom shall be obligated and bound to observe such restrictions, conditions and use limitations, provided, however, that no such persons shall be liable except in respect to breaches committed during his or their ownership of said lot. The violation of any such restriction, condition or use limitation, shall not operate to invalidate any mortgage, deed of trust, or other lien acquired and held in good faith against said lot or any part thereof, but such liens may be enforced against any and all property covered thereby, subject, nevertheless, to the restrictions, conditions and use limitations heroin mentioned. Developer, or the owners of any lot in this addition, or Trustee, its successors and assigns, shall have the right to enforce observance or performance of the provisions of this instrument. If any person or persona violate or attempt to violate any of the restrictions, conditions or use limitations contained herein, it shall be lawful for any person or persons owning any lot out of said addition to prosecute proceedings at law or in equity against the person violating or attempting to violate the same, either to prevent him or then from so doing, or to obtain such other relief for such violations as then may be legally available.

X. SEVERABILITY

Invalidation of any of the terms, provisions or covenants contained in this instrument by judgment or court order shall not in any way affect any of the other terms, provisions or covenants set forth in this instrument which shall remain in full force and effect.

XI. SUBORDINATION BY BANK

Corpus Christi Bank and Trust, acting herein by and through its duly authorized officer, for and in consideration of the sure of Ten Dollars ($10.00) cash to it in hand paid by Canoe Lake Corp., the receipt of which is hereby acknowledged, does hereby agree that the lien of the deed of trust executed by Canoe Lake Corp. To James E. Powell, Trustee for Corpus Christi Bank and Trust, dated June 4, 1969, recorded in Vol. 81, page 91 of the Deed of Trust Records of Aransas County, Texas, shall be and the same is hereby made subordinate, subject and inferior to the Protective Restrictions and Covenants and Landowners' Agreement imposed on said property in this Instrument, and in the event of foreclosure of said deed of trust, it is agreed that the restrictions and Landowners' Agreement imposed herein shall be in no way affected thereby.

EXECUTED this *20th* day of *November*, 1969.

CANOE LAKE CORP.

BY *James Sorenson*, Its President

ATTEST: *Harold H Picton*, Secretary CORPUS CHRISTI BANK AND TRUST

ATTEST: *Richard S Durham* By: *CC Bank & Trust Officer*

THE STATE OF TEXAS }
COUNTY OF ARANSAS }

BEFORE ME, the undersigned authority, on this day personally appeared James H. Sorenson, Jr., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he, in his representative capacity as President of Canoe Lane Corp., a corporation, executed the same for the purposes and consideration therein expressed, as the act and deed of said Canoe Lake Corp., a corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the day 20th day of November, A.D. 1969.

Laurie Garrard Hill
Notary Public in and for
Aransas County, Texas

THE STATE OF TEXAS
COUNTY OF NUECES

BEFORE ME, the undersigned authority, on this personally appeared *C.R. Wooldridge*, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he, in his representative capacity as Senior Vice President of Corpus Christi Bank and Trust, a corporation, executed the for the purposes and consideration therein expressed, as the act and deed of said Corpus Christi Bank and Trust, a corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24th day of November, A. D. 1969.

Mary Burgess
Notary Public in and for
Nueces County, Texas

Unit 2

THE STATE OF TEXAS X PROTECTIVE RESTRICTIONS AMD

COVENANTS AND LANDOWNERS' AGREEMENT

COUNTY OF ARANSAS X HARBOR OAKS, UNIT 2

Canoe Lake Corp., a Texas corporation, hereinafter called "Developer", is the owner of the surface estate in and to the following described property situated in Aransas County, Texas, to-wit;

> Harbor Oaks, Unit 2, a subdivision adjacent to the City of Rockport, in Aransas County, Texas, as shown by map or plat thereof recorded in Volume ___, pages _____ of the Map and Plat Records of Aransas County, Texas, reference to which is here made, hereinafter referred to as the "addition" or subdivision",

subject to certain liens in favor of Heldenfels Brothers, a partner-ship, which joins herein for the sole purpose of acknowledging, ratifying and approving the covenants and restrictions hereinafter set forth.

Developer has subdivided said land into lots and blocks with intervening streets, parks, beautification areas, waterways and easements, for the construction, operation and maintenance of streets, parks, beautification areas, waterways, utilities, drainage facilities and easements, as set forth on the above described map or plat.

I. SCOPE OF RESTRICTIONS

1. For the purpose of creating and carrying out a uniform plan for the improvement and sale of said subdivision, as a high-quality subdivision, the following restrictions, conditions and use limitations are hereby established, adopted and imposed upon the following portions only of said subdivision, to-wit;

> Lots Nos. Eleven(11) through Twenty-eight (28) in Block No. Two (2); Lots Nos. Six (6) through Ten (10), in Block No. Three (3) and Lots Nos. Six (6) through Eighteen (18,in Block No. Four (4),; all in said Harbor oaks, Unit 2, in Aransas County, Texas, as shown by said recorded map or plat.

All other portions of said Unit 2 and adjoining lands are specifically excluded from the terms, provisions and effects of this instrument.

2. The restrictions, conditions and use limitations herein- after set forth shall constitute covenants running with the land, and shall be binding upon and inure to the benefit of Developer, its successors and assigns, and upon all persons acquiring property in said subdivision, whether by purchase, descent, devise, gift or otherwise; and each person, by the acceptance of title to any lot out of such sub-division, shall agree and covenant to abide by and perform the terms, conditions, restrictions and covenants as set forth herein. Such restrictions, conditions and use limitations shall be considered to be made part of each contract and/or deed conveying any lot in said subdivision, whether such restrictions or this instrument be referred to or not, and by acceptance thereof, the grantee, and all persons claiming under him, shall be subject to and bound thereby, and any conveyance of any such lot shall be construed to be subject to the terms of this instrument.

3. Although Developer is not the owner of the oil, gas and other minerals under said land, it does own the surface estate and has the undisturbed and exclusive tight to use of the surface, since the reservation of oil, gas and other minerals heretofore made precludes any right of the owner of such minerals to enter upon such surface for

prospecting, drilling, mining for or producing such reserved minerals and the owner of such minerals may obtain the same only by drainage or directional drilling from adjacent lands not embraced in the subdivision. Any conveyance of lots in said subdivision shall be deemed to except said oil, gas and other minerals, by reference to these restrictions, but will pass to the grantee undisturbed and exclusive right to use of the surface herein contained.

II. DEFINITIONS

1. A "street" is any street, roadway, avenue, court, loop or drive, designated as such on the recorded map of such subdivision.

2. A "utility easement" is any easement designated as such on the recorded map of such subdivision, which easement may be used for the construction, maintenance and/or installation of any and all utilities, sewage, telephone and water drainage facilities (surface and subsurface).

3. A "waterway" is any area covered by water, whether it be a canal or lake, except that boat slips constructed for private purposes shall not be considered part of any waterway.

4. A "lot" as used herein, shall be interpreted to mean a residential building site having an area bf not less than six thousand (6,000) square feet.

5. A "corner lot" is a lot which abuts more than one street. Any lot, except a corner lot, shall be deemed to front the street upon which it abuts. A corner lot shall be deemed to front on the street on which it has the smallest dimension and improvements shall be built to front on such street, except that the Architectural Control Committee, hereinafter specified, shall have the right to grant permission for the improvements constructed on any such corner lot to face diagonally or on the street having the longest dimension.

6. A "waterfront lot" is a lot which abuts a waterway.

7. A "water-view lot" is a lot which does not abut a waterway, but which will entitle the owner thereof to the nonexclusive use of water access areas and other common areas of the Harbor Oaks Project in common with the use thereof by owners of other lots.

8. A "mooring area" is that portion of a waterway abutting a waterfront lot and designated as such on the plat of such subdivision within which limited mooring facilities may be constructed as set forth in paragraph 2 of Part IV, below. Developer reserves the right hereafter to designate additional mooring areas along waterways adjoining areas not included in Unit 2.

9. A "navigation area" is that portion of a waterway not designated as a mooring area on the plat of such subdivision. Absolutely no obstructions are permitted in a navigation area.

10. "Harbor Oaks Project" shall mean not only said Unit 2,but shall include Harbor Oaks, Unit I, heretofore developed and dedicated, and any subdivided areas which may be hereafter added as additional units of the Developer.

III. ARCHITECTURAL CONTROL

1. The Architectural Control Committee, hereinafter, called "the Committee", is composed of three (3) members. The initial members, each of whom shall serve until his successor is named as provided herein, are:

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a. J. E. McCord

b. Leo J. Welder

c. Delo H. Caspary

A majority of the committee may designate a representative to act for it. In the event of the death or resignation of any member of the committee; the remaining members shall have full authority to designate and appoint a successor. No member of the Committee, or his designated representative, shall be entitled to any compensation for services performed hereunder. At any time after January 1, 1979,the record owners of a majority of the lots or tracts into which Harbor Oaks Project shall then be subdivided shall have the power to change the membership of the Committee, to withdraw powers and duties from the Committee, or to restore the powers and duties of the Committee. Such action shall be effective upon recordation of a written instrument properly reflecting same.

2. No building, structure or improvements of any nature shall be erected, placed, or altered on any lot subject to these restrictions until the construction plans and specifications and a plan showing the location of such building, structure or improvement have been approved by the Committee as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation. Likewise, no, bulkheads constructed by the Developer shall be cut or any slips for boats be constructed unless plans and specifications therefore shall be prepared by a professional engineer,(licensed by the State of Texas), and then submitted to and approved by the Committee. In addition, no substantial change in the originally approved finish grade elevation of any lot shall be made without the prior written approval of the Committee.

3. One complete set of final plans and specifications shall be submitted to the Committee for approval or disapproval, which plans shall be retained by the Committee. Written notification of approval or disapproval shall be given by letter addressed to the lot owner, or his designated agent, within 30 days after the plans have been submitted. Any modification or change in the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval.

4. The Committee's approval or disapproval as required in these covenants shall be in writing. If the Committee, or its designated representative fails to approve or disapprove such plans and specifications within thirty (30) days after they have been submitted to it, and if no suit to enjoin the constructions is commenced prior to the completion of such construction, then approval is presumed.

5. The Committee shall have the right and authority to waive, modify, alter, change or approve any covenant, term, condition or restriction where, in the opinion of the Committee, such change is necessary or required for the advantage and best appearance of the subdivision, in the following particulars, to-wit:

a. Change all restrictions in conflict where one lot and all or a portion of other contiguous lots are being used together for purpose of building a residence.

b. Change these restrictions in the case of lots which are unusual in size, or which are of an unusual or irregular shape, where such change is deemed best for the advantage or best appearance of the immediate community.

6. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of these restrictions.

IV. GENERAL LAND USE

1. All lots in said subdivision which are subject to these restrictions shall be used for single family dwellings, and for no other purpose.

2. No structure or obstruction of any nature whatsoever shall be constructed or allowed by any Lot Owner on, in or under any waterway. This will not prevent the construction of any water line, sewer line or other developmental features by the Developer when the same do not interfere with navigation. Docks, piers and mooring posts may be constructed within the mooring areas only after the size design and placement of such have been approved in writing by the Committee.

3. All buildings and other improvements placed on any of said lots shall be newly erected on said lot and no second-hand or used buildings or other improvements shall be moved onto any of said lots, and no used or second-hand materials may be used in the exterior of such improvements unless specifically approved in advance, in writing, by the Committee.

4. All lots subject to these restrictions shall be used exclusively for private single family residential purposes, and in the use of such lots for such purposes nothing shall be done thereon which may be or become an annoyance or nuisance to the neighborhood. No commercial, trade, business or professional activity of any nature shall be carried on upon any lot or any part thereof. No cattle, hogs, poultry, horses, or other animals may be kept on any part of the subdivision, except that this paragraph shall not preclude the keeping of pets or animals other than the above mentioned such as are ordinarily kept as pets in residential subdivisions provided they are not kept or bred for any commercial purposes.

5. No outside toilet will be permitted, and any installations of any kind for disposal of sewage shall be connected with the sanitary sewer system.

6. No oil drilling, oil storage, oil refining, quarrying or mining operations of any kind shall be conducted upon any lot.

7. No sign of any kind shall be displayed to the public view except one sign of not more than six square feet advertising the property for sale or rent or signs used by a building during the construction period.

8. No structure of a temporary character, and no trailer, basement, tent, shack, garage, barn or other outbuilding, or any part thereof, shall be placed on any lot or used as a residence or dwelling

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either temporarily or permanently. Garages and outbuildings that are appurtenant to a residence may be erected on each building site upon which a main dwelling has been erected.

9. Use of house trailers, buses, trucks or similar vehicles for residential purposes is hereby prohibited, but such vehicles may be temporarily parked only if and where approved by the Committee. No vehicles shall be kept or permanently parked on the paved portion of any street within the subdivision.

10. No building material of any kind or character shall be placed or stored upon any lot until the owner is ready to commence improvements, and then such material shall be placed within the property lines of the building site upon which the improvements are to be erected and shall not be placed in the streets or between the roadbed and property line.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage and trash shall not be kept except in covered sanitary containers. Such containers shall be kept in a clean and sanitary condition and shall be stored so as not to be seen from a street or waterway.

12. No garage for separate rental purposes or any detached outbuilding apartments for rental purposes will be permitted on any lot. All living quarters on the property are to be for the bona fide use of the Lot Owner's or occupant's immediate family, non-paying guests and servants only.

13. No clotheslines may be placed where they would be visible either from a street or waterway. Such clotheslines must be enclosed by a hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the property.

14. No radio or television aerial or guy wires shall be maintained on any portion of any lot forward of the front building line of the respective main building.

15. No portion of any boat slip shall be nearer than six (6) feet to any side property line; except that exceptions to this may be granted by the Committee in its discretion where the frontage of a lot on a waterway is unusually short, or when adjoining lot owners desire to construct a single slip for their joint use.

16. All waterways shall at all times be kept free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation. None of the foregoing or any other foreign matter shall be at any time deposited, dumped or left in any waterway, nor shall any hazard to navigation, or boats, hulks, derelicts, or other floating objects other than properly tended or moored boats be at any time permitted in any waterway. The owner of each lot shall be responsible for the maintenance of the portion of any bulkhead and mooring area contiguous to his property in accordance with the provisions hereof.

17. Lot Owners shall have the non-exclusive right to use of the waterways in Harbor Oaks Project for navigation and boating purposes only. The owners of waterfront lots shall have no rights to fill any submerged area or enlarge the land area of any lot shown on said map of the subdivision.

18. A lot may not be so subdivided or areas sold off so that there will be left in such lot, when combined with an adjoining lot or portion of an adjoining lot, a building plot having an area which is less than the total area and frontage of the larger of the two original lots from which such areas are taken.

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19. Construction must begin within three (3) months after the approval of plans by the Committee. Completion of such improvements must take no longer than nine months from the start of construction, unless delayed for some reason beyond owner's control, in which event the Committee may extend the foregoing time limits.

V. SIZE, DESIGN AND PLACEMENT OF IMPROVEMENTS

1. Facing: All improvements on any lot shall be constructed so as to face the street upon which such lot fronts, as specified in paragraph 5 of Part II, but the entry door of a dwelling need not be on the front side. Improvements placed on corner lots may face as approved by the Committee.

2. Minimum Floor Areas: No dwelling shall be permitted on any lot within the subdivision unless the floor area of the enclosed main dwelling, exclusive of porches, garages, whether attached or detached, breezeways, patios or other appendages, complies with the following requirements:

a. The total area of the enclosed main dwelling of any residence, whether one story or more, must contain not less than 1200 square feet; and

b. The floor area of the enclosed main floor of any two-story residence must contain not less than 800 square feet. The main floor is the one containing the larger floor area, whether it be the first of second floor.

3. Exterior Walls: The design of and materials used in the exterior walls and surface areas of any outbuilding constructed on any lots must be in keeping with the general architectural design of the main dwelling. Asbestos and metal may be used only as approved by the Committee.

4. Telephone and Electric Lines: All telephone and electric lines will be underground to the terminal point of the property line, and all service lines must also be installed underground from the terminal point to the building which they serve.

5. Fences or Walls: No fence or wall shall be erected, placed, altered or maintained on any bulding site nearer to the street lot line than the front building line shown on the map of such subdivision. No fence shall be constructed higher than six (6) feet and all fences shall be subject to approval by the Committee.

6. Building Lines: No building shall be erected on any lot or lots in said subdivision in front of the front building line shown on the map of said subdivision nor farther away from the street lot line than is determined to be in harmony with existing structures by the Committee. No portion of any building shall be erected nearer than six (6) feet to any interior lot line. However, roofs, eaves or steps may extend over the minimum building setback line for a distance of not more than two feet. No load bearing walls shall be constructed nearer than twelve (12) feet to the waterfront property line of any waterfront lot, except that patios and open overhead decks may be erected in such areas, subject to the approval of the Committee.

7. Piling Construction: Houses constructed on piling shall require piling of a minimum diameter of ten (10) inches. Piling shall be driven into soil to such depth as required by the Committee.

8. Upkeep: Each Lot Owner shall keep the weeds out of the particular property owned by him and shall not permit the accumulation

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of trash, rubbish or other unsightly articles on the premises, the easement or in the street abutting the same, and shall keep the grass cut. The area in all the streets between the pavement and the property line shall at all times be kept clean and free of unsightly obstacles. Developer shall have the privilege of having said lots cleaned to comply with the above, in the event the lot owner after 10 days notice shall fail to do so, and any reasonable expense incurred in doing the same shall be paid by the owner of the respective lot or lots, and shall be secured by a lien in the same manner as the maintenance charge as provided in Section VI, paragraph 5, hereinafter.

VI. LANDOWNERS' AGREEMENT

In order to provide for the common use, enjoyment, benefit and maintenance of the common areas such as waterways, parks, beautification areas, and boat loading and ramp areas, within Harbor Oaks Project, and for the preservation of a marina type community of the highest quality, Developer, for the benefit of itself and each successor owner of a lot or parcel out of such subdivision, hereby binds itself, its assigns and each successor owners, as follows:

1. At such time as any of the common areas in Harbor Oaks Project have been improved and if same are not being maintained by Aransas County, a city, or other type of taxing authority within which such addition is located, Developer shall convey such common areas to Canoe Lake Corp., Trustee, hereinafter called "Trustee", which shall have such supervisory authority to provide for the proper maintenance of the common areas as may be appropriate to such subdivision, and shall have the rights and powers hereinafter mentioned. Trustee shall not be liable to an owner of any interest in such subdivision for any damage, claim or expense for the manner in which said common areas are maintained and repaired, or for failure to maintain or repair said common areas.

2. In order to provide a fund for the proper maintenance of such common areas, hereinafter called "Maintenance Fund", there is hereby imposed upon each waterfront lot in the subdivision an annual maintenance charge which shall not exceed one cent (1¢) per square foot of such lot, and there is hereby imposed upon each waterview lot in the subdivision an annual maintenance charge which shall not exceed one-half cent (1/2¢) per square foot of such lot. Such maintenance charge shall be determined annually by the Trustee based upon the projected cost of maintaining such common areas; however, no maintenance charge shall be assessed by Trustee until some portion of the common areas has been improved. Once assessed by the Trustee, one-twelfth (1/12) of such maintenance charge shall be payable monthly, in advance, on the first day of each month, by each beneficial owner of a lot in such subdivision. The maintenance charge hereby imposed shall not apply to Developer or to lots to which Developer owns both the record and beneficial title.

3. Neither Developer nor Trustee shall be liable or responsible to any person or persons for failure or inability to collect the maintenance charge or any part thereof from any person or persons.

4. The Maintenance Fund may be pooled, merged or combined with the maintenance funds of other portions of the Harbor Oaks Project as developed by Developer, provided the lots and/or owners of lots in such other portions of such Harbor Oaks Project are subject to a maintenance charge, lien and administrative provisions substantially the same as set forth in this Part VI. Such pooled maintenance fund may be expended by the Trustee for the general benefit and common good of the various sections or units of the Harbor Oaks Project paying

into such fund, without regard to the amount collected from each section or portion, and without regard to the relative benefits accruing to each lot owner from such expenditures. Trustee may use such funds, or any part thereof, for safety and/or recreational projects and for developing, improving and maintaining any and all of the common areas which the owners and/or occupants of lots in any of the sections or portions of the Harbor Oaks Project may be privileged or shall have the right to use, regardless of who may own such common areas and regardless of their location within the entire Harbor Oaks Project. It is agreed and understood that the judgment of the Trustee, as custodian and administrator of said Maintenance Fund, when used in good faith in the expenditure of said funds, or any part thereof, shall be binding, final and conclusive upon all parties in interest. Trustee shall receive no compensation for acting as custodian and administrator of said Maintenance Fund but shall be reimbursed for expenses paid.

5. The payment of the maintenance charge hereby imposed shall be secured by an express lien in favor of Trustee, as custodian and administrator of the Maintenance Fund, which lien is placed and imposed upon each lot in the subdivision subject to such charges. There is hereby granted unto the Trustee an express lien against each lot or parcel of the subdivision to secure all obligations of the owner or owners of said lot or parcel imposed upon such owners, or lot, under the provisions hereof. Said lien may be foreclosed in the same manner as a vendor's lien, without prejudice, however, to any other rights, powers or causes of action which the holder of said lien may have against any party who is then or who has theretofore been the owner of the property affected thereby. Said lien and all other provisions of this agreement shall be secondary and subordinate, however, to any liens, deeds of trust and encumbrances whatsoever given to secure the purchase price of the lot or any part thereof, or given to any bank, savings and loan association, insurance company, trust company, fraternal benefit organization, or corporation with banking or related powers, lawfully lending money for the purpose of making repair or constructing dwellings or any other improvements whatsoever on any portion of such lot, or acquiring any note or other evidence of indebtedness previously made for any such purpose. If any such lender or party acquiring such indebtedness should be in doubt as to the purpose for which such loan was made, or indebtedness incurred, or as to whether the lien herein granted is subordinate to any lien or deed of trust given for the purpose of securing any such mortgage or indebtedness, such lender or party acquiring such indebtedness may rely conclusively upon the written statement of the Trustee, with respect thereto. The Trustee may release or subordinate said lien and any other provisions of this agreement, in whole or in part, with respect to any lot or lots, should it deem it advisable, for any reason whatsoever, without affecting said lien insofar as it applies to any other lot or lots in the subdivision. If any lot owner should make default for a period of more than ninety (90) days in payment of any maintenance charges, the lien probided above may be evidenced of record by the filing for record in the office of the County Clerk of Aransas County of a written statement by the Trustee, setting forth the amount of charge in default and the period for which same accrued, with a statement of the lot to which same applies, and the name of the lot owner, if known to the Trustee, which statement shall be prima facie evidence of the correctness of the amount and the existence of a lien therefor.

Without diminishing the personal obligations of any owner for any sum imposed under the terms hereof, the lien hereby granted upon any lot shall not secure any sum in excess of the lesser of the following amounts:

a. The unpaid assessments made under the terms hereof for the four years next preceding the date that such lien is sought to be asserted or foreclosed; or

b. The sum of Six Hundred Dollars ($600.00).

6. Any person negligently or willfully damaging or destroying all or any portion of the common areas, including the bulkheads and tie backs, shall be responsible to the Trustee for damages, and the Trustee shall use any funds collected by claim, lawsuit or settlement agreement growing out of such damage or destruction, to repair such damage or destructions, to the extent of such funds.

7. Trustee shall have, and it is hereby granted, the full right, power and authority to convey all of its right, title and interests in and to the common areas and the Maintenance Fund as well as all of its powers, rights, liens, responsibilities, duties and authority under the terms of this Part VI to: (a) a non-profit corporation, or other organization, formed by Developer for the purpose of maintaining the common areas in any portion of the Harbor Oaks Project; or (b) a public or quasi-public corporation or entity with the power to tax such as a city, Aransas County or a public district having such powers.

8. All references to "Trustee" in this Part VI shall apply with equal force and effect to any successor in interest to Trustee, as provided in Paragraph 7 of this Part VI.

9. The figures in dollars and cents expressed in this instrument are based on the purchasing value of a dollar in the year 1969, as shown by the Commodity Price Index of the United States Department of Commerce, and if the value of the dollar should change with respect thereto, a corresponding adjustment of the figures set out in this instrument shall be made each year based on the value of a dollar for the year involved, as shown by said Price Index by comparison with the value for the year 1969.

10. Each owner of a waterfront lot shall maintain the portion of the bulkhead adjacent to his lot in good condition. If such portion of the bulkhead should be in need of repair from any cause other than defects in original construction, the Trustee may give written notice to the owner of saidllot; and if such owner fails to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so, using the Maintenance Fund. The owner shall be obligated to pay to the Trustee the amounts so expended, with interest at the maximum legal rate, and the amounts so expended shall be a special assessment and charge against the lot involved, and be secured by a lien against same, in the same manner and with the same rights of enforcement as in the case of the general maintenance charge as provided above.

VII. DURATION

The restrictions and covenants herein set forth shall continue and be binding upon Developer, its successors and assigns, for a period of thirty-five (35) years from this date. At the expiration of said term of thirty-five (35) years the restrictions and covenants herein set out shall automatically be extended for an additional ten (10) year period and for successive periods of ten (10) years thereafter, unless same are nullified or revised as hereinafter provided. After the expiration of thirty-five (35) years from

the date of this instrument, the owners of a majority of the lots in said Unit 2 may execute and acknowledge an agreement in writing terminating or revising these restrictions and covenants and file the same in the Office of the County Clerk of Aransas County, Texas, or in such office as conveyances of real estate may be required to be filed, at such time, thereupon these restrictions and covenants shall be null, void and of no further force and effect, or shall be modified or revised as such instrument may direct.

VIII. AMENDMENT

At any time the owners of the legal title to 51% of the lots in said Unit 2 (as shown by the records of Aransas County, Texas) may amend the restrictions, covenants, conditions, and matters set forth herein by filing an instrument containing such amendment in the Office of the County Clerk of Aransas County, Texas, except that, prior to the expiration of fifteen (15) years from date hereof, no such amendment shall be valid or effective without the joinder of Developer, its successors or assigns.

IX. ENFORCEMENT

The restrictions, conditions and use limitations herein set forth shall be binding upon Developer, its successors and assigns, and all parties claiming by, through, or under them and all subsequent owners of each lot, each of whom shall be obligated and bound to observe such restrictions, conditions and use limitations, provided, however, that no such persons shall be liable except in respect to breaches committed during his or their ownership of said lot. The violation of any such restriction, condition or use limitation, shall not operate to invalidate any mortgage, deed of trust, or other lien acquired and held in good faith against said lot or any part thereof, but such liens may be enforced against any and all property covered thereby, subject, nevertheless, to the restrictions, conditions and use limitations herein mentioned. Developer, or the owners of any lot in this addition, or Trustee, its successors and assigns, shall have the right to enforce observance or performance of the provisions of this instrument. If any person or persons violate or attempt to violate any of the restrictions, conditions or use limitations contained herein, it shall be lawful for any person or persons owning any lot out of said addition to prosecute proceedings at law or in equity against the person violating or attempting to violate the same, either to prevent him or them from so doing, or to obtain such other relief for such violations as then may be legally available.

X. SEVERABILITY

Invalidation of any of the terms, provisions or covenants contained in this instrument by judgment or court order shall not in any way affect any of the other terms, provisions or covenants set forth in this instrument which shall remain in full force and effect.

XI. SUBORDINATION BY LIENHOLDER

Heldenfels Brothers, a partnership, acting herein by and through the undersigned partner, who is authorized to bind the partnership, for and in consideration of the sum of Ten Dollars ($10.00) cash to it in hand paid by Canoe Lake Corp., the receipt of which is hereby acknowledged, does hereby agree that the liens arising from the construction of improvements pursuant to contract between Canoe Lake Corp. and Heldenfels Brothers, a partnership, dated April 23, 1973, and by deed of trust executed by Canoe Lake Corp. to H. C. Heldenfels, Jr., Trustee for the benefit of Heldenfels

Brothers, dated April 23, 1973, recorded in Vol. _____, page ____ of the Deed of Trust Records of Aransas County, Texas, shall be and the same is hereby made subordinate, subject and inferior to the Protective Restrictions and Covenants and Landowners' Agreement imposed on said property in this instrument, and in the event of foreclosure of said deed of trust, it is agreed that the restrictions and Landowners' Agreement imposed herein shall be in no way affected thereby.

EXECUTED this 27th day of August, 1973.

CANOE LAKE CORP.

ATTEST:

By _____
Its President

_____
Asst. - Secretary

HELDENFELS BROTHERS, a partnership

By _____
Partner

THE STATE OF TEXAS X

COUNTY OF Aransas X

BEFORE ME, the undersigned authority, on this day personally appeared J. E. McCord, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he, in his representative capacity as President of Canoe Lake Corp., a corporation, executed the same for the purposes and consideration therein expressed, as the act and deed of said Canoe Lake Corp., a corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13th day of September, A.D. 1973.

_____
Notary Public in and for
Aransas County, Texas
FRANCES ANN ELLIS

THE STATE OF TEXAS X

COUNTY OF Aransas X

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he, as a partner of Heldenfels Brothers, executed the same for the purposes and consideration therein expressed, as the act and deed of said Heldenfels Brothers, a partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 5th day of September, A.D. 1973.

LOUISE FISCHER
Notary Public, Aransas Co., Texas
My Commission expires June 1, 1975

_____
Notary Public in and for
Aransas County, Texas

Unit 4

THE STATE OF TEXAS §
COUNTY OF ARANSAS §

PROTECTIVE RESTRICTIONS AND COVENANTS AND LANDOWNERS' AGREEMENT HARBOR OAKS, UNIT 4

Canoe Lake Corp., a Texan corporation, hereinafter called "Developer", is the owner of the surface estate in and to the following described property situated in Aransas County, Texas, to-wit:

Harbor Oaks, Unit 4, a subdivision adjacent to the city of Rockport, in Aransas County, Texas, as shown by map or plat thereof recorded in Volume 3, pages 80, of the Map and Plat Records of Aransas County, Texas, reference to which is here made, hereinafter referred to as the "addition" or "subdivision."

Developer has subdivided said land into lots and blocks with intervening streets, parks, beautification areas, waterways and easements, for the construction, operation and maintenance of streets, parks, beautification areas, waterways, utilities, drainage facilities and easements, and Developer has dedicated said streets and easements, as set forth on the above described map or plat.

I. SCOPE OF RESTRICTIONS

1. For the purpose of creating and carrying out a uniform plan for the improvement and sale of said subdivision, as a high-quality subdivision, the following restrictions, conditions and use limitations are hereby established, adopted and imposed upon the following portions only of said subdivision, to-wit:

Lots Nos. One (1) through Six (6) in Block No. One (1) and Lots Nos. One (1) through Twenty-nine (29), in Block No. Two (2), all in said Harbor Oaks, Unit 4, in Aransas County, Texas, as shown by said recorded map or plat.

All other portions of said Unit 4 and adjoining lands are specifically excluded from the terms, provisions and effects of this instrument.

2. The restrictions, conditions and use limitations hereinafter set forth shall constitute covenants running with the land, and shall be binding upon and inure to the benefit of Developer, its successors and assigns, and upon all persons acquiring property in said subdivision, whether by purchase, descent, devise, gift or otherwise; and each person, by the acceptance of title to any lot out of such subdivision, shall agree and covenant to abide by and perform the terms, conditions, restrictions and covenants as set forth herein. Such restrictions, conditions and use limitations shall be considered to be made a part of each contract and/or deed conveying any lot in said subdivision, whether such restrictions or this instrument be referred to or not, and by acceptance thereof, the grantee, and all persons claiming under him, shall be subject to and bound thereby, and any conveyance of any such lot shall be construed to be subject to the terms of this instrument.

3. Although Developer is not the owner of the oil, gas and other minerals under said land, it does own the surface estate and has the undisturbed and exclusive right to use of the surface, since the reservation of oil, gas and other minerals heretofore made precludes any right of the owner of such minerals to enter upon such surface for prospecting, drilling, mining for or producing

such reserved minerals, and the owner of such minerals may obtain the same only by drainage or directional drilling from adjacent lands not embraced in the subdivision. Any conveyance of lots in said subdivision shall be deemed to except said oil, gas and other minerals, by reference to these restrictions, but will pass to the grantee undisturbed and exclusive right to use of the surface of the property conveyed, subject to the restrictions herein contained.

II. DEFINITIONS

1. A "street" is any street, roadway, avenue, court, loop or drive, designated as such on the recorded map of such subdivision.

2. A "utility easement" is any easement designated as such on the recorded map of such subdivision, which easement may be used for the construction, maintenance and/or installation of any and all utilities, sewage, telephone and water drainage facilities (surface and subsurface).

3. A "waterway" is any area covered by water, whether it be a canal or lake, except that boat slips constructed for private purposes shall not be considered part of any waterway.

4. A "lot" as used herein, shall be interpreted to mean a residential building site having an area of not less than nine thousand (9,000) square feet.

5. A "corner lot" is a lot which abuts more than one street, and such lot shall be deemed to front on the street on which it has the smallest dimension and improvements shall be built to front on such street, except that the Architectural Control Committee, hereinafter specified, shall have the right to grant permission for the improvements constructed on any such corner lot to face diagonally or on the street having the longest dimension. Lots One (1) through Six (6), Block One (1) of said addition shall front either Haywood Drive or Canoe Drive, depending on which street the lot abuts. All other lots, except corner lots and those specifically enumerated, shall be deemed to front the street upon which it abuts.

6. A "waterfront lot" is a lot which abuts a waterway.

7. A "water-view lot" is a lot which does not abut a waterway, but which will entitle the owner thereof to the non-exclusive use of water access areas and other common areas of the Harbor Oaks Project in common with the use thereof by owners of other lots.

8. A "mooring area" is that portion of a waterway abutting a waterfront lot and designated as such on the plat of such subdivision within which limited mooring facilities may be constructed as set forth in paragraph 2 of Part IV, below. Developer reserves the right hereafter to designate additional mooring areas along waterways adjoining areas not included in Unit 4.

9. A "navigation area" is that portion of a waterway not designated as a mooring area on the plat of such subdivision. Absolutely no obstructions are permitted in a navigation area.

10. "Harbor Oaks Project" shall mean not only said Unit 4, but shall include Harbor Oaks, Unit I and Unit 2, heretofore developed and dedicated, and any subdivided areas which may be hereafter added as additional units of the Developer.

III. ARCHITECTURAL CONTROL

1. The Architectural Control Committee, hereinafter called "the Committee", is composed of three (3) members. The initial members, each of whom shall serve until his successor is named as provided herein, are:

a. J. E. McCord

b. Leo J. Welder

c. Dolo H. Caspary

A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the remaining members shall have full authority to designate and appoint a successor. No member of the Committee, or his designated representative, shall be entitled to any compensation for services performed hereunder. At any time after January 1, 1981, the record owners of a majority of the lots or tracts into which Harbor Oaks Project shall then be subdivided shall have the power to change the membership of the Committee, to withdraw powers and duties from the Committee, or to restore the powers and duties of the Committee. Such action shall be effective upon recordation of a written instrument properly reflecting same.

2. No building, structure or improvements of any nature shall be erected, placed, or altered on any lot subject to these restrictions until the construction plans and specifications and a plan showing the location of such building, structure or improvement have been approved by the Committee as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation. Likewise, o bulkheads constructed by the Developer shall be cut or any slips for boats be constructed unless plans and specifications therefor shall be prepared by a professional engineer (licensed by the State of Texas), and then submitted to and approved by the Committee. In addition, no substantial change in the originally approved finish grade elevation of any lot shall be made without the prior written approval of the Committee.

3. One complete set of final plans and specifications shall be submitted to the Committee for approval or disapproval, which plans shall be retained by the Committee. Written notification of approval or disapproval shall be given by letter addressed to the lot owner, or his designated agent, within 30 days after the plans have been submitted. Any modification or change in the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval.

4. The Committee's approval or disapproval as required in these covenants shall be in writing. If the Committee, or its designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after they have been submitted to it, and if no suit to enjoin the construction is commenced prior to the completion of such construction, then approval is presumed.

5. The Committee shall have the right and authority to waive, modify, alter, change or approve any covenant, term, condition or restriction where, in the opinion of the Committee, such change is necessary or required for the advantage and best appearance of the subdivision, in the following particulars, to-wit:

a. Change all restrictions in conflict where one lot and all or a portion of other contiguous lots are being used together for purpose of building a residence.

b. Change these restrictions in the case of lots which are unusual in size, or which are of an unusual or irregular shape, where such change is deemed best for the advantage or best appearance of the immediate community.

6. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of these restrictions.

IV. GENERAL LAND USE

1. All lots in said subdivision which are subject to these restrictions shall be used for single family dwellings, and for no other purpose.

2. No structure or obstruction of any nature whatsoever shall be constructed or allowed by any Lot Owner on, in or under any waterway. This will not prevent the construction of any water line, sewer line or other developmental features by the Developer when the same do not interfere with navigation. Docks, piers and mooring posts may be constructed within the mooring areas only after the size, design and placement of such have been approved in writing by the Committee.

3. All buildings and other improvements placed on any of said lots shall be newly erected on said lot and no second-hand or used buildings or other improvements shall be moved onto any of said lots, and no used or second-hand materials may be used in the exterior of such improvements unless specifically approved in advance, in writing, by the Committee.

4. All lots subject to these restrictions shall be used exclusively for private single family residential purposes, and in the use of such lots for such purposes nothing shall be done thereon which may be or become an annoyance or nuisance to the neighborhood. No commercial, trade, business or professional activity of any nature shall be carried on upon any lot or any part thereof. No cattle, hogs, poultry, horses, or other animals may be kept on any part of the subdivision, except that this paragraph shall not preclude the keeping of pets or animals other than the above mentioned such as are ordinarily kept as pets in residential subdivisions provided they are not kept or bred for any commercial purposes.

5. No outside toilet will be permitted, and any installations of any kind for disposal of sewage shall be connected with the sanitary sewer system.

6. No oil drilling, oil storage, oil refining, quarrying or mining operations of any kind shall be conducted upon any lot.

7. No sign of any kind shall be displayed to the public view except one sign of not more than six square feet advertising the property for sale or rent or signs used by a building during the construction period.

8. No structure of a temporary character, and no trailer, basement, tent, shack, garage, barn or other outbuildings, or any part thereof, shall be placed on any lot or used as a residence or dwelling, either temporarily or permanently. Garages and outbuildings that are appurtenant to a residence may be erected on each building site upon which a main dwelling has been erected.

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9. Use of house trailers, buses, trucks or similar vehicles for residential purposes is hereby prohibited, but such vehicles may be temporarily parked only if and where approved by the Committee. No vehicles shall be kept or permanently parked on the paved portion of any street within the subdivision.

10. No building material of any kind or character shall be placed or stored upon any lot until the owner is ready to commence improvements, and then such material shall be placed within the property lines of the building site upon which the improvements are to be erected and shall not be placed in the streets or between the roadbed and property line.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage and trash shall not be kept except in covered sanitary containers. Such containers shall be kept in a clean and sanitary condition and shall be stored so as not to be seen from a street or waterway.

12. No garage for separate rental purposes or any detached outbuilding apartments for rental purposes will be permitted on any lot. All living quarters on the property are to be for the bona fide use of the Lot Owner's or occupant's immediate family, non-paying guests and servants only.

13. No clotheslines may be placed where they would be visible either from a street or waterway. Such clotheslines must be enclosed by a hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the property.

14. No radio or television aerial or guy wires shall be maintained on any portion of any lot forward of the front building line of the respective main building.

15. No portion of any boat slip shall be nearer than six (6) feet to any side property line; except that exceptions to this may be granted by the Committee in its discretion where the frontage of a lot on a waterway is unusually short, or when adjoining lot owners desire to construct a single slip for their joint use.

16. All waterways shall at all times be kept free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation. None of the foregoing or any other foreign matter shall be at any time deposited, dumped or left in any waterway, nor shall any hazard to navigation, or boats, hulks, derelicts, or other floating objects other than properly tended or moored boats be at any time permitted in any waterway. The owner of each lot shall be responsible for the maintenance of the portion of any bulkhead and mooring area contiguous to his property in accordance with the provisions hereof.

17. Lot Owners shall have the non-exclusive right to use of the waterways in Harbor Oaks Project for navigation and boating purposes only. The owners of waterfront lots shall have no rights to fill any submerged area or enlarge the land area of any lot shown on said map of the subdivision.

18. A lot may not be so subdivided or areas sold off so that there will be left in such lot, when combined with an adjoining lot or portion of an adjoining lot, a building plot having an area which is less than the total area and frontage of the larger of the two original lots from which such areas are taken.

19. Construction must begin within three (3) months after the approval of plans by the Committee. Completion of such improvements must take no longer than nine months from the start of construction, unless delayed for some reason beyond owner's control, in which event the Committee may extend the foregoing time limits.

V. SIZE, DESIGN AND PLACEMENT OF IMPROVEMENTS

1. Facing: All improvements on any lot shall be constructed so as to face the street upon which such lot fronts, as specified in paragraph 5 of Part II, but the entry door of a dwelling need not be on the front side. Improvements placed on corner lots may face as approved by the Committee.

2. Minimum Floor Areas: No dwelling shall be permitted on any lot within the subdivision unless the floor area of the enclosed main dwelling, exclusive of porches, garages, whether attached or detached, breezeways, patios or other appendages, complies with the following requirements:

a. The total area of the enclosed main dwelling of any residence, whether one story or more, must contain not less than 1,200 square feet; and

b. The floor area of the enclosed main floor of any two-story residence must contain not less than 800 square feet. The main floor is the one containing the larger floor area, whether it be the first or second floor.

3. Exterior Walls: The design of and materials used in the exterior walls and surface areas of any outbuilding constructed on any lots must be in keeping with the general architectural design of the main dwelling. Asbestos and metal may be used only as approved by the Committee.

4. Telephone and Electric Lines: All telephone and electric lines will be underground to the terminal point of the property line, and all service lines must also be installed underground from the terminal point to the building which they serve.

5. Fences or Walls: No fence or wall shall be erected, placed, altered or maintained on any building site nearer to the street lot line than the building line shown on the map of such subdivision. No fence shall be constructed higher than six (6) feet and all fences shall be subject to approval by the Committee.

6. Building Lines: No building shall be erected on any lot or lots in said subdivision outside of the building lines shown on the map of said subdivision, nor farther away from the street lot line than is determined to be in harmony with existing structures by the Committee. No portion of any building shall be erected nearer than six (6) feet to any interior lot line. However, roofs, eaves or steps may extend over the minimum building setback line for a distance of not more than two feet. No load bearing walls shall be constructed nearer than twelve (12) feet to the waterfront property line of any waterfront lot, except that patios and open overhead decks may be erected in such areas, subject to the approval of the Committee. On those lots having access to streets both from front and rear (Lots One (1) through Six (6), Block One (1)), no structures of any kind shall be erected beyond the back building line.

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7. Piling Construction: Houses constructed on piling shall require piling of a minimum diameter of ten (10) inches. Piling shall be driven into soil to such depth as required by Committee.

8. Upkeep: Each Lot Owner shall keep the weeds out of the particular property owned by him and shall not permit the accumulation of trash, rubbish or other unsightly articles on the premises, the easement or in the street abutting the same, and shall keep the grass cut. The area in all the streets between the pavement and the property line shall at all times be kept clean and free of unsightly obstacles. Developer shall have the privilege of having said lots cleaned to comply with the above, in the event the lot owner after 10 days notice shall fail to do so, and any reasonable expense incurred in doing the same shall be paid by the owner of the respective lot or lots, and shall be secured by a lien in the same manner as the maintenance charge as provided in Section VI, paragraph 5, hereinafter.

VI. LANDOWNERS' AGREEMENT

In order to provide for the common use, enjoyment, benefit and maintenance of the common areas such as waterways, parks, beautification areas, and boat loading and ramp areas, within Harbor Oaks Project, and for the preservation of a marina type community of the highest quality, Developer, for the benefit of itself and each successor owner of a lot or parcel out of such subdivision, hereby binds itself, its assigns and each successor owners, as follows:

1. At such time as any of the common areas in Harbor Oaks Project have been improved and if same are not being maintained by Aransas County, a city, or other type of taxing authority within which such addition is located, Developer shall convey such common areas to Canoe Lake Corp., Trustee, hereinafter called "Trustee," which shall have such supervisory authority to provide for the proper maintenance of the common areas as may be appropriate to such subdivision, and shall have the rights and powers hereinafter mentioned. Trustee shall not be liable to an owner of any interest in such subdivision for any damage, claim or expense for the manner in which said common areas are maintained and repaired, or for failure to maintain or repair said common areas.

2. In order to provide a fund for the proper maintenance of such common areas, hereinafter called "Maintenance Fund", there is hereby imposed upon each waterfront lot in the subdivision an annual maintenance charge which shall not exceed one cent (1¢) per square foot of such lot, and there is hereby imposed upon each waterview lot in the subdivision an annual maintenance charge which shall not exceed one-half cent (1/2¢) per square foot of such lot. Such maintenance charge shall be determined annually by the Trustee based upon the projected cost of maintaining such common areas; however, no maintenance charge shall be assessed by Trustee until some portion of the common areas has been improved. Once assessed by the Trustee such maintenance charge shall be payable annually, in advance, on the first day of each calendar year, by each beneficial owner of a lot in such subdivision. The maintenance charge hereby imposed shall not apply to Developer or to lots to which Developer owns both the record and beneficial title.

3. Neither Developer nor Trustee shall be liable or responsible to any person or persons for failure or inability to collect the maintenance charge or any part thereof from any person or persons.

4. The Maintenance Fund may be pooled, merged or combined with the maintenance funds of other portions of the Harbor Oaks Project as developed by Developer, provided the lots and/or owners of lots in such other portions of such Harbor Oaks Project are subject to a maintenance charge, lien and administrative provisions substantially the same as set forth in this Part VI. Such pooled maintenance fund may be expended by the Trustee for the general benefit and common good of the various sections or units of the Harbor Oaks Project paying into such fund, without regard to the amount collected from each section or portion, and without regard to the relative benefits accruing to each lot owner from such expenditures. Trustee may use such funds, or any part thereof, for safety and/or recreational projects and for developing, improving and maintaining any and all of the common areas which the owners and/or occupants of lots in any of the sections or portions of the Harbor Oaks Project may be privileged or shall have the right to use, regardless of who may own such common areas and regardless of their location within the entire Harbor Oaks Project. It is agreed and understood that the judgment of the Trustee, as custodian and administrator of said Maintenance Fund, when used in good faith in the expenditure of said funds, or any part thereof, shall be binding, final and conclusive upon all parties in interest. Trustee shall receive no compensation for acting as custodian and administrator of said Maintenance Fund but shall be reimbursed for expenses paid.

5. The payment of the maintenance charge hereby imposed shall be secured by an express lien in favor of Trustee, as custodian and administrator of the Maintenance Fund, which lien is placed and imposed upon each lot in the subdivision subject to such charges. There is hereby granted unto the Trustee an express lien against each lot or parcel of the subdivision to secure all obligations of the owner or owners of said lot or parcel imposed upon such owners, or lot, under the provisions hereof. Said lien may be foreclosed in the same manner as a vendor's lien, without prejudice, however, to any other rights, powers or causes of action which the holder of said lien may have against any party who is then or who has theretofore been the owner of the property affected thereby. Said lien and all other provisions of this agreement shall be secondary and subordinate, however, to any liens, deeds of trust and encumbrances whatsoever given to secure the purchase price of the lot or any part thereof, or given to any bank, savings and loan association, insurance company, trust company, fraternal benefit organization, or corporation with banking or related powers, lawfully lending money for the purpose of making repair or constructing dwellings or any other improvements whatsoever on any portion of such lot, or acquiring any note or other evidence of indebtedness previously made for any such purpose. If any such lender or party acquiring such indebtedness should be in doubt as to the purpose for which such loan was made, or indebtedness incurred, or as to whether the lien herein granted is subordinate to any lien or deed of trust given for the purpose of securing any such mortgage or indebtedness, such lender or party acquiring such indebtedness may rely conclusively upon the written statement of the Trustee, with respect thereto. The Trustee may release or subordinate said lien and any other provisions of this agreement, in whole or in part, with respect to any lot or lots, should it deem it advisable, for any reason whatsoever, without affecting said lien insofar as it applies to any other lot or lots in the subdivision. If any lot owner should make default for a period of more than ninety (90) days in payment of any maintenance charges, the lien provided above may be evidenced of record by the filing for record in the office of the County Clerk of Aransas County of a written statement by the Trustee, setting forth the amount of charge

in default and the period for which same accrued, with a statement of the lot to which same applies, and the name of the lot owner, if known to the Trustee, which statement shall be prima facie evidence of the correctness of the amount and the existence of a lien therefor.

Without diminishing the personal obligations of any owner for any sum imposed under the terms hereof, the lien hereby granted upon any lot shall not secure any sum in excess of the lesser of the following amounts:

a. The unpaid assessments made under the terms hereof for the four years next preceding the date that such lien is sought to be asserted or foreclosed; or

b. The sum of Six Hundred Dollars ($600.00).

6. Any person negligently or willfully damaging or destroying all or any portion of the common areas, including the bulkheads and tie backs, shall be responsible to the Trustee for damages, and the Trustee shall use any funds collected by claim, lawsuit or settlement agreement growing out of such damage or destruction, to repair such damage or destructions, to the extent of such funds.

7. Trustee shall have, and it is hereby granted, the full right, power and authority to convey all of its right, title and interests in and to the common areas and the Maintenance Fund as well as all of its powers, rights, liens, responsibilities, duties and authority under the terms of this Part VI to: (a) a non-profit corporation, or other organization, formed for the purpose of maintaining the common areas in any portion of the Harbor Oaks Project; or (b) a public or quasi-public corporation or entity with the power to tax such as a city, Aransas County or a public district having such powers.

8. All references to "Trustee" in this Part VI shall apply with equal force and effect to any successor in interest to Trustee, as provided in Paragraph 7 of this Part VI.

9. The figures in dollars and cents expressed in this instrument are based on the purchasing value of a dollar in the year 1969, as shown by the Commodity Price Index of the United States Department of Commerce, and if the value of the dollar should change with respect thereto, a corresponding adjustment of the figures set out in this instrument shall be made each year based on the value of a dollar for the year involved, as shown by said Price Index by comparison with the value for the year 1969.

10. Each owner of a waterfront lot shall maintain the portion of the bulkhead adjacent to his lot in good condition. If such portion of the bulkhead should be in need of repair from any cause other than defects in original construction, the Trustee may give written notice to the owner of said lot; and if such owner fails to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so, using the Maintenance Fund. The owner shall be obligated to pay to the Trustee the amounts so expended, with interest at the maximum legal rate, and the amounts so expended shall be a special assessment and charge against the lot involved, and be secured by a lien against same, in the same manner and with the same rights of enforcement as in the case of the general maintenance charge as provided above.

VII. DURATION

The restrictions and covenants herein set forth shall continue and be binding upon Developer, its successors and assigns, for a period of thirty-five (35) years from this date. At the expiration of said term of thirty-five (35) years the restrictions and covenants herein set out shall automatically be extended for an additional ten (10) year period and for successive periods of ten (10) years thereafter, unless same are nullified or revised as hereinafter provided. After the expiration of thirty-five (35) years from the date of this instrument, the owners of a majority of the lots in said Unit 4 may execute and acknowledge an agreement in writing terminating or revising these restrictions and covenants and file the same in the Office of the County Clerk of Aransas County, Texas, or in such office as conveyances of real estate may be required to be filed, at such time, whereupon these restrictions and covenants shall be null, void and of no further force and effect, or shall be modified or revised as such instrument may direct.

VIII. AMENDMENTS

At any time the owners of the legal title to 51% of the lots in said Unit 4 (as shown by the records of Aransas County, Texas) may amend the restrictions, covenants, conditions, and matters set forth herein by filing an instrument containing such amendment in the Office of the County Clerk of Aransas County, Texas, except that, prior to the expiration of fifteen (15) years from date hereof, no such amendment shall be valid or effective without the joinder of Developer, its successors or assigns.

IX. ENFORCEMENT

The restrictions, conditions and use limitations herein set forth shall be binding upon Developer, its successors and assigns, and all parties claiming by, through, or under them and all subsequent owners of each lot, each of whom shall be obligated and bound to observe such restrictions, conditions and use limitations, provided, however, that no such persons shall be liable except in respect to breaches committed during his or their ownership of said lot. The violation of any such restriction, condition or use limitation, shall not operate to invalidate any mortgage, deed of trust, or other lien acquired and held in good faith against said lot or any part thereof, but such liens may be enforced against any and all property covered thereby, subject, nevertheless, to the restrictions, conditions and use limitations herein mentioned. Developer, or the owners of any lot in this addition, or Trustee, its successors and assigns, shall have the right to enforce observance or performance of the provisions of this instrument. If any person or persons violate or attempt to violate any of the restrictions, conditions or use limitations contained herein, it shall be lawful for any person or persons owning any lot out of said addition to prosecute proceedings at law or in equity against the person violating or attempting to violate the same, either to prevent him or them from so doing, or to obtain such other relief for such violations as then may be legally available.

X. SEVERABILITY

Invalidation of any of the terms, provisions or covenants contained in this instrument by judgment or court order shall not in any way affect any of the other terms, provisions or covenants set forth in this instrument which shall remain in full force and effect.

EXECUTED this 9th day of June, 1976.

CANOE LAKE CORP.

By J. E. McCord
1th President

ATTEST:

THE STATE OF TEXAS I

COUNTY OF Arkansas I

BEFORE ME, the undersigned authority, on this day personally appeared J. E. McCord, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he, in his representative capacity as President of Canoe Lake Corp., a corporation, executed the same for the purposes and consideration therein expressed, as the act and deed of said Canoe Lake Corp., a corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 9th day of June, A. D. 1976.

Debra K. Alderman
Notary Public in and for
Arkansas County, Texas.

State of Texas
County of Arkansas

I hereby certify that this instrument was FILED on 6-9-76
AT 4:35 P.M. and was duly RECORDED in Vol. and Page
of Deed RECORDS
As stamped hereon by me, on 6-10-76

County Clerk
Arkansas County, Texas

Unit 4
Sandpiper Hollow

THE STATE OF TEXAS §
COUNTY OF ARANSAS §

PROTECTIVE RESTRICTIONS AND COVENANTS AND LANDOWNERS' AGREEMENT HARBOR OAKS, UNIT 4, SANDPIPER HOLLOW

Ted M. Greenfield, Trustee, hereinafter called "Developer", is the owner of the surface estate in and to the following described property situated in Aransas County, Texas to-wit:

> All of Block Three (3), Harbor Oaks, Unit 7, Sandpiper Hollow, a subdivision in the City of Rockport, Aransas County, Texas, as shown on map or plat thereof recorded in Volume 3, Page 107, of the Map and Plat Records of Aransas County, Texas, hereinafter referred to as Harbor Oaks Subdivision, Sandpiper Hollow, Unit 4,

subject to a certain lien in favor of American Bank of Commerce in Victoria, Texas, who joins herein for the sole purpose of acknowledging, ratifying and approving the covenants and restrictions hereinafter set forth.

Developer has subdivided said land into lots with intervening streets and easements, for the construction, operation and maintenance of streets, utilities, drainage facilities and easements, and developer will dedicate said streets and easements, as set forth on the above described map or plat.

I. SCOPE OF RESTRICTIONS

1. For the purpose of creating and carrying out a uniform plan for the improvement and sale of said subdivision as a quality subdivision, the following restrictions, conditions and use limitations are hereby established, adopted and imposed upon the following portions only of said subdivision, to-wit:

> Lots Nos. One (1) through Thirty-Three (33), all in Block Three (3), in said Harbor Oaks Subdivision, Sandpiper Hollow, Unit 4, Aransas County, Texas, as shown by said recorded map or plat.

2. The restrictions, conditions and use limitations hereinafter set forth shall constitute covenants running with the land, and shall be binding upon and inure to the benefit of Developer, its successors and assigns, and upon all persons acquiring property in said subdivision, whether by purchase, descent, devise, gift or otherwise; and each person, by the acceptance of title to any lot out of such subdivision, shall agree and covenant to abide by and perform the terms, conditions, restrictions and covenants as set forth herein. The violation of any such restrictions, covenants or conditions shall not operate to invalidate any mortgage, deed of trust of lien acquired or held in good faith against said property or any part thereof, but such liens may be enforced as against any and all property covered thereby, subject nevertheless to the restrictions, covenants and conditions herein mentioned. Such restrictions, conditions and use limitations shall be considered to be made a part of each contract and/or deed conveying any lot in said subdivision, whether such restrictions or this instrument be referred to or not, and by acceptance thereof, the grantee, and all persons claiming under him, shall be subject to and bound thereby, and any conveyance of any such lot shall be construed to be subject to the terms of this instrument.

3. Although Developer is not the owner of the oil, gas and other minerals under said land, it does own the surface estate and has the undisturbed and exclusive right to use of the surface, since the reservation of oil, gas and other minerals heretofore

made precludes any right of the owner of such minerals to enter upon such surface for prospecting, drilling, mining for or producing such reserved minerals, and the owner of such minerals may obtain the same only by drainage or directional drilling from adjacent lands not embraced in the subdivision. Any conveyance of lots in said subdivision shall be deemed to except said oil, gas and other minerals, by reference to these restrictions, but will pass to the grantee undisturbed and exclusive right to use of the surface of the property conveyed, subject to the restrictions herein contained.

II. DEFINITIONS

1. A "street" is any street, roadway, avenue, court, loop or drive, designated as such on the recorded map of such subdivision.

2. A "utility easement" is any easement designated as such on the recorded map of such subdivision, which easement may be used for the construction, maintenance and/or installation of any and all utilities, sewage, telephone and water drainage facilities (surface and subsurface).

3. A "Waterway" is any area covered by water, whether it be a canal or lake, except that boat slips constructed for private purposes shall not be considered part of any waterway.

4. A "lot" as used herein, shall be interpreted to mean a residential building site having an area of not less than six thousand (6,000) square feet.

5. A "corner lot" is a lot which abuts more than one street, and such lot shall be deemed to front on the street on which it has the smallest dimension and improvements shall be built to front on such street, except that the Architectural Control Committee, hereinafter specified, shall have the right to grant permission for the improvements constructed on any such corner lot to face diagonally or on the street having the longest dimension.

6. A "waterfront lot" is a lot which abuts a waterway.

7. A "water-view lot is a lot which does not abut a waterway, but which will entitle the owner thereof to the non-exclusive use of water access areas.

8. A "mooring area" is that portion of a waterway abutting a waterfront lot extending into the waterway, and designated as such on the plat of such subdivision within which limited mooring facilities may be constructed as set forth in paragraph 2 of Part IV, below.

9. A "navigation area" is that portion of a waterway not designated as a mooring area. Absolutely no obstructions are permitted in a navigation area.

10. "Harbor Oaks Project" shall mean those Harbor Oaks Subdivision and waterways developed by Canoe Lake Corporation and any subdivided areas which may be hereafter added as additional units by said Developer, its successors or assigns which are not a part of Harbor Oaks Subdivision, Sanpiper Hollow, Unit 4.

III. ARCHITECTURAL CONTROL

1. The Architectural Control Committee, hereinafter called "the Committee", is composed of three (3) members. The initial members, each of whom shall serve until his successor is named as provided herein, are:

a. Sarah Jane Ponton

b. Yvonne Wendell

c. Ted M. Greenfield

A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the remaining members shall have full authority to designate and appoint a successor. No member of the Committee, or his designated representative, shall be entitled to any compensation for services performed hereunder. At any time after January 1, 1982, the record owners of a majority of the lots or tracts into which Harbor Oaks Subdivision, Sandpiper Hollow, Unit 4 shall then be subdivided shall have the power to change the membership of the Committee, to withdraw powers and duties from the Committee, or to restore the powers and duties of the Committee. Such action shall be effective upon recordation of a written instrument property reflecting same.

2. No building, structure or improvements of any nature shall be erected, placed, or altered on any lot subject to these restrictions until the construction plans and specifications and a plan showing the location of such building, structure or improvement have been approved by the Committee as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation. Likewise, no bulkheads, shall be cut or any slips for boats be constructed unless plans and specifications therefor shall be prepared by a professional engineer (licensed by the State of Texas), and then submitted to and approved by the Committee. In addition, no substantial change in the originally approved finish grade elevation of any lot shall be made without the prior written approval of the Committee.

3. One complete set of final plans and specifications shall be submitted to the Committee for approval or disapproval. Written notification of approval or disapproval shall be given by letter addressed to the lot owner, or his designated agent, within 30 days after the plans have been submitted. Any modification or change in the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval.

4. The Committee's approval or disapproval as required in these covenants shall be in writing. If the Committee, or its designated representative, approves or fails to disapprove in writing such plans and specifications, within thirty (30) days after they have submitted to it, the plans shall be forwarded to the Committee set out in paragraph 6 below for final consideration.

5. The Committee shall have the right and authority to waive, modify, alter, change or approve any covenant, term, condition or restriction where, in the opinion of the Committee, such change is necessary or required for the advantage and best appearance of the subdivision, in the following particulars, to-wit:

a. Change all restrictions in conflict where one lot and all or a portion of other contiguous lots are being used together for purposes of building a residence.

b. Change these restrictions in the case of lots which are unusual in size, or which are of an unusual or irregular shape, where such change is deemed best for the advantage or best appearance of the immediate community.

6. Decisions of the Committee are subject to the provisions of Section III, of the Protective Restrictions and Covenants and Landowners Agreement, Harbor Oaks, Unit One (1), as recorded in Volume 150, Page 321 et seq. of the Deed Records of Aransas County, Texas, and final approval of the Committee therein named is mandatory.

IV. GENERAL LAND USE

1. All lots in said subdivision which are subject to these restrictions shall be used for single family dwellings, and for no other purpose.

2. No structure or obstruction of any nature whatsoever shall be constructed or allowed by any Lot Owner on, in or under any waterway. This will not prevent the construction of any water line, sewer line or other developmental features by the Developer when the same do not interfere with navigation. Docks, piers and mooring posts may be constructed within the mooring areas only after the size, design and placement of such have been approved in writing by the Committee.

3. All buildings and other improvements placed on any of said lots shall be newly erected on said lot and no second-hand or used buildings or other improvements shall be moved onto any of said lots, and no used or second-hand materials may be used in the exterior of such improvements unless specifically approved in advance, in writing, by the Committee.

4. All lots subject to these restrictions shall be used exclusively for single family residential purposes, and in the use of such lots for such purposes nothing shall be done thereon which may be or become an annoyance or nuisance to the neighborhood. No commercial, trade, business or professional activity of any nature shall be carried on upon any lot or any part thereof. No cattle, hogs, poultry, horses, or other animals may be kept on any part of the subdivision, except that this paragraph shall not preclude the keeping of pets or animals other than the above mentioned such as are ordinarily kept as pets in residential subdivisions provided they are not kept or bred for any commercial purposes.

5. No outside toilet will be permitted, and any installations of any kind for disposal of sewage shall be connected with the sanitary sewer system.

6. No oil drilling, oil storage, oil refining, quarrying or mining operations of any kind shall be conducted upon any lot.

7. No sign of any kind shall be displayed to the public view except one sign of not more than six square feet advertising the property for sale or rent or signs used by a builder during the construction period.

8. No structure of a temporary character, and no trailer, basement, tent, shack, garage, barn or other outbuildings, or any part thereof, shall be placed on any lot or used as a residence or dwelling, either temporarily or permanently. Garages and outbuildings that are appurtenant to a residence may be erected on each building site upon which a main dwelling has been erected.

9. Use of house trailers, buses, trucks or similar vehicles for residential purposes is hereby prohibited, but such vehicles may be temporarily parked only if and where approved by the Committee. No such vehicles shall be kept or permanently parked on the paved portion of any street, or on any Lot within the Subdivision unless such vehicle is concealed behind a privacy fence no closer to the street than the front building line.

10. No building material of any kind or character shall be placed or stored upon any lot until the owner is ready to commence improvements, and then such material shall be placed within the property lines of the building site upon which the improvements are to be erected and shall not be placed in the streets or between the roadbed and property line.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage and trash shall not be kept except in covered sanitary containers. Such containers shall be kept in a clean and sanitary condition and shall be stored so as not to be seen from a street or waterway.

12. No garage for separate rental purposes or any detached outbuilding apartments for rental purposes will be permitted on any lot. All living quarters on the property are to be for the bona fide use of the Lot Owner's or occupant's immediate family, non-paying guests and servants only.

13. No clothes lines may be placed where they would be visible either from a street or waterway. Such clothes lines must be enclosed by a hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the property.

14. No radio or television antenna or guy wires shall be maintained on any portion of any lot forward of the front building line of the respective main building.

15. No portion of any boat slip shall be nearer than six (6) feet to any side property line; except that exceptions to this may be granted by the Committee in its discretion where the frontage of a lot on a waterway is unusually short, or when adjoining lot owners desire to construct a single slip for their joint use.

16. All waterways shall at all times be kept free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation. None of the foregoing or any other foreign matter shall be at any time deposited, dumped or left in any waterway, nor shall any hazard to navigation, or boats, hulks, derelicts, or other floating objects other than properly tended or moored boats be at any time permitted in any waterway. The owner of each lot shall be responsible for the maintenance of the portion of any bulkhead and mooring area contiguous to his property in accordance with the provisions hereof.

17. Lot Owners shall have the non-exclusive right to use of the waterways in Harbor Oaks Project for navigation and boating purposes only. The owners of waterfront lots shall have no rights to fill any submerged area or enlarge the land area of any lot shown on said map of the subdivision.

18. A lot may not be so subdivided or areas sold off so that there will be left in such lot, when combined with an adjoining lot or portion of an adjoining lot, a building plot having an area which is less than the total area and frontage of the larger of the two original lots from which such areas are taken.

19. Construction must begin within three (3) months after the approval of plans by the Committee. Completion of such improvements must take no longer than (9) months from the start of construction, unless delayed for some reason beyond owner's control, in which event the Committee may extend the foregoing time limits.

20. Said property shall also be subject to all of the terms and provisions of the LANDOWNERS' AGREEMENT, including the imposition of an assessment for an annual maintenance charge as fully set out hereinafter in Section VI, entitled "Landowners' Agreement."

V. SIZE, DESIGN AND PLACEMENT OF IMPROVEMENTS

1. Facing: All improvements on any lot shall be constructed so as to face the street upon which such lot fronts, as specified in paragraph 5 of part II, but the entry door of a dwelling need not be on the front side. Improvements placed on corner lots may face as approved by the Committee.

2. Minimum Floor Areas: No dwelling shall be permitted on any lot within the subdivision unless the floor area of the enclosed main dwelling, exclusive of porches, garages, whether attached or detached, breezeways, patios or other appendates, complies with the following requirements:

a. The total area of the enclosed main dwelling of any residence, whether one story or more, must contain not less than 1,200 square feet; and

b. The floor area of the enclosed main floor of any two-story residence must contain not less than 800 square feet. The main floor is the one containing the larger floor area, whether it be the first or second floor.

3. Exterior Walls: The design of and materials used in the exterior walls and surface areas of any outbuilding constructed on any lots must be in keeping with the general architectural design of the main dwelling. Asbestos and metal may be used only as approved by the Committee.

4. Telephone and Electric Lines: All telephone and electric lines will be underground to the terminal point of the property line, and all service lines must also be installed underground from the terminal point to the building which they serve.

5. Fences or Walls: No fence or wall shall be erected, placed, altered or maintained on any building site nearer to the street lot line than the building line shown on the map of such subdivision. No fence shall be constructed higher than six (6) feet and all fences shall be subject to approval by the Committee.

6. Building Lines: No building shall be erected on any lot or lots in said subdivision outside of the building lines shown on the map of said subdivison, nor farther away from the street lot line than is determined to be in harmony with existing structures by the Committee. No portion of any building shall be erected nearer than six (6) feet to any interior lot line. However, roofs, eaves or steps may extend over the minimum building setback line for a distance of not more than two (2) feet. No load bearing walls shall be constructed nearer than twelve (12) feet to the waterfront property line of any waterfront lot, except that patios and open overhead decks may be erected in such areas, subject to the approval of the Committee.

7. Piling Construction: Houses constructed on piling shall require piling of a minimum diameter of ten (10) inches. Piling shall be driven into soil to such depth as required by Committee.

8. Upkeep: Each Lot Owner shall keep the weeds out of the particular property owned by him and shall not permit the accumulation of trash, rubbish or other unsightly articles on the premises, the easement or in the street abutting the same, and

shall keep the grass cut. The area in all the streets between the pavement and the property line shall at all times be kept clean and free of unsightly obstacles. Developer shall have the privilege of having said lots cleaned to comply with the above in the event the lot owner, after ten (10) days notice, shall fail to do so, and any reasonable expense incurred in doing the same shall be paid by the owner of the respective lot or lots, and shall be secured by a lien in the same manner as the maintenance charge as provided in Section VI, paragraph 5, hereinafter. Failure of developer to take such action shall not act as waiver of such right to do so.

VI. LANDOWNERS' AGREEMENT

In order to provide for the common use, enjoyment, benefit and maintenance of the common areas such as waterways, parks, beautification area, and boat loading and ramp area, within Harbor Oaks Project, Sandpiper Hollow, Unit 4, and for the preservation of a marina type community of the highest quality, Developer, for the benefit of itself and each successor owner of a lot or parcel out of such subdivision, hereby binds itself, its assigns and each successor owner, as follows:

1. At such time as any of the common areas in Harbor Oaks Project, have been improved and if same are not being maintained by Aransas County, a city, or other type of taxing authority within which such addition is located, such areas shall be conveyed to Canoe Lake Corp., Trustee, hereinafter called "Trustee," which shall have such supervisory authority to provide for the proper maintenance of the common areas as may be appropriate to such subdivision, and shall have the rights and powers hereinafter mentioned. Trustee shall not be liable to an owner of any interest in such subdivision for any damage, claim or expense for the manner in which said common areas are maintained and repaired, or for failure to maintain or repair said common areas.

2. In order to provide a fund for the proper maintenance of such common areas, hereinafter called "Maintenance Fund", there is hereby imposed upon each waterfront lot in the subdivison an annual maintenance charge which shall not exceed one cent (1¢) per square foot of such lot, and there is hereby imposed upon each waterview lot in the subdivision an annual maintenance charge which shall not exceed one-half cent (1/2¢) per square foot of such lot. Such maintenance charge shall be determined annually by the Trustee based upon the projected cost of maintaining such common areas. Once assessed by the Trustee, such maintenance charge shall be payable annually, in advance, on the first day of each calendar year, by each beneficial owner of a lot in such subdivison.

3. Neither Developer nor Trustee shall be liable or responsible to any person or persons for failure or inability to collect the maintenance charge or any part thereof from any person or persons.

4. The Maintenance Fund may be pooled, merged or combined with the maintenance funds of other portions of the Harbor Oaks Project as developed by Canoe Lake Corp., provided the lots and/or owners of lots in such other portions of such Harbor Oaks Project are subject to a maintenance charge, lien and administrative provisions substantially the same as set forth in this Part VI. Such pooled maintenance fund may be expended by the Trustee for the general benefit and common good of the various sections or units of Harbor Oaks paying into such fund, without regard to the amount collected from each section or portion, and without regard to the relative benefits accruing to each lot owner from such expenditures. Trustee may use such funds, or any part thereof, for safety and/or recreational projects and for

developing, improving and maintaining any and all of the common areas which the owners and/or occupants of lots in any of the sections or portions of Harbor Oaks may be privileged or shall have the right to use, regardless of who may own such common areas and regardless of their location within Harbor Oaks. It is agreed and understood that the judgment of the Trustee, as custodian and administrator of said Maintenance Fund, when used in good faith in the expenditure of said funds, or any part thereof, shall be binding, final and conclusive upon all parties in interest. Trustee shall receive no compensation for acting as custodian and administrator of said Maintenance Fund but shall be reimbursed for expenses paid.

5. The payment of the maintenance charge hereby imposed shall be secured by an express lien in favor of Trustee, as custodian and administrator of the Maintenance Fund, which line is placed and imposed upon each lot in the subdivision subject to such charges. There is hereby granted unto the Trustee an express lien against each lot or parcel of the subdivison to secure all obligations of the owner or owners of said lot or parcel imposed upon such owners, or lot, under the provisions hereof. Said lien may be foreclosed in the same manner as a vendor's lien, without prejudice, however, to any other rights, powers or causes of action which the holder of said lien may have against any party who is then or who has theretofore been the owner of the property affected thereby. Said lien and all other provisions of this agreement shall be secondary and subordinate, however, to any liens, deeds of trust and encumbrances whatsoever given to secure the purchase price of the lot or any part thereof, or given to any bank, savings and loan association, insurance company, trust company, fraternal benefit organization, or corporation with banking or related powers, lawfully lending money for the purpose of making repair or constructing dwellings or any other improvements whatsoever on any portion of such lot, or acquiring any note or other evidence of indebtedness previously made for any such purpose. If any such lender or party acquiring such indebtedness should be in doubt as to the purpose for which such loan was made, or indebtedness incurred, or as to whether the lien herein granted is subordinate to any lien or deed of trust given for the purpose of securing any such mortgage or indebtedness, such lender or party acquiring such indebtedness may rely conclusively upon the written statement of the Trustee, with respect thereto. The Trustee may release or subordinate said lien and any other provisions of this agreement, in whole or in part, with respect to any lot or lots, should it deem it advisable, for any reason whatsoever, without affecting said lien insofar as it applies to any other lot or lots in the subdivision. If any lot owner should make default for a period of more than ninety (90) days in payment of any maintenance charges, the lien provided above may be evidenced of record by the filing for record in the office of the County Clerk of Aransas County of a written statement by the Trustee, setting forth the amount of charge in default and the period for which same accrued, with a statement of the lot to which same applies, and the name of the lot owner, if known to the Trustee, which statement shall be prima facie evidence of the correctness of the amount and the existence of a lien therefor.

Without diminishing the personal obligations of any owner for any sum imposed under the terms hereof, the lien hereby granted upon any lot shall not secure any sum in excess of the lesser of the following amounts:

a. The unpaid assessments made under the terms hereof for the four years next preceding the date that such lien is sought to be asserted or foreclosed; or

b. The sum of Six Hundred ($600.00) Dollars.

6. Any person negligently or willfully damaging or destroying all or any portion of the common areas, including the bulkheads and tie backs, shall be responsible to the Trustee for damages, and the Trustee shall use any funds collected by claim, lawsuit or settlement agreement growing out of such damage or destruction, to repair such damage or destructions, to the extent of such funds.

7. Trustee shall have, and it is hereby granted, the full right, power and authority to convey all of its right, title and interests in and to the common areas and the Maintenace Fund as well as all of its powers, rights, liens, responsibilities, duties and authority under the terms of this Part VI to: (a) a non-profit corporation, or other organization, formed for the purpose of maintaining the common areas belonging to the Harbor Oaks Project; or (b) a public or quasi public corporation or entity with the power to tax such as the City of Rockport, Aransas County, or a public district having such powers.

8. All references to "Trustee" in this Part VI shall apply with equal force and effect to any successor in interest to Trustee, as provided in Paragraph 7 of this Part VI.

9. The figures in dollars and cents expressed in this instrument are based on the purchasing value of a dollar in the year 1969, as shown by the Commodity Price Index of the United States Department of Commerce, and if the value of the dollar should change with respect thereto, a corresponding adjustment of the figures set out in this instrument shall be made each year based on the value of a dollar for the year involved, as shown by said Price Index by comparison with the value for the year 1969.

10. Each owner of a waterfront lot shall maintain the portion of the bulkhead adjacent to his lot in good condition. If such portion of the bulkhead should be in need of repair from any cause other than defects in original construction, the Trustee may give written notice to the owner of said lot; and if such owner fails to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so, using the Maintenance Fund. The owner shall be obligated to pay to the Trustee the amounts so expended, with interest at the maximum legal rate, and the amounts so expended shall be a special assessment and charge against the lot involved, and be secured by a lien against same, in the same manner and with the same rights of enforcement as in the case of the general maintenance charge as provided above.

VII. DURATION

The restrictions and covenants herein set forth shall continue and be binding upon Developer, its successors and assigns, for a period of thirty-five (35) years from this date. At the expiration of said term of thirty-five (35) years the restrictions and covenants herein set out shall automatically be extended for an additional ten (10) year period and for successive periods of ten (10) years thereafter, unless same are nullified or revised as hereinafter provided. After the expiration of thirty-five (35) years from the date of this instrument, the owners of a majority of the lots in said Block Three (3), Unit 4 may execute and acknowledge an agreement in writing terminating or revising these restrictions and dovenants and file the same in the Office of the County Clerk of Aransas County, Texas, or in such office as conveyances of real estate may be required to be filed, at such time, whereupon these restrictions and covenants shall be null, void and of no further force and effect, or shall be modified or revised as such instrument may direct.

VIII. AMENDMENTS

At any time, the owners of the legal title to 51% of the lots in said Block Three (3), Unit 4 (as shown by the records of Aransas County, Texas), may amend the restrictions, covenants, conditions, and matters set forth herein by filing an instrument containing such amendment in the Office of the County Clerk of Aransas County, Texas, except that, prior to the expiration of fifteen (15) years from date hereof, no such amendment shall be valid or effective without the joinder of Canoe Lake Corp., its successors or assigns.

IX. ENFORCEMENT

The restrictions, conditions and use limitations herein set forth shall be binding upon Developer, its successors and assigns, and all parties claiming by, through, or under them and all subsequent owners of each lot, each of whom shall be obligated and bound to observe such restrictions, conditions and use limitations, provided, however, that no such persons shall be liable except in respect to breaches committed during his or their ownership of said lot. The violation of any such restriction, condition or use limitation, shall not operate to invalidate any mortgage, deed of trust, or other lien acquired and held in good faith against said lot or any part thereof, but such liens may be enforced against any and all property covered thereby, subject, nevertheless, to the restrictions, conditions and use limitations herein mentioned. Developer, or the owners of any lot in this addition, or Trustee, its successors and assigns, shall have the right to enforce observance or performance of the provisions of this instrument. If any person or persons violate or attempt to violate any of the restrictions, conditions or use limitations contained herein, it shall be lawful for any person or persons owning any lot out of said addition to prosecute proceedings at law or in equity against the person violating or attempting to violate the same, either to prevent him or them from so doing, or to obtain such other relief for such violations as then may be legally available.

X. SEVERABILITY

Invalidation of any of the terms, provisions or covenants contained in this instrument by judgment or court order shall not in any way affect any of the other terms, provisions or covenants set forth in this instrument which shall remain in full force and effect.

XI. SUBORDINATION BY LENDER

AMERICAN BANK OF COMMERCE of Victoria, Texas, holder of the lien upon the herein described property, for and in consideration of Ten Dollars ($10.00) cash in hand paid by Ted M. Greenfield, Trustee, receipt of which is hereby acknowledged, does hereby agree that the lien recorded in the Deed of Trust Records of Aransas County, Texas in Volume 155, Page 205, shall be and the same is hereby made subordinate subject and inferior to the Protective Restrictions and Covenants and Landowners Agreement imposed on said property in this instrument, and in the event of

foreclosure of said Deed of Trust, it is agreed that the restrictions and Landowners Agreement imposed herein shall be in no way affected thereby.

Executed this 8th day of June, 1978.

Ted M. Greenfield, Trustee

ATTEST:

Linda S. Wagner Secretary
ASST. CASHIER

Ratified and Approved this 9th day of June, 1978.

AMERICAN BANK OF COMMERCE

By

VOL 241 PAGE 165

THE STATE OF TEXAS §

COUNTY OF ARANSAS §

Before me, the undersigned authority, on this day personally appeared Ted M. Greenfield, Trustee, known to me to be the person whose name is subscribed to the foregoing Protective Restrictions and Covenants and Landowners' Agreement, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this 8th day of June, 1978.

Ruth M. Appleton
Notary Public, Aransas County, Texas

THE STATE OF TEXAS §

COUNTY OF ARANSAS §

Before me, the undersigned authority, on this day personally appeared M. D. Parker, Vice-President of American Bank of Commerce, a corporation, known to me to be the person whose name is subscribed to the foregoing Protective Restrictions and Covenants and Landowners' Agreement, 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 on this 12th day of June, 1978.

Ruth M Appleton
Notary Public, Aransas County, Texas

State of Texas
County of Aransas

I hereby certify that this instrument was FILED on 6/12/78
AT 11:00 A.M. and was duly RECORDED in Vol. and Page
of Deed RECORDS
As stamped hereon by me, on 6/12/78

County Clerk
Aransas County, Texas

Unit 5

THE STATE OF TEXAS

COUNTY OF ARANSAS

PROTECTIVE RESTRICTIONS AND COVENANTS AND LANDOWNERS' AGREEMENT HARBOR OAKS, UNIT 5

Canoe Lake Corp., a Texas corporation, hereinafter called "Developer", is the owner of the surface estate in and to the following described property situated in Aransas County, Texas, to-wit:

> Harbor Oaks, Unit 5, a subdivision adjacent to the City of Rockport, in Aransas County, Texas, as shown by map or plat thereof recorded in Volume 3, page 95, of the Map and Plat Records of Aransas County, Texas, reference to which is here made, hereinafter referred to as the "addition" or "subdivision."

Developer has subdivided said land into lots and blocks with intervening streets, parks, beautification areas, waterways and easements, for the construction, operation and maintenance of streets, parks, beautification areas, waterways, utilities, drainage facilities and easements, and Developer has dedicated said streets and easements, as set forth on the above described map or plat.

I. SCOPE OF RESTRICTIONS

1. For the purpose of creating and carrying out a uniform plan for the improvement and sale of said subdivision, as a high-quality subdivision, the following restrictions, conditions and use limitations are hereby established, adopted and imposed upon the following portions only of said subdivision, to-wit:

> Lots Nos. One (1) through Seven (7) in Block No. One (1) and Lots Nos. One (1) through Thirteen (13) in Block No. Two (2), all in said Harbor Oaks, Unit 5, in Aransas County, Texas, as shown by said recorded map or plat.

All other portions of said Unit 5 are specifically excluded from the terms, provisions and effects of this instrument.

2. The restrictions, conditions and use limitations hereinafter set forth shall constitute covenants running with the land, and shall be binding upon and inure to the benefit of Developer, its successors and assigns, and upon all persons acquiring property in said subdivision, whether by purchase, descent, devise, gift or otherwise; and each person, by the acceptance of title to any lot out of such subdivision, shall agree and covenant to abide by and perform the terms, conditions, restrictions and covenants as set forth herein. Such restrictions, conditions and use limitations shall be considered to be made a part of each contract and/or deed conveying any lot in said subdivision, whether such restrictions or this instrument be referred to or not, and by acceptance thereof, the grantee, and all persons claiming under him, shall be subject to and bound thereby, and any conveyance of any such lot shall be construed to be subject to the terms of this instrument.

3. Although Developer is not the owner of the oil, gas and other minerals under said land, it does own the surface estate and has the undisturbed and exclusive right to use of the surface, since the reservation of oil, gas and other minerals heretofore made precludes any right of the owner of such minerals to enter upon such surface for prospecting, drilling, mining for or producing such reserved minerals, and the owner of such minerals

may obtain the same only by drainage or directional drilling from adjacent lands not embraced in the subdivision. Any conveyance of lots in said subdivision shall be deemed to except said oil, gas and other minerals, by reference to these restrictions, but will pass to the grantee undisturbed and exclusive right to use of the surface of the property conveyed, subject to the restrictions herein contained.

II. DEFINITIONS

1. A "street" is any street, roadway, avenue, court, loop or drive, designated as such on the recorded map of such subdivision.

2. A "utility easement" is any easement designated as such on the recorded map of such subdivision, which easement may be used for the construction, maintenance and/or installation of any and all utilities, sewage, telephone and water drainage facilities (surface and subsurface).

3. A "waterway" is any area covered by water, whether it be a canal or lake, except that boat slips constructed for private purposes shall not be considered part of any waterway.

4. A "lot" as used herein, shall be interpreted to mean a residential building site having an area of not less than eight thousand four hundred fifty (8450) square feet.

5. A "corner lot" is a lot which abuts more than one street, and such lot shall be deemed to front on the street on which it has the smallest dimension; improvements on such lots shall be built to front on such lots as the Architectural Control Committee may direct. All other lots, except corner lots, shall be deemed to front the street upon which it abuts, and improvements thereon shall be built to front on such street.

6. A "waterfront lot" is a lot which abuts a waterway.

7. A "water-view lot" is a lot which does not abut a waterway, but which will entitle the owner thereof to the non-exclusive use of water access areas and other common areas of the Harbor Oaks Project in common with the use thereof of owners of other lots.

In addition, Developer is providing docking facilities (consisting of docks, mooring posts, and pier) located in the mooring area of Turkey Neck adjacent to Block 3, Green Area, Unit 5, for the benefit of 16 of the waterview lots , eing all of the waterview lots except Lot Three (3), Block One (1), and Lots Five (5) and Thirteen (13), Block Two (2), and for the waterview lots in Harbor Oaks, Unit 6, as shown in the detail of the mooring area upon the recorded map of said Unit 5, and a separate boat dock, together with the joint use of the pier, shall be conveyed to each owner of the above mentioned lots; the ownership of each boat dock shall be by the owner of the lot as shown in the allocation schedule set forth on the recorded map of said Unit 5. The ownership of such docking facilities shall be in the owners hereinabove designated and in the owners of the waterview lots of Harbor Oaks, Unit 6 (to the exclusion of all other owners in the Harbor Oaks Project), and no other present or future owners of other lots in the project shall have any right to the use of, nor any responsibility for maintenance, or other liability in connection with such docking facilities.

8. A "mooring area" is that portion of a waterway designated as such on the plat of such subdivision within which limited mooring facilities may be constructed as set forth in paragraph 2 of Part IV, below.

9. A "navigation area" is that portion of a waterway not designated as a mooring area on the plat of such subdivision. Absolutely no obstructions are permitted in a navigation area.

10. "Harbor Oaks Project" shall mean not only said Unit 5, but shall include Harbor Oaks Unit I, Unit 2, Unit 4 and Unit 6, heretofore developed and dedicated.

III. ARCHITECTURAL CONTROL

1. The Architectural Control Committee, hereinafter called "the Committee", is composed of three (3) members. The initial members, each of whom shall serve until his successor is named as provided herein, are:

(a) J. E. McCord
(b) Leo J. Welder
(c) Delo H. Caspary

A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the remaining members shall have full authority to designate and appoint a successor. No member of the Committee, or his designated representative, shall be entitled to any compensation for services performed hereunder. At any time after January 1, 1983, the record owners of a majority of the lots or tracts into which Harbor Oaks Project shall then be subdivided shall have the power to change the membership of the Committee, to withdraw powers and duties from the Committee, or to restore the powers and duties of the Committee. Such action shall be effective upon recordation of a written instrument properly reflecting same.

2. No building, structure or improvements of any nature shall be erected, placed, or altered on any lot subject to these restrictions until the construction plans and specifications and a plan showing the location of such building, structure or improvements have been approved by the Committee as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation. Likewise, no bulkheads constructed by the Developer shall be cut or any slips for boats be constructed unless plans and specifications therefor shall be prepared by a professional engineer (licensed by the State of Texas), and then submitted to and approved by the Committee. In addition, no substantial change in the originally approved finish grade elevation of any lot shall be made without the prior written approval of the Committee.

3. One complete set of final plans and specifications shall be submitted to the Committee for approval or disapproval, which plans shall be retained by the Committee. Written notification of approval or disapproval shall be given by letter addressed to the lot owner, or his designated agent, within 30 days after the plans have been submitted. Any modification or change in the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval.

4. The Committee's approval or disapproval as required in these covenants shall be in writing. If the Committee, or its designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after they

have been submitted to it, and if no suit to enjoin the construction is commenced prior to the completion of such construction, then approval is presumed.

5. The Committee shall have the right and authority to waive, modify, alter, change or approve any covenant, term, condition or restriction where, in the opinion of the Committee, such change is necessary or required for the advantage and best appearance of the subdivision, in the following particulars, to-wit:

(a) Change all restrictions in conflict where one lot and all or a portion of other contiguous lots are being used together for purpose of building a residence.

(b) Change these restrictions in the case of lots which are unusual in size, or which are of an unusual or irregular shape, where such change is deemed best for the advantage or best appearance of the immediate community.

6. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of these restrictions.

IV. GENERAL LAND USE

1. All lots in said subdivision which are subject to these restrictions shall be used for single family dwellings, and for no other purpose.

2. No structure or obstruction of any nature whatsoever shall be constructed or allowed by any Lot Owner on, in or under any waterway. This will not prevent the construction of any water line, sewer line or other developmental features by the Developer when the same do not interfere with navigation. Docks, piers and mooring posts (except those constructed by the Developer for the use of the owners of the water-view lots in Unit 5) may be constructed within the mooring areas only after the size, design and placement of such have been approved in writing by the Committee.

3. All buildings and other improvements placed on any of said lots shall be newly erected on said lot and no second-hand or used buildings or other improvements shall be moved onto any of said lots, and no used or second-hand materials may be used in the exterior of such improvements unless specifically approved in advance, in writing, by the Committee.

4. All lots subject to these restrictions shall be used exclusively for private single family residential purposes, and in the use of such lots for such purposes nothing shall be done thereon which may be or become an annoyance or nuisance to the neighborhood. No commercial, trade, business or professional activity of any nature shall be carried on upon any lot or any part thereof. No cattle, hogs, poultry, horses, or other animals may be kept on any part of the subdivision, except that this paragraph shall not preclude the keeping of pets or animals other than the above mentioned such as are ordinarily kept as pets in residential subdivisions provided they are not kept or bred for any commercial purposes.

5. No outside toilet will be permitted, and any installations of any kind for disposal of sewage shall be connected with the sanitary sewer system.

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6. No oil drilling, oil storage, oil refining, quarrying or mining operations of any kind shall be conducted upon any lot.

7. No sign of any kind shall be displayed to the public view except one sign of not more than six square feet advertising the property for sale or rent or signs used by a builder during the construction period.

8. No structure of a temporary character, and no trailer, basement, tent, shack, garage, barn or other outbuildings or any part thereof, shall be placed on any lot or used as a residence or dwelling, either temporarily or permanently. Garages and outbuildings that are appurtenant to a residence may be erected on each building site upon which a main dwelling has been erected.

9. Use of house trailers, buses, trucks or similar vehicles for residential purposes is hereby prohibited, but such vehicles may be temporarily parked only if and where approved by the Committee. No vehicles shall be kept or permanently parked on the paved portion of any street within the subdivision.

10. No building material of any kind or character shall be placed or stored upon any lot until the owner is ready to commence improvements, and then such material shall be placed within the property lines of the building site upon which the improvements are to be erected and shall not be placed in the streets or between the roadbed and property line.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage and trash shall not be kept except in covered sanitary containers. Such containers shall be kept in a clean and sanitary condition and shall be stored so as not to be seen from a street or waterway.

12. No garage for separate rental purposes or any detached outbuilding apartments for rental purposes will be permitted on any lot. All living quarters on the property are to be for the bona fide use of the Lot Owner's or occupant's immediate family, non-paying guests and servants only.

13. No clotheslines may be placed where they would be visible either from a street or waterway. Such clotheslines must be enclosed by a hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the property.

14. No radio or television aerial or guy wires shall be maintained on any portion of any lot forward of the front building line of the respective main building.

15. No portion of any boat slip shall be nearer than six (6) feet to any side property line; except that exceptions to this may be granted by the Committee in its discretion where the frontage of a lot on a waterway is unusually short, or when adjoining lot owners desire to construct a single slip for their joint use.

16. All waterways shall at all times be kept free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation. None of the foregoing or any other foreign matter shall be at any time deposited, dumped or left in any waterway, nor shall any hazard to navigation, or boats, hulks, derelicts, or other floating objects other than properly tended

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or moored boats be at any time permitted in any waterway. The owner of each lot shall be responsible for the maintenance of the portion of any bulkhead and mooring area contiguous to his property in accordance with the provisions hereof. The bulkhead, mooring area, and docking facilities adjacent to Block 3, Green Area, provided for the use of some lot owners of Unit 5 and Unit 6 shall be maintained by those owners on a pro rata basis.

17. Lot owners shall have the non-exclusive right to use of the waterways in Harbor Oaks Project for navigation and boating purposes only. The owners of waterfront lots shall have no rights to fill any submerged area or enlarge the land area of any lot shown on said map of the subdivision.

18. A lot may not be so subdivided or areas sold off so that there will be left in such lot, when combined with an adjoining lot or portion of an adjoining lot, a building plot having an area which is less than the total area and frontage of the larger of the two original lots from which such areas are taken.

19. Construction must begin within three (3) months after the approval of plans by the Committee. Completion of such improvements must take no longer than nine months from the start of construction, unless delayed for some reason beyond owner's control, in which event the Committee may extend the foregoing time limits.

V. SIZE, DESIGN AND PLACEMENT OF IMPROVEMENTS

1. Facing: All improvements on any lot shall be constructed so as to face the street upon which such lot fronts, as specified in paragraph 5 of Part II, but the entry door of a dwelling need not be on the front side. Improvements placed on corner lots may face as approved by the Committee.

2. Minimum Floor Areas: No dwelling shall be permitted on any lot within the subdivision unless the floor area of the enclosed main dwelling, exclusive of porches, garages, whether attached or detached, breezeways, patios or other appendages, complies with the following requirements:

(a) The total area of the enclosed main dwelling of any residence, whether one story or more, must contain not less than 1,200 square feet; and

(b) The floor area of the enclosed main floor of any two-story residence must contain not less than 800 square feet. The main floor is the one containing the larger floor area, whether it be the first or second floor.

3. Exterior Walls: The design of and materials used in the exterior walls and surface areas of any outbuilding constructed on any lots must be in keeping with the general architectural design of the main dwelling. Asbestos and metal may be used only as approved by the Committee.

4. Telephone and Electric Lines: All telephone and electric lines will be underground to the terminal point of the property line, and all service lines must also be installed underground from the terminal point to the building which they serve.

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5. Fences or Walls: No fence or wall shall be erected, placed, altered or maintained on any building site nearer to the street lot line than the building line shown on the map of such subdivision. No fence shall be constructed higher than six (6) feet and all fences shall be subject to approval by the Committee.

6. Building Lines: No building shall be erected on any lot or lots in said subdivision outside of the building lines shown on the map of said subdivision, nor farther away from the street lot line than is determined to be in harmony with existing structures by the Committee. No portion of any building shall be erected nearer than six (6) feet to any interior lot line. However, roofs, eaves or steps may extend over the minimum building setback line for a distance of not more than two (2) feet. No load bearing walls shall be constructed nearer than twelve (12) feet to the waterfront property line of any waterfront lot, except that patios and open overhead decks may be erected in such areas, subject to the approval of the Committee.

7. Piling Construction: Houses constructed on piling shall require piling of a minimum diameter of ten (10) inches. Piling shall be driven into soil to such depth as required by Committee.

8. Upkeep: Each Lot Owner shall keep the weeds out of the particular property owned by him and shall not permit the accumulation of trash, rubbish or other unsightly articles on the premises, the easement or in the street abutting the same, and shall keep the grass cut. The area in all the streets between the pavement and the property line shall at all times be kept clean and free of unsightly obstacles. Developer shall have the privilege of having said lots cleaned to comply with the above, in the event the lot owner fails to do so, and any reasonable expense incurred in doing the same shall be paid by the owner of the respective lot or lots, and shall be secured by a lien in the same manner as the maintenance charge as provided in Section VI, paragraph 5, hereinafter.

VI. LANDOWNERS' AGREEMENT

In order to provide for the common use, enjoyment, benefit and maintenance of the common areas such as waterways, parks, beautification areas, and boat loading and ramp areas, within Harbor Oaks Project, and for the preservation of a marina type community of the highest quality, Developer, for the benefit of itself and each successor owner of a lot or parcel out of such subdivision, hereby binds itself, its assigns and each successor owner, as follows:

1. At such time as any of the common area in Harbor Oaks Project have been improved and if same are not being maintained by Aransas County, a city or other type of taxing authority within which such addition is located, Developer shall convey such common areas to Canoe Lake Corp., Trustee, hereinafter called "Trustee," which shall have such supervisory authority to provide for the proper maintenance of the common areas as may be appropriate to such subdivision, and shall have the rights and powers hereinafter mentioned. Trustee shall not be liable to an owner of any interest in such subdivision for any damage, claim or expense for the manner in which said common areas are maintained and repaired, or for failure to maintain or repair said common areas.

2. In order to provide a fund for the proper maintenance of such common areas, hereinafter called "Maintenance Fund", there is hereby imposed upon each waterfront lot in the subdivision an annual maintenance charge which shall not exceed

one cent (1¢) per square foot of such lot, and there is hereby imposed upon each water-view lot in the subdivision an annual maintenance charge which shall not exceed one-half cent (1/2¢) per square foot of such lot. Such maintenance charge shall be determined annually by the Trustee based upon the projected cost of maintaining such common areas; however, no maintenance charge shall be assessed by Trustee until some portion of the common areas has been improved. Once assessed by the Trustee such maintenance charge shall be payable annually, in advance, on the first day of each calendar year, by each beneficial owner of a lot in such subdivision. The maintenance charge hereby imposed shall not apply to Developer or to lots to which Developer owns both the record and beneficial title.

3. Neither Developer nor Trustee shall be liable or responsible to any person or persons for failure or inability to collect the maintenance charge or any part thereof from any person or persons.

4. The Maintenance Fund may be pooled, merged or combined with the maintenance funds of other portions of the Harbor Oaks Project as developed by Developer, provided the lots and/or owners of lots in such other portions of such Harbor Oaks Project are subject to a maintenance charge, lien and administrative provisions substantially the same as set forth in this Part VI. Such pooled maintenance fund may be expended by the Trustee for the general benefit and common good of the various sections or units of the Harbor Oaks Project paying into such fund, without regard to the amount collected from each section or portion, and without regard to the relative benefits accruing to each lot owner from such expenditures. Trustee may use such funds, or any part thereof, for safety and/or recreational projects and for developing, improving and maintaining any and all of the common areas which the owners and/or occupants of lots in any of the sections or portions of the Harbor Oaks Project may be privileged or shall have the right to use, regardless of who may own such common areas and regardless of their location within the entire Harbor Oaks Project. It is agreed and understood that the judgment of the Trustee, as custodian and administrator of said Maintenance Fund, when used in good faith in the expenditure of said funds, or any part thereof, shall be binding, final and conclusive upon all parties in interest. Trustee shall receive no compensation for acting as custodian and administrator of said Maintenance Fund but shall be reimbursed for expenses paid.

5. The payment of the maintenance charge hereby imposed shall be secured by an express lien in favor of Trustee, as custodian and administrator of the Maintenance Fund, which lien is placed and imposed upon each lot in the subdivision subject to such charges. There is hereby granted unto the Trustee an express lien against each lot or parcel of the subdivision to secure all obligations of the owner or owners of said lot or parcel imposed upon such owners, or lot, under the provisions hereof. Said lien may be foreclosed in the same manner as a vendor's lien, without prejudice, however, to any other rights, powers or causes of action which the holder of said lien may have against any party who is then or who has theretofore been the owner of the property affected thereby. Said lien and all other provisions of this agreement shall be secondary and subordinate, however, to any liens, deeds of trust and encumbrances whatsoever given to secure the purchase price of the lot or any part thereof, or given to any bank, savings and loan association, insurance company, trust company, fraternal benefit organization, or corporation with banking or related powers, lawfully lending money for the purpose of making repair or constructing dwellings or any other improvements whatsoever on any portion of such lot, or acquiring

any note or other evidence of indebtedness previously made for any such purpose. If any such lender or party acquiring such indebtedness should be in doubt as to the purpose of which such loan was made, or indebtedness incurred, or as to whether the lien herein granted is subordinate to any lien or deed of trust given for the purpose of securing any such mortgage or indebtedness, such lender or party acquiring such indebtedness may rely conclusively upon the written statement of the Trustee, with respect thereto. The Trustee may release or subordinate said lien and any other provisions of this agreement, in whole or in part, with respect to any lot or lots, should it deem it advisable, for any reason whatsoever, without affecting said lien insofar as it applies to any other lot or lots in the subdivision. If any lot owner should make default for a period of more than ninety (90) days in payment of any maintenance charges, the lien provided above may be evidenced of record by the filing for record in the office of the County Clerk of Aransas County of a written statement by the Trustee, setting forth the amount of charge in default and the period for which same accrued, with a statement of the lot to which same applies, and the name of the lot owner, if known to the Trustee, which statement shall be prima facie evidence of the correctness of the amount and the existence of a lien therefor.

Without diminishing the personal obligations of any owner for any sum imposed under the terms hereof, the lien hereby granted upon any lot shall not secure any sum in excess of the lesser of the following amounts:

(a) The unpaid assessments made under the terms hereof for the four years next preceding the date that such lien is sought to be asserted or foreclosed; or

(b) The sum of Six Hundred Dollars ($600.00).

6. Any person negligently or willfully damaging or destroying all or any portion of the common areas, including the bulkheads and tie backs, shall be responsible to the Trustee for damages, and the Trustee shall use any funds collected by claim, lawsuit or settlement agreement growing out of such damage or destruction, to repair such damage or destruction, to the extent of such funds.

7. Trustee shall have, and it is hereby granted, the full right, power and authority to convey all of its right, title and interests in and to the common areas and the Maintenance Fund as well as all of its powers, rights, liens, responsibilities, duties and authority under the terms of this Part VI to: (a) a non-profit corporation, or other organization, formed for the purpose of maintaining the common areas in any portion of the Harbor Oaks Project; or (b) a public or quasi-public corporation or entity with the power to tax such as a city, Aransas County or a public district having such powers.

8. All references to "Trustee" in this Part VI shall apply with equal force and effect to any successor in interest to Trustee, as provided in Paragraph 7 of this Part VI.

9. The figures in dollars and cents expressed in this instrument are based on the purchasing value of a dollar in the year 1969, as shown by the Commodity Price Index of the United States Department of Commerce, and if the dollar should change with respect thereto, a corresponding adjustment of the figures set out in this instrument shall be made each year based on the value of a dollar for the year involved, as shown by said Price Index by comparison with the value for the year 1969.

10. Each owner of a waterfront lot shall maintain the portion of the bulkhead adjacent to his lot in good condition. If such portion of the bulkhead should be in need of repair from any cause other than defects in original construction, the Trustee may give written notice to the owner of said lot; and if such owner fails to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so, using the Maintenance Fund. The owner shall be obligated to pay to the Trustee the amounts so expended, with interest at the maximum legal rate, and the amounts so expended shall be a special assessment and charge against the lot involved and be secured by a lien against same, in the same manner and with the same rights of enforcement as in the case of the general maintenance charge as provided above. Likewise, the owners of water-view lots having access to and owning the docking facilities constructed for their benefit, shall each maintain their own boat dock, and shall share pro rata the maintenance of the pier, mooring area, and bulkhead adjacent thereto, and if such owner or owners fail to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so out of the Maintenance Fund, and such owner or owners shall be obligated to the Trustee for the amount so expended as hereinabove set out, and such amount shall likewise be secured by a lien against the lot or lots of such owner or owners.

VII. DURATION

The restrictions and covenants herein set forth shall continue and be binding upon Developer, its successors and assigns, for a period of thirty-five (35) years from this date. At the expiration of said term of thirty-five (35) years the restrictions and covenants herein set out shall automatically be extended for an additional ten (10) year period and for successive periods of ten (10) years thereafter, unless same are nullified or revised as hereinafter provided. After the expiration of thirty-five (35) years from the date of this instrument, the owners of a majority of the lots in said Unit 5 may execute and acknowledge an agreement in writing terminating or revising these restrictions and covenants and file the same in the Office of the County Clerk of Aransas County, Texas, or in such office as conveyances of real estate may be required to be filed, at such time, whereupon these restrictions and convenants shall be null, void and of no further force and effect, or shall be modified or revised as such instrument may direct.

VIII. AMENDMENTS

At any time the owners of the legal title to 51% of the lots in said Unit 5 (as shown by the records of Aransas County, Texas) may amend the restrictions, covenants, conditions, and matters set forth herein by filing an instrument containing such amendment in the Office of the County Clerk of Aransas County, Texas, except that, prior to the expiration of fifteen (15) years from date hereof, no such amendment shall be valid or effective without the joinder of Developer, its successors or assigns.

IX. ENFORCEMENT

The restrictions, conditions and use limitations herein set forth shall be binding upon Developer, its successors and assigns, and all parties claiming by, through, or under them and all subsequent owners of each lot, each of whom shall be obligated and bound to observe such restrictions, conditions and use limitations, provided, however, that no such persons shall be liable except in respect to breaches committed during his or their ownership of said lot. The violation of any such restriction, condition or use limitation, shall not operate to invalidate any mortgage, deed of trust, or other lien acquired and held in good faith against said lot or any part thereof, but such liens may be enforced

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against any and all property covered thereby, subject, nevertheless, to the restrictions, conditions and use limitations herein mentioned. Developer, or the owners of any lot in this addition, or Trustee, its successors and assigns, shall have the right to enforce observance or performance of the provisions of this instrument. If any person or persons violate or attempt to violate any of the restrictions, conditions or use limitations contained herein, it shall be lawful for any person or persons owning any lot out of said addition to prosecute proceedings at law or in equity against the person violating or attempting to violate the same, either to prevent him or them from so doing, or to obtain such other relief for such violations as then may be legally available.

X. SEVERABILITY

Invalidations of any of the terms, provisions or covenants contained in this instrument by judgment or court order shall not in any way affect any of the other terms, provisions or covenants set forth in this instrument which shall remain in full force and effect.

EXECUTED this 19th day of December, 1977.

CANOE LAKE CORP.

By _____
Its President

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared J. E. McCord, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he, in his representative capacity as President of Canoe Lake Corp., a corporation, executed the same for the purposes and consideration therein expressed, as the act and deed of said Canoe Lake Corp., a corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 19th day of December, 1977.

_____
Notary Public in and for
_____ County, Texas.

State of Texas
County of Aransas

I hereby certify that this instrument was FILED on the 21st day of December A.D. 1977 at 9:00 o'clock A.M. and duly RECORDED in Vol. 234 Page 43 of the Deed Records of Aransas County, Texas, on the 23rd day of December A.D. 1977.

County Clerk
Aransas County, Texas

Unit 6

THE STATE OF TEXAS X PROTECTIVE RESTRICTIONS AND COVENANTS AND LANDOWNERS' AGREEMENT

COUNTY OF ARANSAS X HARBOR OAKS, UNIT 6

Canoe Lake Corp., a Texas corporation, hereinafter called "Developer", is the owner of the surface estate in and to the following described property situated in Aransas County, Texas, to-wit:

Harbor Oaks, Unit 6, a subdivision adjacent to the City of Rockport, in Aransas County, Texas, as shown by map or plat thereof recorded in Volume 3, pages 87-88, of the Map and Plat Records of Aransas County, Texas, reference to which is here made, hereinafter referred to as the "addition" or "subdivision";

SAVE AND EXCEPT a triangular portion of street right-of-way, lying and being situated on the most southerly boundary of said subdivision, and being a tract of land owned by LITTLE BAY SHORES TRUST, and included in said subdivision for street purposes, which tract is not to be subject to these restrictions, covenants and agreements, which tract is more particularly described as follows:

BEGINNING at a point in the most southerly south line of said Harbor Oaks, Unit 6, which point bears South 00° 30' 55" East 212.92 feet, and North 89°39'40" West 32.60 feet from the Northwest corner of the Rockport Cemetery Tract, which is also an inside corner of said Harbor Oaks, Unit 6;

THENCE North 76° 28' 00" West 28.24 feet to the lower southwest corner of said Harbor Oaks, Unit 6;

THENCE North 00° 30' 55" West 27.04 feet along the lower West line of said Harbor Oaks, Unit 6;

THENCE South 39° 27' 50" East a distance of approximately 47 feet to the PLACE OF BEGINNING.

Developer has subdivided said land into lots and blocks with intervening streets, parks, beautification areas, waterways and easements, for the construction, operation and maintenance of streets, parks, beautification areas, waterways, utilities, drainage facilities and easements, and Developer has dedicated said streets and easements, as set forth on the above described map or plat.

I. SCOPE OF RESTRICTIONS

1. For the purpose of creating and carrying out a uniform plan for the improvement and sale of said subdivision, as a high-quality subdivision, the following restrictions, conditions and use limitations are hereby established, adopted and imposed upon the following portions only of said subdivision, to-wit:

Lots Nos. One (1) through Nine (9) in Block No. One (1) and Lots Nos. One (1) through Fourteen (14) in Block No. Two (2), all in said Harbor Oaks, Unit 6, in Aransas County, Texas, as shown by said recorded map or plat.

All other portions of said Unit 6 and adjoining lands are specifically excluded from the terms, provisions and effects of this instrument.

2. The restrictions, conditions and use limitations hereinafter set forth shall constitute covenants running with the land, and shall be binding upon and inure to the benefit of Developer, its successors and assigns, and upon all persons acquiring property in said subdivision, whether by purchase, descent, devise, gift or otherwise; and each person, by the acceptance of title to any lot out of such subdivision, shall agree and covenant to abide by and perform the terms, conditions, restrictions and covenants as set forth herein. Such restrictions, conditions and use limitations shall be considered to be made a part of each contract and/or deed conveying any lot in said subdivision, whether such restrictions or this instrument be referred to or not, and by acceptance thereof, the grantee, and all persons claiming under him, shall be subject to and bound thereby, and any conveyance of any such lot shall be construed to be subject to the terms of this instrument.

3. Although Developer is not the owner of the oil, gas and other minerals under said land, it does own the surface estate and has the undisturbed and exclusive right to use of the surface, since the reservation of oil, gas and other minerals heretofore made precludes any right of the owner of such minerals to enter upon such surface for prospecting, drilling, mining for or producing such reserved minerals, and the owner of such minerals may obtain the same only by drainage or directional drilling from adjacent lands not embraced in the subdivision. Any conveyance of lots in said subdivision shall be deemed to except said oil, gas and other minerals, by reference to these restrictions, but will pass to the grantee undisturbed and exclusive right to use of the surface of the property conveyed, subject to the restrictions herein contained.

II. DEFINITIONS

1. A "street" is any street, roadway, avenue, court, loop or drive, designated as such on the recorded map of such subdivision.

2. A "utility easement" is any easement designated as such on the recorded map of such subdivision, which easement may be used for the construction, maintenance and/or installation of any and all utilities, sewage, telephone and water drainage facilities (surface and subsurface).

3. A "waterway" is any area covered by water, whether it be a canal or lake, except that boat slips constructed for private purposes shall not be considered part of any waterway.

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4. A "lot" as used herein, shall be interpreted to mean a residential building site having an area of not less than eight thousand five hundred (8,500) square feet.

5. A "corner lot" is a lot which abuts more than one street, and such lot shall be deemed to front on the street on which it has the smallest dimension; improvements on such lots shall be built to front on such lots as the Architectural Control Committee may direct. All other lots, except corner lots, shall be deemed to front the street upon which it abuts, and improvements thereon shall be built to front on such street.

6. A "waterfront lot" is a lot which abuts a waterway.

7. A "water-view lot" is a lot which does not abut a waterway, but which will entitle the owner thereof to the non-exclusive use of water access areas and other common areas of the Harbor Oaks Project in common with the use thereof of owners of other lots.

In addition, Developer is providing docking facilities (consisting of docks, mooring posts, and pier) located in the mooring area of Turkey Neck adjacent to Block A, Green Area, for the benefit of the waterview lots of Unit 6 and proposed future Unit 5 of said development, as shown in the detail of the mooring area upon the recorded map of said Unit 6, and a separate boat dock, together with the joint use of the pier, shall be conveyed to each owner of a waterview lot in Unit 6; the ownership of each boat dock shall be by the person owning the correspondingly numbered lot in Block One (1) of said Unit 6. The ownership of such docking facilities shall be in the owners of the waterview lots of Unit 6 and the Developer (to the exclusion of all other owners in the Harbor Oaks Project), and no other present property owners in the project shall have any right to the use of, nor any responsibility for maintenance or other liability in connection with such docking facilities; provided, however, Developer reserves the right to transfer and convey its rights in said facility to others in connection with proposed future Unit 5 of the development.

8. A "mooring area" is that portion of a waterway designated as such on the plat of such subdivision within which limited mooring facilities may be constructed as set forth in paragraph 2 of Part IV, below. Developer reserves the right hereafter to designate additional mooring areas along waterways adjoining areas not included in Unit 6.

9. A "navigation area" is that portion of a waterway not designated as a mooring area on the plat of such subdivision. Absolutely no obstructions are permitted in a navigation area.

10. "Harbor Oaks Project" shall mean not only said Unit 6, but shall include Harbor Oaks Unit I, Unit 2, and Unit 4, heretofore developed and dedicated, and any subdivided areas which may be hereafter added as additional units by the Developer.

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III. ARCHITECTURAL CONTROL

1. The Architectural Control Committee, hereinafter called "the Committee", is composed of three (3) members. The initial members, each of whom shall serve until his successor is named as provided herein, are:

a. J. E. McCord
b. Leo J. Welder
c. Delo H. Caspary

A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the remaining members shall have full authority to designate and appoint a successor. No member of the Committee, or his designated representative, shall be entitled to any compensation for services performed hereunder. At any time after January 1, 1983, the record owners of a majority of the lots or tracts into which Harbor Oaks Project shall then be subdivided shall have the power to change the membership of the Committee, to withdraw powers and duties from the Committee, or to restore the powers and duties of the Committee. Such action shall be effective upon recordation of a written instrument properly reflecting same.

2. No building, structure or improvements of any nature shall be erected, placed, or altered on any lot subject to these restrictions until the construction plans and specifications and a plan showing the location of such building, structure or improvements have been approved by the Committee as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation. Likewise, no bulkheads constructed by the Developer shall be cut or any slips for boats be constructed unless plans and specifications therefor shall be prepared by a professional engineer (licensed by the State of Texas), and then submitted to and approved by the Committee. In addition, no substantial change in the originally approved finish grade elevation of any lot shall be made without the prior written approval of the Committee.

3. One complete set of final plans and specifications shall be submitted to the Committee for approval or disapproval, which plans shall be retained by the Committee. Written notification of approval or disapproval shall be given by letter addressed to the lot owner, or his designated agent, within 30 days after the plans have been submitted. Any modification or change in the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval.

4. The Committee's approval or disapproval as required in these covenants shall be in writing. If the Committee, or its designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after they have been submitted to it, and if no suit to enjoin the construction is commenced prior to the completion of such construction, then approval is presumed.

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5. The Committee shall have the right and authority to waive, modify, alter, change or approve any covenant, term, condition or restriction where, in the opinion of the Committee, such change is necessary or required for the advantage and best appearance of the subdivision, in the following particulars, to-wit:

a. Change all restrictions in conflict where one lot and all or a portion of other contiguous lots are being used together for purpose of building a residence.

b. Change these restrictions in the case of lots which are unusual in size, or which are of an unusual or irregular shape, where such change is deemed best for the advantage or best appearance of the immediate community.

6. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of these restrictions.

IV. GENERAL LAND USE

1. All lots in said subdivision which are subject to these restrictions shall be used for single family dwellings, and for no other purpose.

2. No structure or obstruction of any nature whatsoever shall be constructed or allowed by any Lot Owner on, in or under any waterway. This will not prevent the construction of any water line, sewer line or other developmental features by the Developer when the same do not interfere with navigation. Docks, piers and mooring posts (except those constructed by the Developer for the use of the owners of the water-view lots in Unit 6) may be constructed within the mooring areas only after the size, design and placement of such have been approved in writing by the Committee.

3. All buildings and other improvements placed on any of said lots shall be newly erected on said lot and no second-hand or used buildings or other improvements shall be moved onto any of said lots, and no used or second-hand materials may be used in the exterior of such improvements unless specifically approved in advance, in writing, by the Committee.

4. All lots subject to these restrictions shall be used exclusively for private single family residential purposes, and in the use of such lots for such purposes nothing shall be done thereon which may be or become an annoyance or nuisance to the neighborhood. No commercial, trade, business or professional activity of any nature shall be carried on upon any lot or any part thereof. No cattle, hogs, poultry, horses, or other animals may be kept on any part of the subdivision, except that this paragraph shall not preclude the keeping of pets or animals other than the above mentioned such as are ordinarily kept as pets in residential subdivisions provided they are not kept or bred for any commercial purposes.

5. No outside toilet will be permitted, and any installations of any kind for disposal of sewage shall be connected with the sanitary sewer system.

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6. No oil drilling, oil storage, oil refining, quarrying or mining operations of any kind shall be conducted upon any lot.

7. No sign of any kind shall be displayed to the public view except one sign of not more than six square feet advertising the property for sale or rent or signs used by a builder during the construction period.

8. No structure of a temporary character, and no trailer, basement, tent, shack, garage, barn or other outbuildings or any part thereof, shall be placed on any lot or used as a residence or dwelling, either temporarily or permanently. Garages and outbuildings that are appurtenant to a residence may be erected on each building site upon which a main dwelling has been erected.

9. Use of house trailers, buses, trucks or similar vehicles for residential purposes is hereby prohibited, but such vehicles may be temporarily parked only if and where approved by the Committee. No vehicles shall be kept or permanently parked on the paved portion of any street within the subdivision.

10. No building material of any kind or character shall be placed or stored upon any lot until the owner is ready to commence improvements, and then such material shall be placed within the property lines of the building site upon which the improvements are to be erected and shall not be placed in the streets or between the roadbed and property line.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage and trash shall not be kept except in covered sanitary containers. Such containers shall be kept in a clean and sanitary condition and shall be stored so as not to be seen from a street or waterway.

12. No garage for separate rental purposes or any detached outbuilding apartments for rental purposes will be permitted on any lot. All living quarters on the property are to be for the bona fide use of the Lot Owner's or occupant's immediate family, non-paying guests and servants only.

13. No clotheslines may be placed where they would be visible either from a street or waterway. Such clotheslines must be enclosed by a hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the property.

14. No radio or television aerial or guy wires shall be maintained on any portion of any lot forward of the front building line of the respective main building.

15. No portion of any boat slip shall be nearer than six (6) feet to any side property line; except that exceptions to this may be granted by the Committee in its discretion where the frontage of a lot on a waterway is unusually short, or when adjoining lot owners desire to construct a single slip for their joint use.

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16. All waterways shall at all times be kept free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation. None of the foregoing or any other foreign matter shall be at any time deposited, dumped or left in any waterway, nor shall any hazard to navigation, or boats, hulks, derelicts, or other floating objects other than properly tended or moored boats be at any time permitted in any waterway. The owner of each lot shall be responsible for the maintenance of the portion of any bulkhead and mooring area contiguous to his property in accordance with the provisions hereof. The bulkhead, mooring area, and docking facilities adjacent to Block A, Green Area, provided for the use of some lot owners shall be maintained by those owners on a pro rata basis.

17. Lot owners shall have the non-exclusive right to use of the waterways in Harbor Oaks Project for navigation and boating purposes only. The owners of waterfront lots shall have no rights to fill any submerged area or enlarge the land area of any lot shown on said map of the subdivision.

18. A lot may not be so subdivided or areas sold off so that there will be left in such lot, when combined with an adjoining lot or portion of an adjoining lot, a building plot having an area which is less than the total area and frontage of the larger of the two original lots from which such areas are taken.

19. Construction must begin within three (3) months after the approval of plans by the Committee. Completion of such improvements must take no longer than nine months from the start of construction, unless delayed for some reason beyond owner's control, in which event the Committee may extend the foregoing time limits.

V. SIZE, DESIGN AND PLACEMENT OF IMPROVEMENTS

1. Facing: All improvements on any lot shall be constructed so as to face the street upon which such lot fronts, as specified in paragraph 5 of Part II, but the entry door of a dwelling need not be on the front side. Improvements placed on corner lots may face as approved by the Committee.

2. Minimum Floor Areas: No dwelling shall be permitted on any lot within the subdivision unless the floor area of the enclosed main dwelling, exclusive of porches, garages, whether attached or detached, breezeways, patios or other appendages, complies with the following requirements:

a. The total area of the enclosed main dwelling of any residence, whether one story or more, must contain not less than 1,200 square feet; and

b. The floor area of the enclosed main floor of any two-story residence must contain not less than 800 square feet. The main floor is the one containing the larger floor area, whether it be the first or second floor.

3. Exterior Walls: The design of and materials used in the exterior walls and surface areas of any outbuilding constructed on any lots must be in keeping with the general architectural design of the main dwelling. Asbestos and metal may be used only as approved by the Committee.

4. Telephone and Electric Lines: All telephone and electric lines will be underground to the terminal point of the property line, and all service lines must also be installed underground from the terminal point to the building which they serve.

5. Fences or Walls: No fence or wall shall be erected, placed, altered or maintained on any building site nearer to the street lot line than the building line shown on the map of such subdivision. No fence shall be constructed higher than six (6) feet and all fences shall be subject to approval by the Committee.

6. Building Lines: No building shall be erected on any lot or lots in said subdivision outside of the building lines shown on the map of said subdivision, nor farther away from the street lot line than is determined to be in harmony with existing structures by the Committee. No portion of any building shall be erected nearer than six (6) feet to any interior lot line. However, roofs, eaves or steps may extend over the minimum building setback line for a distance of not more than two (2) feet. No load bearing walls shall be constructed nearer than twelve (12) feet to the waterfront property line of any waterfront lot, except that patios and open overhead decks may be erected in such areas, subject to the approval of the Committee.

7. Piling Construction: Houses constructed on piling shall require piling of a minimum diameter of ten (10) inches. Piling shall be driven into soil to such depth as required by Committee.

8. Upkeep: Each Lot Owner shall keep the weeds out of the particular property owned by him and shall not permit the accumulation of trash, rubbish or other unsightly articles on the premises, the easement or in the street abutting the same, and shall keep the grass cut. The area in all the streets between the pavement and the property line shall at all times be kept clean and free of unsightly obstacles. Developer shall have the privilege of having said lots cleaned to comply with the above, in the event the lot owner fails to do so, and any reasonable expense incurred in doing the same shall be paid by the owner of the respective lot or lots, and shall be secured by a lien in the same manner as the maintenance charge as provided in Section VI, paragraph 5, hereinafter.

VI LANDOWNERS' AGREEMENT

In order to provide for the common use, enjoyment, benefit and maintenance of the common areas such as waterways, parks, beautification areas, and boat loading and ramp areas, within Harbor Oaks Project, and for the preservation of a marina type community of the highest quality, Developer, for the benefit of

itself and each successor owner of a lot or parcel out of such subdivision, hereby binds itself, its assigns and each successor owner, as follows:

1. At such time as any of the common area in Harbor Oaks Project have been improved and if same are not being maintained by Aransas County, a city or other type of taxing authority within which such addition is located, Developer shall convey such common areas to Canoe Lake Corp., Trustee, hereinafter called "Trustee," which shall have such supervisory authority to provide for the proper maintenance of the common areas as may be appropriate to such subdivision, and shall have the rights and powers hereinafter mentioned. Trustee shall not be liable to an owner of any interest in such subdivision for any damage, claim or expense for the manner in which said common areas are maintained and repaired, or for failure to maintain or repair said common areas.

2. In order to provide a fund for the proper maintenance of such common areas, hereinafter called "Maintenance Fund", there is hereby imposed upon each waterfront lot in the subdivision an annual maintenance charge which shall not exceed one cent (1¢) per square foot of such lot, and there is hereby imposed upon each water-view lot in the subdivision an annual maintenance charge which shall not exceed one-half cent (1/2¢) per square foot of such lot. Such maintenance charge shall be determined annually by the Trustee based upon the projected cost of maintaining such common areas; however, no maintenance charge shall be assessed by Trustee until some portion of the common areas has been improved. Once assessed by the Trustee such maintenance charge shall be payable annually, in advance, on the first day of each calendar year, by each beneficial owner of a lot in such subdivision. The maintenance charge hereby imposed shall not apply to Developer or to lots to which Developer owns both the record and beneficial title.

3. Neither Developer nor Trustee shall be liable or responsible to any person or persons for failure or inability to collect the maintenance charge or any part thereof from any person or persons.

4. The Maintenance Fund may be pooled, merged or combined with the maintenance funds of other portions of the Harbor Oaks Project as developed by Developer, provided the lots and/or owners of lots in such other portions of such Harbor Oaks Project are subject to a maintenance charge, lien and administrative provisions substantially the same as set forth in this Part VI. Such pooled maintenance fund may be expended by the Trustee for the general benefit and common good of the various sections or units of the Harbor Oaks Project paying into such fund, without regard to the amount collected from each section or portion, and without regard to the relative benefits accruing to each lot owner from such expenditures. Trustee may use such funds, or any part thereof, for safety and/or recreational projects and for developing, improving and maintaining any and all of the common areas which the owners and/or occupants of lots in any of the sections or portions of the Harbor Oaks Project may be privileged or shall have the right to use, regardless of who

may own such common areas and regardless of their location within the entire Harbor Oaks Project. It is agreed and understood that the judgment of the Trustee, as custodian and administrator of said Maintenance Fund, when used in good faith in the expenditure of said funds, or any part thereof, shall be binding, final and conclusive upon all parties in interest. Trustee shall receive no compensation for acting as custodian and administrator of said Maintenance Fund but shall be reimbursed for expenses paid.

5. The payment of the maintenance charge hereby imposed shall be secured by an express lien in favor of Trustee, as custodian and administrator of the Maintenance Fund, which lien is placed and imposed upon each lot in the subdivision subject to such charges. There is hereby granted unto the Trustee an express lien against each lot or parcel of the subdivision to secure all obligations of the owner or owners of said lot or parcel imposed upon such owners, or lot, under the provisions hereof. Said lien may be foreclosed in the same manner as a vendor's lien, without prejudice, however, to any other rights, powers or causes of action which the holder of said lien may have against any party who is then or who has theretofore been the owner of the property affected thereby. Said lien and all other provisions of this agreement shall be secondary and subordinate, however, to any liens, deeds of trust and encumbrances whatsoever given to secure the purchase price of the lot or any part thereof, or given to any bank, savings and loan association, insurance company, trust company, fraternal benefit organization, or corporation with banking or related powers, lawfully lending money for the purpose of making repair or constructing dwellings or any other improvements whatsoever on any portion of such lot, or acquiring any note or other evidence of indebtedness previously made for any such purpose. If any such lender or party acquiring such indebtedness should be in doubt as to the purpose for which such loan was made, or indebtedness incurred, or as to whether the lien herein granted is subordinate to any lien or deed of trust given for the purpose of securing any such mortgage or indebtedness, such lender or party acquiring such indebtedness may rely conclusively upon the written statement of the Trustee, with respect thereto. The Trustee may release or subordinate said lien and any other provisions of this agreement, in whole or in part, with respect to any lot or lots, should it deem it advisable, for any reason whatsoever, without affecting said lien insofar as it applies to any other lot or lots in the subdivision. If any lot owner should make default for a period of more than ninety (90) days in payment of any maintenance charges, the lien provided above may be evidenced of record by the filing for record in the office of the County Clerk of Aransas County of a written statement by the Trustee, setting forth the amount of charge in default and the period for which same accrued, with a statement of the lot to which same applies, and the name of the lot owner, if known to the Trustee, which statement shall be prima facie evidence of the correctness of the amount and the existence of a lien therefor.

Without diminishing the personal obligations of any owner for any sum imposed under the terms hereof, the lien hereby

granted upon any lot shall not secure any sum in excess of the lesser of the following amounts:

a. The unpaid assessments made under the terms hereof for the four years next preceding the date that such lien is sought to be asserted or foreclosed; or

b. The sum of Six Hundred Dollars ($600.00).

6. Any person negligently or willfully damaging or destroying all or any portion of the common areas, including the bulkheads and tie backs, shall be responsible to the Trustee for damages, and the Trustee shall use any funds collected by claim, lawsuit or settlement agreement growing out of such damage or destruction, to repair such damage or destruction, to the extent of such funds.

7. Trustee shall have, and it is hereby granted, the full right, power and authority to convey all of its right, title and interests in and to the common areas and the Maintenance Fund as well as all of its powers, rights, liens, responsibilities, duties and authority under the terms of this Part VI to: (a) a non-profit corporation, or other organization, formed for the purpose of maintaining the common areas in any portion of the Harbor Oaks Project; or (b) a public or quasi-public corporation or entity with the power to tax such as a city, Aransas County or a public district having such powers.

8. All references to "Trustee" in this Part VI shall apply with equal force and effect to any successor in interest to Trustee, as provided in Paragraph 7 of this Part VI.

9. The figures in dollars and cents expressed in this instrument are based on the purchasing value of a dollar in the year 1969, as shown by the Commodity Price Index of the United States Department of Commerce, and if the dollar should change with respect thereto, a corresponding adjustment of the figures set out in this instrument shall be made each year based on the value of a dollar for the year involved, as shown by said Price Index by comparison with the value for the year 1969.

10. Each owner of a waterfront lot shall maintain the portion of the bulkhead adjacent to his lot in good condition. If such portion of the bulkhead should be in need of repair from any cause other than defects in original construction, the Trustee may give written notice to the owner of said lot; and if such owner fails to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so, using the Maintenance Fund. The owner shall be obligated to pay to the Trustee the amounts so expended, with interest at the maximum legal rate, and the amounts so expended shall be a special assessment and charge against the lot involved, and be secured by a lien against same, in the same manner and with the same rights of enforcement as in the case of the general maintenance charge as provided above. Likewise, the owners of water-view lots having access to and owning the docking facilities constructed for their benefit, shall each maintain their own boat dock, and shall share pro rata the maintenance of the pier, mooring area, and bulkhead adjacent thereto,

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and if such owner or owners fail to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so out of the Maintenance Fund, and such owner or owners shall be obligated to the Trustee for the amount so expended as hereinabove set out, and such amount shall likewise be secured by a lien against the lot or lots of such owner or owners.

VII. DURATION

The restrictions and covenants herein set forth shall continue and be binding upon Developer, its successors and assigns, for a period of thirty-five (35) years from this date. At the expiration of said term of thirty-five (35) years the restrictions and covenants herein set out shall automatically be extended for an additional ten (10) year period and for successive periods of ten (10) years thereafter, unless same are nullified or revised as hereinafter provided. After the expiration of thirty-five (35) years from the date of this instrument, the owners of a majority of the lots in said Unit 6 may execute and acknowledge an agreement in writing terminating or revising these restrictions and covenants and file the same in the Office of the County Clerk of Aransas County, Texas, or in such office as conveyances of real estate may be required to be filed, at such time, whereupon these restrictions and covenants shall be null, void and of no further force and effect, or shall be modified or revised as such instrument may direct.

VIII. AMENDMENTS

At any time the owners of the legal title to 51% of the lots in said Unit 6 (as shown by the records of Aransas County, Texas) may amend the restrictions, covenants, conditions, and matters set forth herein by filing an instrument containing such amendment in the Office of the County Clerk of Aransas County, Texas, except that, prior to the expiration of fifteen (15) years from date hereof, no such amendment shall be valid or effective without the joinder of Developer, its successors or assigns.

IX. ENFORCEMENT

The restrictions, conditions and use limitations herein set forth shall be binding upon Developer, its successors and assigns, and all parties claiming by, through, or under them and all subsequent owners of each lot, each of whom shall be obligated and bound to observe such restrictions, conditions and use limitations, provided, however, that no such persons shall be liable except in respect to breaches committed during his or their ownership of said lot. The violation of any such restriction, condition or use limitation, shall not operate to invalidate any mortgage, deed of trust, or other lien acquired and held in good faith against said lot or any part thereof, but such liens may be enforced against any and all property covered thereby, subject, nevertheless, to the restrictions, conditions and use limitations herein mentioned.

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Developer, or the owners of any lot in this addition, or Trustee, its successors and assigns, shall have the right to enforce observance or performance of the provisions of this instrument. If any person or persons violate or attempt to violate any of the restrictions, conditions or use limitations contained herein, it shall be lawful for any person or persons owning any lot out of said addition to prosecute proceedings at law or in equity against the person violating or attempting to violate the same, either to prevent him or them from so doing, or to obtain such other relief for such violations as then may be legally available.

X. SEVERABILITY

Invalidation of any of the terms, provisions or covenants contained in this instrument by judgment or court order shall not in any way affect any of the other terms, provisions or covenants set forth in this instrument which shall remain in full force and effect.

EXECUTED this 20th day of September, 1977.

CANOE LAKE CORP.

Secretary

By _____
Its President

THE STATE OF TEXAS I

COUNTY OF Arapahoe I

BEFORE ME, the undersigned authority, on this day personally appeared J. E. McCord, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he, in his representative capacity as President of Canoe Lake Corp., a corporation, executed the same for the purposes and consideration therein expressed, as the act and deed of said Canoe Lake Corp., a corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 20th day of September, A. D. 1977.

Notary Public in and for
Arapahoe County, Texas.

State of Texas
County of Aransas

I hereby certify that this instrument was FILED on 9/20/77
At 1:45 P.M. and was duly RECORDED in Vol. and Page
of Deed RECORDS
As stamped hereon by me, on 9/20/77

County Clerk
Aransas County, Texas

Unit 7

THE STATE OF TEXAS §

COUNTY OF ARANSAS §

PROTECTIVE RESTRICTIONS AND COVENANTS AND LANDOWNERS' AGREEMENT HARBOR OAKS, UNIT 7, SHOREWOOD ESTATES

Harbor Oaks Corporation, a Texas corporation, hereinafter called "Developer", is the owner of the surface estate in and to the following described property situated in Aransas County, Texas to-wit:

> Harbor Oaks, Unit 7, Shorewood Estates, a subdivision in the City of Rockport, Aransas County, Texas, as shown on map or plat thereof recorded in Volume _____, Page _____ of the Map and Plat Records of Aransas County, Texas, hereinafter referred to as Harbor Oaks Subdivision, Unit 7,

subject to those certain liens in favor of Ozark National Life Insurance Company of Kansas City, Missouri, and Fincher Investment Company of Harlingen, Texas, who join herein for the sole purpose of acknowledging, ratifying and approving the covenants and restrictions hereinafter set forth.

Developer has subdivided said land into lots with intervening streets and easements, for the construction, operation and maintenance of streets, utilities, drainage facilities and easements, and developer will dedicate said streets and easements, as set forth on the above described map or plat.

I. SCOPE OF RESTRICTIONS

1. For the purpose of creating and carrying out a uniform plan for the improvement and sale of said subdivision as a quality subdivision, the following restrictions, conditions and use limitations are hereby established, adopted and imposed upon the following portions only of said subdivision, to-wit:

> Lots Nos. One (1) through Forty-six (46), all in said Harbor Oaks Subdivision, Unit 7, Aransas County, Texas, as shown by said recorded map or plat.

2. The restrictions, conditions and use limitations hereinafter set forth shall constitute covenants running with the land, and shall be binding upon and inure to the benefit of Developer, its successors and assigns, and upon all persons acquiring property in said subdivision, whether by purchase, descent, devise, gift or otherwise; and each person, by the acceptance of title to any lot out of such subdivision, shall agree and covenant to abide by and perform the terms, conditions, restrictions and covenants as set forth herein. The violation of any such restrictions, covenants or conditions shall not operate to invalidate any mortgage, deed of trust or lien acquired or held in good faith against said property or any part thereof, but such liens may be enforced as against any and all property covered thereby, subject nevertheless to the restrictions, covenants and conditions herein mentioned. Such restrictions, conditions and use limitations shall be considered to be made a part of each contract and/or deed conveying any lot in said subdivision, whether such restrictions or this instrument be referred to or not, and by acceptance thereof, the grantee, and all persons claiming under him, shall be subject to and bound thereby, and any conveyance of any such lot shall be construed to be subject to the terms of this instrument.

3. Although Developer is not the owner of the oil, gas and other minerals under said land, it does own the surface estate and has the undisturbed and exclusive right to use of the surface, since the reservation of oil, gas and other minerals here-

tofore made precludes any right of the owner of such minerals to enter upon such surface for prospecting, drilling, mining for or producing such reserved minerals, and the owner of such minerals may obtain the same only by drainage or directional drilling from adjacent lands not embraced in the subdivision. Any conveyance of lots in said subdivision shall be deemed to except said oil, gas and other minerals, by reference to these restrictions, but will pass to the grantee undisturbed and exclusive right to use of the surface of the property conveyed, subject to the restrictions herein contained.

II. DEFINITIONS

1. A "street" is any street, roadway, avenue, court, loop or drive, designated as such on the recorded map of such subdivision.

2. A "utility easement" is any easement designated as such on the recorded map of such subdivision, which easement may be used for the construction, maintenance and/or installation of any and all utilities, sewage, telephone and water drainage facilities (surface and subsurface).

3. A "waterway" is any area covered by water, whether it be a canal or lake, except that boat slips constructed for private purposes shall not be considered part of any waterway.

4. A "lot" as used herein, shall be interpreted to mean a residential building site having an area of not less than six thousand (6,000) square feet.

5. A "corner lot" is a lot which abuts more than one street, and such lot shall be deemed to front on the street on which it has the smallest dimension and improvements shall be built to front on such street, except that the Architectural Control Committee, hereinafter specified, shall have the right to grant permission for the improvements constructed on any such corner lot to face diagonally or on the street having the longest dimension.

6. A "waterfront Lot" is a lot which abuts a waterway.

7. A "water-view lot" is a lot which does not abut a waterway, but which will entitle the owner thereof to the non-exclusive use of water access areas.

8. A "mooring area" is that portion of a waterway abutting a waterfront lot extending into the waterway, and designated as such on the plat of such subdivision within which limited mooring facilities may be constructed as set forth in paragraph 2 of Part IV, below.

9. A "navigation area" is that portion of a waterway not designated as a mooring area. Absolutely no obstructions are permitted in a navigation area.

10. "Harbor Oaks Project" shall mean those Harbor Oaks Subdivision and waterways developed by Canoe Lake Corporation and any subdivided areas which may be hereafter added as additional units by said corporation, its successors or assigns which are not a part of Harbor Oaks, Unit 7.

III. ARCHITECTURAL CONTROL

1. The Architectural Control Committee, hereinafter called "the Committee", is composed of three (3) members. The initial

members, each of whom shall serve until his successor is named as provided herein, are:

a. Sarah Jane Fenton

b. Yvonne Wendell

c. Ted Greenfield

A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the remaining members shall have full authority to designate and appoint a successor. No member of the Committee, or his designated representative, shall be entitled to any compensation for services performed hereunder. At any time after January 1, 1982, the record owners of a majority of the lots or tracts into which Harbor Oaks Subdivision, Unit 7 shall then be subdivided shall have the power to change the membership of the Committee, to withdraw powers and duties from the Committee, or to restore the powers and duties of the Committee. Such action shall be effective upon recordation of a written instrument properly reflecting same.

2. No building, structure or improvements of any nature shall be erected, placed, or altered on any lot subject to these restrictions until the construction plans and specifications and a plan showing the location of such building, structure or improvement have been approved by the Committee as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation. Likewise, no bulkheads shall be cut or any slips for boats be constructed unless plans and specifications therefor shall be prepared by a professional engineer (licensed by the State of Texas), and then submitted to and approved by the Committee. In addition, no substantial change in the originally approved finish grade elevation of any lot shall be made without the prior written approval of the Committee.

3. One complete set of final plans and specifications shall be submitted to the Committee for approval or disapproval, which plans shall be retained by the Committee. Written notification of approval or disapproval shall be given by letter addressed to the lot owner, or his designated agent, within 30 days after the plans have been submitted. Any modification or change in the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval.

4. The Committee's approval or disapproval as required in these covenants shall be in writing. If the Committee, or its designated representative, approves or fails to disapprove in writing such plans and specifications, within thirty (30) days after they have been submitted to it. The plans shall be forwarded to the Committee set out in paragraph 6 below for final consideration.

5. The Committee shall have the right and authority to waive, modify, alter, change or approve any covenant, term, condition or restriction where, in the opinion of the Committee, such change is necessary or required for the advantage and best appearance of the subdivision, in the following particulars, to-wit:

a. Change all restrictions in conflict where one lot and all or a portion of other contiguous lots are being used together for purpose of building a residence.

b. Change these restrictions in the case of lots which are unusual in size, or which are of an unusual or irregular shape, where such change is deemed best for the advantage or best appearance of the immediate community.

6. Decisions of the Committee are subject to the provisions of Section III, of the Protective Restrictions and Covenants and Landowners Agreement, Harbor Oaks, Unit One (1), as recorded in Volume 150, Page 321 et seq. of the Deed Records of Aransas County, Texas, and final approval of the Committee therein named is mandatory.

IV. GENERAL LAND USE

1. All lots in said subdivision which are subject to these restrictions shall be used for single family dwellings, and for no other purpose.

2. No structure or obstruction of any nature whatsoever shall be constructed or allowed by any Lot Owner on, in or under any waterway. This will not prevent the construction of any water line, sewer line or other developmental features by the Developer when the same do not interfere with navigation. Docks, piers and mooring posts may be constructed within the mooring areas only after the size, design and placement of such have been approved in writing by the Committee.

3. All buildings and other improvements placed on any of said lots shall be newly erected on said lot and no second-hand or used buildings or other improvements shall be moved onto any of said lots, and no used or second-hand materials may be used in the exterior of such improvements unless specifically approved in advance, in writing, by the Committee.

4. All lots subject to these restrictions shall be used exclusively for single family residential purposes, and in the use of such lots for such purposes nothing shall be done thereon which may be or become an annoyance or nuisance to the neighborhood. No commercial, trade, business or professional activity of any nature shall be carried on upon any lot or any part thereof. No cattle, hogs, poultry, horses, or other animals may be kept on any part of the subdivision, except that this paragraph shall not preclude the keeping of pets or animals other than the above mentioned such as are ordinarily kept as pets in residential subdivisions provided they are not kept or bred for any commercial purposes.

5. No outside toilet will be permitted, and any installations of any kind for disposal of sewage shall be connected with the sanitary sewer system.

6. No oil drilling, oil storage, oil refining, quarrying or mining operations of any kind shall be conducted upon any lot.

7. No sign of any kind shall be displayed to the public view except one sign of not more than six square feet advertising the property for sale or rent or signs used by a builder during the construction period.

8. No structure of a temporary character, and no trailer, basement, tent, shack, garage, barn or other outbuildings, or any part thereof, shall be placed on any lot or used as a residence or dwelling, either temporarily or permanently. Garages and outbuildings that are (appurtenant) to a residence may be erected on each building site upon which a main dwelling has been erected.

9. Use of house trailers, buses, trucks or similar vehicles for residential purposes is hereby prohibited, but such vehicles may be temporarily parked only if and where approved by the Committee. No such vehicles shall be kept or permanently parked on the paved portion of any street, or on any Lot within the Subdivision unless such vehicle is concealed behind a privacy fence no closer to the street than the front building line.

10. No building material of any kind or character shall be placed or stored upon any lot until the owner is ready to commence improvements, and then such material shall be placed within the property lines of the building site upon which the improvements are to be erected and shall not be placed in the streets or between the roadbed and property line.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage and trash shall not be kept except in covered sanitary containers. Such containers shall be kept in a clean and sanitary condition and shall be stored so as not to be seen from a street or waterway.

12. No garage for separate rental purposes or any detached outbuilding apartments for rental purposes will be permitted on any lot. All living quarters on the property are to be for the bona fide use of the Lot Owner's or occupant's immediate family, non-paying guests and servants only.

13. No clothes lines may be placed where they would be visible either from a street or waterway. Such clothes lines must be enclosed by a hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the property.

14. No radio or television antenna or guy wires shall be maintained on any portion of any lot forward of the front building line of the respective main building.

15. No portion of any boat slip shall be nearer than six (6) feet to any side property line; except that exceptions to this may be granted by the Committee in its discretion where the frontage of a lot on a waterway is unusually short, or when adjoining lot owners desire to construct a single slip for their joint use.

16. All waterways shall at all times be kept free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation. None of the foregoing or any other foreign matter shall be at any time deposited, dumped or left in any waterway, nor shall any hazard to navigation, or boats, hulks, derelicts, or other floating objects other than properly tended or moored boats be at any time permitted in any waterway. The owner of each lot shall be responsible for the maintenance of the portion of any bulkhead and mooring area contiguous to his property in accordance with the provisions hereof.

17. Lot Owners shall have the non-exclusive right to use of the waterways in Harbor Oaks Project for navigation and boating purposes only. The owners of waterfront lots shall have no rights to fill any submerged area or enlarge the land area of any lot shown on said map of the subdivision.

18. A lot may not be so subdivided or areas sold off so that there will be left in such lot, when combined with an adjoining lot or portion of an adjoining lot, a building plot having an area which is less than the total area and frontage of the larger of the two original lots from which such areas are taken.

19. Construction must begin within three (3) months after the approval of plans by the Committee. Completion of such improvements must take no longer than nine (9) months from the start of construction, unless delayed for some reason beyond owner's control, in which event the Committee may extend the foregoing time limits.

20. Said property shall also be subject to all of the terms and provisions of the LANDOWNERS' AGREEMENT, including the imposition of an assessment for an annual maintenance charge as fully set out hereinafter in Section VI, entitled "Landowners' Agreement."

V. SIZE, DESIGN AND PLACEMENT OF IMPROVEMENTS

1. Facing: All improvements on any lot shall be constructed so as to face the street upon which such lot fronts, as specified in paragraph 5 of Part II, but the entry door of a dwelling need not be on the front side. Improvements placed on corner lots may face as approved by the Committee.

2. Minimum Floor Areas: No dwelling shall be permitted on any lot within the subdivision unless the floor area of the enclosed main dwelling, exclusive of porches, garages, whether attached or detached, breezeways, patios or other appendates, complies with the following requirements:

a. The total area of the enclosed main dwelling of any residence, whether one story or more, must contain not less than 1,200 square feet; and

b. The floor area of the enclosed main floor of any two-story residence must contain not less than 800 square feet. The main floor is the one containing the larger floor area, whether it be the first or second floor.

3. Exterior Walls: The design of and materials used in the exterior walls and surface areas of any outbuilding constructed on any lots must be in keeping with the general architectural design of the main dwelling. Asbestos and metal may be used only as approved by the Committee.

4. Telephone and Electric Lines: All telephone and electric lines will be underground to the terminal point of the property line, and all service lines must also be installed underground from the terminal point to the building which they serve.

5. Fences or Walls: No fence or wall shall be erected, placed, altered or maintained on any building site nearer to the street lot line than the building line shown on the map of such subdivision. No fence shall be constructed higher than six (6) feet and all fences shall be subject to approval by the Committee.

6. Building Lines: No building shall be erected on any lot or lots in said subdivison outside of the building lines shown on the map of said subdivision, nor farther away from the street lot line than is determined to be in harmony with existing structures by the Committee. No portion of any building shall be erected nearer than six (6) feet to any interior lot line. However, roofs, eaves or steps may extend over the minimum building setback line for a distance of not more than two (2) feet. No load bearing walls shall be constructed nearer than twelve (12) feet to the waterfront property line of any waterfront lot, except that patios and open overhead decks may be erected in such areas, subject to the approval of the Committee:

7. Piling Construction: Houses constructed on piling shall require piling of a minimum diameter of ten (10) inches. Piling shall be driven into soil to such depth as required by Committee.

8. Upkeep: Each Lot Owner shall keep the weeds out of the particular property owned by him and shall not permit the accumulation of trash, rubbish or other unsightly articles on the premises, the easement or in the street abutting the same, and shall keep the grass cut. The area in all the streets between the pavement and the property line shall at all times be kept clean and free of unsightly obstacles. Developer shall have the privilege of having said lots cleaned to comply with the above in the event the lot owner, after ten (10) days notice, shall fail to do so, and any reasonable expense incurred in doing the same shall be paid by the owner of the respective lot or lots, and shall be secured by a lien in the same manner as the maintenance charge as provided in Section VI, paragraph 5, hereinafter. Failure of developer to take such action shall not act as waiver of such right to do so.

VI. LANDOWNERS' AGREEMENT

In order to provide for the common use, enjoyment, benefit and maintenance of the common areas such as waterways, parks, beautification area, and boat loading and ramp area, within Harbor Oaks Project, and Unit 7, and for the preservation of a marina type community of the highest quality, Developer, for the benefit of itself and each successor owner of a lot or parcel out of such subdivision, hereby binds itself, its assigns and each successor owner, as follows:

1. At such time as any of the common areas in Harbor Oaks Project, have been improved and if same are not being maintained by Aransas County, a city, or other type of taxing authority within which such addition is located, such areas shall be conveyed to Canoe Lake Corp., Trustee, hereinafter called "Trustee," which shall have such supervisory authority to provide for the proper maintenance of the common areas as may be appropriate to such subdivision, and shall have the rights and powers hereinafter mentioned. Trustee shall not be liable to an owner of any interest in such subdivision for any damage, claim or expense for the manner in which said common areas are maintained and repaired, or for failure to maintain or repair said common areas.

2. In order to provide a fund for the proper maintenance of such common areas, hereinafter called "Maintenance Fund", there is hereby imposed upon each waterfront lot in the subdivison an annual maintenance charge which shall not exceed one cent (1¢) per square foot of such lot, and there is hereby imposed upon each waterview lot in the subdivision an annual maintenance charge which shall not exceed one-half cent (1/2¢) per square foot of such lot. Such maintenance charge shall be determined annually by the Trustee based upon the projected cost of maintaining such common areas. Once assessed by the Trustee, such maintenance charge shall be payable annually, in advance, on the first day of each calendar year, by each beneficial owner of a lot in such subdivison.

3. Neither Developer nor Trustee shall be liable or responsible to any person or persons for failure or inability to collect the maintenance charge or any part thereof from any person or persons.

4. The Maintenance Fund may be pooled, merged or combined with the maintenance funds of other portions of the Harbor Oaks Project as developed by Canoe Lake Corp., provided the lots and/or owners of lots in such other portions of such Harbor Oaks

Project are subject to a maintenance charge, lien and administrative provisions substantially the same as set forth in this Part VI. Such pooled maintenance fund may be expended by the Trustee for the general benefit and common good of the various sections or units of Harbor Oaks paying into such fund, without regard to the amount collected from each section or portion, and without regard to the relative benefits accruing to each lot owner from such expenditures. Trustee may use such funds, or any part thereof, for safety and/or recreational projects and for developing, improving and maintaining any and all of the common areas which the owners and/or occupants of lots in any of the sections or portions of Harbor Oaks may be privileged or shall have the right to use, regardless of who may own such common areas and regardless of their location within Harbor Oaks. It is agreed and understood that the judgment of the Trustee, as custodian and administrator of said Maintenance Fund, when used in good faith in the expenditure of said funds, or any part thereof, shall be binding, final and conclusive upon all parties in interest. Trustee shall receive no compensation for acting as custodian and administrator of said Maintenance Fund but shall be reimbursed for expenses paid.

5. The payment of the maintenance charge hereby imposed shall be secured by an express lien in favor of Trustee, as custodian and administrator of the Maintenance Fund, which line is placed and imposed upon each lot in the subdivision subject to such charges. There is hereby granted unto the Trustee an express lien against each lot or parcel of the subdivison to secure all obligations of the owner or owners of said lot or parcel imposed upon such owners, or lot, under the provisions hereof. Said lien may be foreclosed in the same manner as a vendor's lien, without prejudice, however, to any other rights, powers or causes of action which the holder of said lien may have against any party who is then or who has theretofore been the owner of the property affected thereby. Said lien and all other provisions of this agreement shall be secondary and subordinate, however, to any liens, deeds of trust and encumbrances whatsoever given to secure the purchase price of the lot or any part thereof, or given to any bank, savings and loan association, insurance company, trust company, fraternal benefit organization, or corporation with banking or related powers, lawfully lending money for the purpose of making repair or constructing dwellings or any other improvements whatsoever on any portion of such lot, or acquiring any note or other evidence of indebtedness previously made for any such purpose. If any such lender or party acquiring such indebtedness should be in doubt as to the purpose for which such loan was made, or indebtedness incurred, or as to whether the lien herein granted is subordinate to any lien or deed of trust given for the purpose of securing any such mortgage or indebtedness, such lender or party acquiring such indebtedness may rely conclusively upon the written statement of the Trustee, with respect thereto. The Trustee may release or subordinate said lien and any other provisions of this agreement, in whole or in part, with respect to any lot or lots, should it deem it advisable, for any reason whatsoever, without affecting said lien insofar as it applies to any other lot or lots in the subdivision. If any lot owner should make default for a period of more than ninety (90) days in payment of any maintenance charges, the lien provided above may be evidenced of record by the filing for record in the office of the County Clerk of Aransas County of a written statement by the Trustee, setting forth the amount of charge in default and the period for which same accrued, with a statement of the lot to which same applies, and the name of the lot owner, if known to the Trustee, which statement shall be prima facie evidence of the correctness of the amount and the existence of a lien therefor.

Without diminishing the personal obligations of any owner for any sum imposed under the terms hereof, the lien hereby granted upon any lot shall not secure any sum in excess of the lesser of the following amounts.

a. The unpaid assessments made under the terms hereof for the four years next preceding the date that such lien is sought to be asserted or foreclosed; or

b. The sum of Six Hundred ($600.00) Dollars.

6. Any person negligently or willfully damaging or destroying all or any portion of the common areas, including the bulkheads and tie backs, shall be responsible to the Trustee for damages, and the Trustee shall use any funds collected by claim, lawsuit or settlement agreement growing out of such damage or destruction, to repair such damage or destructions, to the extent of such funds.

7. Trustee shall have, and it is hereby granted, the full right, power and authority to convey all of its right, title and interests in and to the common areas and the Maintenace Fund as well as all of its powers, rights, liens, responsibilities, duties and authority under the terms of this Part VI to: (a) a non-profit corporation, or other organization, formed for the purpose of maintaining the common areas belonging to the Harbor Oaks Project; or (b) a public or quasi public corporation or entity with the power to tax such as the City of Rockport, Aransas County, or a public district having such powers.

8. All references to "Trustee" in this Part VI shall apply with equal force and effect to any successor in interest to Trustee, as provided in Paragraph 7 of this Part VI.

9. The figures in dollars and cents expressed in this instrument are based on the purchasing value of a dollar in the year 1969, as shown by the Commodity Price Index of the United States Department of Commerce, and if the value of the dollar should change with respect thereto, a corresponding adjustment of the figures set out in this instrument shall be made each year based on the value of a dollar for the year involved, as shown by said Price Index by comparison with the value for the year 1969.

10. Each owner of a waterfront lot shall maintain the portion of the bulkhead adjacent to his lot in good condition. If such portion of the bulkhead should be in need of repair from any cause other than defects in original construction, the Trustee may give written notice to the owner of said lot; and if such owner fails to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so, using the Maintenance Fund. The owner shall be obligated to pay to the Trustee the amounts so expended, with interest at the maximum legal rate, and the amounts so expended shall be a special assessment and charge against the lot involved, and be secured by a lien against same, in the same manner and with the same rights of enforcement as in the case of the general maintenance charge as provided above.

VII. DURATION

The restrictions and covenants herein set forth shall continue and be binding upon Developer, its successors and assigns, for a period of thirty-five (35) years from this date. At the expiration of said term of thirty-five (35) years the restrictions and covenants herein set out shall automatically be extended for an additional ten (10) year period and for successive periods of ten (10) years thereafter, unless same are nullified or revised as hereinafter provided. After the expiration of thirty-five (35) years from the date of this instrument, the owners of a majority of the lots in said Unit Seven (7) may execute and acknowledge an agreement in writing terminating or revising these

restrictions and dovenants and file the same in the Office of the County Clerk of Aransas County, Texas, or in such office as conveyances of real estate may be required to be filed, at such time, whereupon these restrictions and covenants shall be null, void and of no further force and effect, or shall be modified or revised as such instrument may direct.

VIII. AMENDMENTS

At any time, the owners of the legal title to 51% of the lots in said Unit Seven (7) (as shown by the records of Aransas County, Texas), may amend the restrictions, covenants, conditions, and matters set forth herein by filing an instrument containing such amendment in the Office of the County Clerk of Aransas County, Texas, except that, prior to the expiration of fifteen (15) years from date hereof, no such amendment shall be valid or effective without the joinder of Canoe Lake Corp., its successors or assigns.

IX. ENFORCEMENT

The restrictions, conditions and use limitations herein set forth shall be binding upon Developer, its successors and assigns, and all parties claiming by, through, or under them and all subsequent owners of each lot, each of whom shall be obligated and bound to observe such restrictions, conditions and use limitations, provided, however, that no such persons shall be liable except in respect to breaches committed during his or their ownership of said lot. The violation of any such restriction, condition or use limitation, shall not operate to invalidate any mortgage, deed of trust, or other lien acquired and held in good faith against said lot or any part thereof, but such liens may be enforced against any and all property covered thereby, subject, nevertheless, to the restrictions, conditions and use limitations herein mentioned. Developer, or the owners of any lot in this addition, or Trustee, its successors and assigns, shall have the right to enforce observance or performance of the provisions of this instrument. If any person or persons violate or attempt to violate any of the restrictions, conditions or use limitations contained herein, it shall be lawful for any person or persons owning any lot out of said addition to prosecute proceedings at law or in equity against the person violating or attempting to violate the same, either to prevent him or them from so doing, or to obtain such other relief for such violations as then may be legally available.

X. SEVERABILITY

Invalidation of any of the terms, provisions or covenants contained in this instrument by judgment or court order shall not in any way affect any of the other terms, provisions or covenants set forth in this instrument which shall remain in full force and effect.

XI. SUBORDINATION BY LENDER

OZARK NATIONAL LIFE INSURANCE COMPANY of Kansas City, Missouri, holder of the superior lien, and FINCHER INVESTMENT COMPANY of Harlingen, Texas, holder of the inferior lien upon the herein described property, for and in consideration of Ten Dollars ($10.00) to each cash in hand paid by Harbor Oaks Corporation, receipt of which is hereby acknowledged, acting by and through their respective duly authorized officers, do hereby agree that their liens recorded in the Deed of Trust Records of Aransas County, Texas in Volume 121, Page 168, and Volume 147, Page 164, shall be and the same are hereby made subordinate subject and inferior to the Protective Restrictions and Covenants and Landowners Agreement imposed on said property in this instrument, and

in the event of foreclosure of either or both of said Deeds of Trust, it is agreed that the restrictions and Landowners Agreement imposed herein shall be in no way affected thereby.

Executed this _____ day of _____, 1977.

HARBOR OAKS CORPORATION

By _____

ATTEST:

_____
Secretary

Ratified and Approved this _____ day of _____, 1977.

OZARK NATIONAL LIFE INSURANCE CO.

By _____

ATTEST:

_____
Secretary

Ratified and Approved this _____ day of _____, 1977.

FINCHER INVESTMENT COMPANY

By _____

ATTEST:

_____
Secretary

THE STATE OF TEXAS §

COUNTY OF ARANSAS §

Before me, the undersigned authority, on this day personally appeared _____, of HARBOR OAKS CORPORATION, a Texas 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 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 on this the _____ day of _____, A.D. 1977.

_____
Notary Public in and for
Aransas County, Texas

THE STATE OF MISSOURI §

COUNTY OF _____ §

Before me, the undersigned authority, on this day personally appeared _____, of OZARK NATIONAL LIFE INSURANCE CO., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said company.

Given under my hand and seal of office on this the _____ day of _____, A.D. 1977.

_____
Notary Public in and for
_____ County, Missouri

THE STATE OF TEXAS §

COUNTY OF CAMERON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, of FINCHER INVESTMENT COMPANY, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said company.

GIVEN under my hand and seal of office on this the _____ day of _____, A.D. 1977.

_____
Notary Public in and for
Cameron County, Texas

The Villas

676.8/Leloup

DEED RESTRICTIONS
THE VILLAS OF HARBOR OAKS

139127

THE STATE OF TEXAS §

9527

COUNTY OF ARANSAS §

IMAGE NO. _____

1.0 PROPERTY AFFECTED

These restrictions apply to the following real property, hereafter called the "Subdivision":

> The surface estate only to those lots participating herein, located within THE VILLAS OF HARBOR OAKS, Block FOUR (4), HARBOR OAKS SUBDIVISION, Unit FOUR (4), Aransas County, Texas, according to the Replat of said Block 4 recorded in Volume 4, Page 10, Plat Records, Aransas County, Texas, including all buildings and improvements thereon.

2.0 GENERAL PROVISIONS

2.1 Dedication. For the purpose of carrying out a uniform plan for the maintenance, management and operation of the Subdivision as a quality subdivision of rentable residential units, the Owners of the Subdivision adopt and record these Deed Restrictions as covenants hereafter regulating the use of their respective lots in the Subdivision for the common good of all Owners.

2.2 Duration. These restrictions shall remain in force for a period of ten years, and thereafter shall automatically renew for successive periods of ten years, subject to the rights of the Owners at any time to modify, amend or repeal all or any provisions as set out herein.

2.3 Amendment. These restrictions may be modified, amended or repealed at any time, in whole or in part, by the recordation in the Real Property Records of Aransas County, Texas of an instrument or instruments setting out such changes and being executed and acknowledged by the Owners of a majority of the lots in the Subdivision. If a lot has more than one owner of record, any co-owner may sign for and cast the vote of that lot without requiring the signature of all co-owners.

3.0 INITIAL TRUSTEES

To implement the terms of these Restrictions the Owners designate the following lot owners as Trustees and vest them with the powers set out below:

> Raymond C. Leloup of Houston, Texas
>
> H. L. Woodbury of Frisco, Texas
>
> G. E. Mullo of Rockport, Texas

4.0 OWNERS ASSOCIATION

4.1 Establishment. Within 30 days of the effective date of these Restrictions, the Trustees shall establish the Villas of Harbor Oaks Owners Association (the "Association" herein), a Texas Non-Profit Corporation composed of the Owners of the Subdivision, and the above Trustees shall serve as the initial Board of Trustees of the Association. Reference to "Trustees" herein shall include the initial Trustees, the Board of Trustees, and their successors.

4.2 Initial By-Laws. The initial By-laws governing the Association have been submitted to all Owners along with these Restrictions and shall be adopted by the Trustees as the By-laws of the Association when it is officially chartered as a Non-Profit Corporation. All references to "By-laws" shall refer to the approved initial By-laws and all amendments thereof. The By-laws may be amended only upon written, signed approval by the Owners of a majority of the lots, as defined in Section 4.3.

4.3 Membership and Voting. The Owners of all lots within the subdivision shall be members of the Association. On any given issue requiring owner approval, each lot shall cast one vote. Split votes between two or more co-owners of a lot shall not be allowed and will negate the vote of that lot. A lot may vote by and through any one co-owner of the lot without requiring the signature of all co-owners. Voting may be done by written proxy or by signed letter on any issue submitted to the Owners. A record shall be maintained of all votes submitted for Owner approval and shall be available for inspection by any Owner on request. The decision of a majority of the lots shall govern the outcome of any vote.

4.4 Board of Trustees. The Association shall conduct all business through and be managed by three Trustees, acting as the Board of Trustees. The qualifications, term, powers, election and removal of Trustees is set out in the By-laws.

4.5 Officers. The Trustees shall appoint executive officers as set out in the By-laws.

5.0 TRUSTEE DUTIES, POWERS, AUTHORITY

The Trustees shall:

5.1 Collect, manage, disburse, control and account for all funds received by the Association for the use and benefit of the Subdivision, including the maintenance assessments.

5.2 Render annual accountings to the Owners detailing receipts and disbursements for the previous fiscal year and projecting the budget for the next fiscal year.

5.3 Retain and supervise professional property management services for the leasing, management, maintenance and operation of the apartment units in the entire project.

5.4 Retain professional services (i.e. legal and accounting) to carry out Association functions.

5.5 Preserve architectural harmony in the Subdivision by exercising the architectural control set out in the By-laws.

5.6 Monitor and enforce all property use restrictions set out herein in the By-laws, and by law, including the right to represent the Association and Owners before the Courts and other lawfully constituted authorities.

5.7 Prepare and submit to the Owners for approval all proposals for future amendments to the By-laws.

5.8 Maintain orderly books and records on all financial transactions, elections, amendments, contractual obligations, voting and amendments, and other official business of the Association and to allow all Owners reasonable access to such records as required by law.

5.9 Submit annual reports to the Owners on the conduct of Association business.

6.0 USE RESTRICTIONS

6.1 Each lot in the Subdivision has located thereon a free-standing, two-story building (the "building" herein) and each building is divided into four living units ("apartments"), with two apartments on the first floor and two on the second floor. Each apartment in the Subdivision shall remain available to qualified renters on short-term leases, for residential use only (provided, however, the Association shall establish reasonable, uniform standards for personal owner use that are consistent with the income-producing character of the property and with federal tax guidelines for preserving that character).

6.2 The Owners of each building shall maintain the building in a state of good repair and shall bear all necessary and reasonable expenses to maintain the structure in sound condition and neat and orderly appearance, and to maintain each apartment in good, rentable condition.

6.3 The Owners shall comply with all property use restrictions set out in the By-laws.

6.4 Each lot shall be landscaped and kept free of weeds and debris, and the control and supervision of landscaping and lawn maintenance is delegated to the Trustees.

7.0 MAINTENANCE FUND

7.1 In order to carry out its functions the Association shall uniformly assess each lot for maintenance charges reasonably necessary to carry out those duties which are not chargeable or assessable to a particular owner or lot. The foregoing maintenance assessments must be approved by the Owners of a majority of the lots as set out in the By-laws, after advance written notice to each owner.

7.2 The Association shall retain a lien against each lot to secure the payment of assessments, including assessments chargeable or assessable to a particular lot. Interest at the rate of 12% per annum shall accrue on overdue and unpaid assessments. The Association shall be entitled to recover all legal costs incurred in securing payment of overdue assessments. The Association may record in the real property records lien affidavits setting out the amount and nature of unpaid assessments and the lien claim thereon.

7.3 The lien described above shall remain subordinate and inferior to any mortgage or purchase-money lien against a lot, and to any lien securing a note or notes for improvements to a lot.

7.4 The Association, through its Trustees, shall establish orderly procedures for the assessment, billing, collection and management of assessments. Such functions may be delegated to a professional property manager.

8.0 ARCHITECTURAL CONTROL

The acting Trustees of the Association (acting as the Architectural Committee) shall exercise all powers of architectural control set out in the By-laws, and all or any part of those powers may be delegated to a qualified representative approved by the Trustees, or to a single Trustee.

9.0 RENTAL OF APARTMENTS

9.1 The Owner(s) of a lot shall retain full title to such lot, and shall be entitled to a separate accounting for all rental income, expenses, general assessments and special assessments respecting the lot.

9.2 The Trustees through their designated managing agent, shall control the rental and management of all apartment units and the owner will forward any rental prospects to the managing agent for handling. The managing agent shall strive to distribute rental opportunities uniformly to all buildings in the Subdivision.

9.3 The Trustees are designated as the agents and representatives of each Owner in negotiating and executing a management agreement with a professional property manager. Upon approval by the Trustees, a copy of the contract shall be furnished to all Owners. No contract shall be binding for more than one year, unless a majority of the lots approve a longer term.

9.4 Out of all rental income the managing agent shall be entitled to retain a reasonable fee approved by the Trustees and consistent with the charges for similar services in the Rockport area. All rental income over and above sums deducted for management services and required repairs and expenditures under the Management Contract shall be disbursed to the Owner.

10.0 ADOPTION AND RATIFICATION

These restrictions shall be deemed effective when adopted and approved by the Owners of the Subdivision by their signatures below and by separate ratification documents filed and to be filed in the Real Property Records of Aransas County, Texas.

139427 9530

IMAGE NO. _____

SIGNED this 8th day of February, 1985.

LOT(S) OWNED:

OWNERS:

Lot 7

Raymond C. Leloup

Annette C. Leloup

Lot 1

H. L. Woodbury

Georgiana R. Woodbury

Lot 9

H. R. Mulle

Holly E. Mulle

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me this 8th day of February, 1985, by Raymond C. Leloup.

NOTARY PUBLIC STATE OF TEXAS

Notary Public in and for Texas

Paulette Lee (Print name)

My Commission Expires: 4-9-88

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me this 8th day of February, 1985, by Annette C. Leloup

NOTARY PUBLIC STATE OF TEXAS

Notary Public in and for Texas

Paulette Lee (Print name)

My Commission Expires: 4-9-88

Filed 3-5-85

Resolution Affecting Waterways & Mooring

(Adopted in 1994)

FILE NO. 196232
County Clerk, Aransas County, Texas

IMAGE NO. 208365

added Aug 24

RESOLUTION AFFECTING ALL WATERWAYS AND MOORING AREAS IN THE HARBOR OAKS PROJECT

STATE OF TEXAS :
: KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ARANSAS :

THAT WHEREAS, on July 10, 1994, there was held a meeting at the Community Building of the Pacific Southwest Bank, Highway 35 N., Rockport, Texas, of HARBOR OAKS PROPERTY OWNERS' ASSOCIATION, INC., a Texas non-profit corporation, upon notice thereof having first been given, and after determining that a quorum was then and there represented, the business of the meeting was taken up and considered; and

WHEREAS, in the restrictions, covenants and conditions to the Harbor Oaks Project in Part IV, paragraph 2, it is provided:

> "No structure or obstruction of any nature whatsoever shall be constructed or allowed by any Lotowner on, in or under any waterway. This will not prevent the construction of any water line, sewer line or other developmental features by the Developer when the same do not interfere with navigation. Docks, piers and mooring posts (except those constructed by the Developer for use of the owners of the water-view lots in Unit 5/Unit 6)* may be constructed within the mooring areas only after the size, design and placement of such have been approved in writing by the Committee."

*This additional parenthetical phrase appears in the restrictions to Units 5 and 6 only.

HARBOR OAKS, UNIT 1	#64031, Volume 150, Pages 321 et seq. at page 323, Deed Records, Aransas County, Texas
HARBOR OAKS, UNIT 2	#76965, Volume 187, Pages 293 et seq. at page 296, Deed Records, Aransas County, Texas
HARBOR OAKS, UNIT 4	#87101, Volume 213, Pages 262 et seq. at page 265, Deed Records, Aransas County, Texas
HARBOR OAKS, UNIT 4, SANDPIPER HOLLOW	#99787, Volume 241, Pages 155 et seq. at page 158, Deed Records, Aransas County, Texas
*HARBOR OAKS, UNIT 5	#96867, Volume 234, Pages 33 et seq. at page 36, Deed Records, Aransas County, Texas

*HARBOR OAKS, UNIT 6	#95470, Volume 230, Pages 333 et seq. at page 337, Deed Records, Aransas County, Texas
HARBOR OAKS, UNIT 7	#95840, Volume 231, Pages 263 et seq. at page 266, Deed Records, Aransas County, Texas; and

WHEREAS, in the restrictions, covenants and conditions to all of the Harbor Oaks Project (except for Harbor Oaks, Unit 4, Sandpiper Hollow, and Harbor Oaks, Unit 7, Shorewood Estates) in Part III, paragraph 6, it is provided:

> "The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of these restriction"; and

WHEREAS, Harbor Oaks, Unit 4, Sandpiper Hollow and Harbor Oaks, Unit 7, Shorewood Estates restrictions, covenants and conditions in Part III, paragraph 6 provide:

> "Decisions of the Committee are subject to the provisions of Section III, of the Protective Restrictions and Covenants and Landowners Agreement, Harbor Oaks, Unit One (1), as recorded in Volume 150, Page 321 et seq. of the Deed Records of Aransas County, Texas, and final approval of the Committee therein named is mandatory"; and

WHEREAS, by Special Warranty Deed dated August 9, 1978, Canoe Lake Corp., Trustee, conveyed to Harbor Oaks Property Owners' Association, Inc. all waterways and common areas in the Harbor Oaks Project (and in particular Parcel NINTH, a waterway known as Turkey Neck Channel), together with the "Maintenance Fund," the rights to impose and collect such maintenance charge, as well as all of Grantor's powers, rights, liens, responsibilities, duties and authority under the terms of said Part VI of each of said documents, said right to collect a maintenance charge being further therein reserved and retained in four (4) other conveyances as therein described, all as more fully set out in said Special Warranty Deed as shown of record under Clerk's File #101172, being also Volume 244, Pages 393 et seq., Deed Records, Aransas County, Texas; and

WHEREAS, in the restrictions, covenants and conditons to Harbor Oaks, Units 5 and 6, Canoe Lake Corp., Trustee, therein called "Trustee" (the predecessor of these certain powers, rights, liens, responsibilities, duties and authorities), it is provided in Part VI, paragraph 10:

> Each owner of a waterfront lot shall maintain the portion of the bulkhead adjacent to his lot in good condition. If such portion of the bulkhead should be in need of repair from any

cause other than defects in original construction, the Trustee may give written notice to the owner of said lot; and if such owner fails to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so, using the Maintenance Fund. The owner shall be obligated to pay to the Trustee the amounts so expended, with interest at the maximum legal rate, and the amounts so expended shall be a special assessment and charge against the lot involved, and be secured by a lien against same, in the same manner and with the same rights of enforcement as in the case of the general maintenance charge as provided above. Likewise, the owners of water-view lots having access to and owning the docking facilities constructed for their benefit, shall each maintain their own boat dock, and shall share pro rata the maintenance of the pier, mooring area, and bulkhead adjacent thereto, and if such owner or owners fail to make the needed repairs within ninety (90) days after such notice is given, then the Trustee may do so out of the Maintenance Fund, and such owner or owners shall be obligated to the Trustee for the amount so expended as hereinabove set out, and such amount shall likewise be secured by a lien against the lot or lots of such owner or owners"; and

WHEREAS, in document bearing Clerk's File #120732, being also Volume 296, Pages 332-333, Deed Records, Aransas County, Texas, the architectural control committee, herein called "the Committee," of the various Units in the Harbor Oaks Project designated Harbor Oaks Property Owners' Association, Inc. as a representative to act for each subdivision; and

WHEREAS, in the Definitions to each of the retrictions, covenants and conditions to each of the Units in the Harbor Oaks Project, in Part II, paragraph 3, it is provided:

> "A "waterway" is any area covered by water, whether it be a canal or lake, except that boat slips constructed for private purposes shall not be considered part of any waterway"; and

WHEREAS, in the Definitions to the restrictions, covenants and conditions to Harbor Oaks Unit 6, in Part II, paragraph 7, second part, it is provided:

"In addition, Developer is providing docking facilities (consisting of docks, mooring posts and pier) located in the mooring area of Turkey Neck adjacent to Block A, Green Area, for the benefit of the waterview lots of Unit 6 and proposed future Unit 5 of said development, as shown in the detail of the mooring area upon the recorded map of said Unit 6, and a separate boat dock, together with the joint use of the pier, shall be conveyed to each owner of a waterview lot in Unit 6; the ownership of each boat dock shall be by the person owning the correspondingly numbered lot in Block One (1) of said Unit 6. The ownership of such docking facilities shall be in the owners of the waterview lots of Unit 6 and the Developer (to the exclusion of all other owners in the Harbor Oaks Project), and no other present property owners in the project shall have any right to the use of, nor any responsibility for maintenance or other liability in connection with such docking facilities; provided, however, Developer reserves the right to transfer and convey its rights in said facility to others in connection with proposed future Unit 5 of the development"; and

WHEREAS, in the Definitions to the restrictions, covenants and conditions in Harbor Oaks Units 5 and 6, in Part II, paragraph 8, it is provided:

"A 'mooring area' is that portion of a waterway designated as such on the plat of such subdivision within which limited mooring facilities may be constructed as set forth in paragraph 2 of Part IV, below. Developer reserves the right hereafter to designate additional mooring areas along waterways adjoining areas not included in Unit 6"; and

WHEREAS, after a presentation of these matters in detail and after a motion was made and seconded, a vote was taken which by a vote of 118 yes and a vote of 4 no, it was RESOLVED THAT THE GENERAL INTENT, EFFECT AND PURPOSE OF THESE RESTRICTIONS PROVIDE THE FOLLOWING:

1. The definition of "waterway" was intended to include any area covered by water, whether it be a canal or lake, and that the exception as provided for "boat slips constructed for private purposes" was intended to apply only to those instances where a private lot owner might cut into his own bulkhead to make a

private boat slip and that such was governed by those provisions in Part III, paragraph 2, second sentence, to each of the restrictions, covenants and conditions, which provide:

> "Likewise, no bulkheads constructed by the Developer shall be cut or any slips for boats be constructed unless plans and specifications therefor shall be prepared by a professional engineer (licensed by the State of Texas), and then submitted to and approved by the Committee."

This general intent, effect and purpose of these restrictions is further supported by the language in Part II, paragraph 8 (Definitions) which provides that a "mooring area" is a portion of a waterway "within which **limited** mooring facilities may be constructed as set forth in paragraph 2 of Part IV" (bold print emphasis and underline added).

2. The restrictions, covenants and conditons to the Harbor Oaks Project in paragraph 2 of Part IV firstly prohibit any structure or obstruction of any nature whatsoever in or under any waterway and unless there can be found an exception, the structure or obstruction shall not be (i) constructed or (ii) allowed.

3. Those exceptions to the general prohibition of any structure or obstruction of any nature whatsoever in or under any waterway are as follows:

(a) Waterlines, sewer lines or other developmental features by the "Developer" (Canoe Lake Corp.).
(b) Docks, piers and mooring posts constructed by the Developer for use of the owners of the water-view lots in Units 5 and 6.
(c) Docks, piers and mooring posts constructed within the mooring areas after the size, design and placement of such have been approved in writing by the Committee.

4. The restrictions, covenants and conditions to the Harbor Oaks Project in numerous places prohibit unsightly matters, and in particular in paragraph 16 of Part IV it is provided:

> "All waterways shall at all times be kept free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation. None of the foregoing or any other foreign matter shall be at any time deposited, dumped or left in any waterway, nor shall any hazard to navigation, or boats, hulks, derelicts, or other floating objects other than properly tended or moored boats be at any time permitted in any waterway."
> [underline added],

and in paragraph 8 of Part IV it is provided:

> "No structure of a temporary character, and no ...tent, shack, garage, barn or other outbuilding, or any part thereof, shall be placed on any lot or used as a residence or dwelling," and

it is the decision of the Committee that it was the general intent, effect and purpose of these restrictions that no such "tent, shack, garage, barn or other outbuilding, or any part thereof" be constructed or be allowed to remain in any waterway.

5. The proper tending and mooring of boats and articles used for the same is allowed, which includes the use of reasonably necessary lines, pulleys and other devices, but would not include unsightly tires for bumper guards, for example.

6. In order for the architectural control subcommittee to carry out its ministerial duties, the Committee (Harbor Oaks Property Owners' Association, Inc.) herein gives the following guidelines (in addition to those given hereinabove):

a. These guidelines apply not only to Turkey Neck Channel but to all waterways within the Harbor Oaks Project.

b. The following types of articles constitute (i) a structure not excepted from the general pronibition against items of any nature whatsoever as may be placed in or that may remain in a waterway, (ii) an obstruction, (iii) an interference with navigation, or (iv) an unsightly article, herein called Prohibited Articles, to-wit:

(1) Any wall, fence, partition or similar vertical, upright construction, whether open, one-sided or closed, whether solid, partially open, slatted or otherwise, and regardless of the material or materials used therein, man-made or otherwise.

(2) Any sign, board, flag, canvas, bamboo, palm leaves or other item which partially or otherwise interferes with vision in the waterway.

(3) Any roof, canopy, tent, shack, barn or covering of any type, whether temporary or permanent and regardless of the material used, whether man-made or otherwise.

(4) Trash cans, storage containers, vestibules, lattice screening.

(5) Any clothes lines or lines from which items are hung for drying such as wet clothes, swim suits, wet life preservers, or items being repaired.

(6) The accumulation of ordinary items which by reason of their being kept in the open constitute what would appear to be a disorganized external display of unsightly items to the ordinary and reasonable person in a restricted subdivision such as the Harbor Oaks Project.

(7) Used or secondhand materials.

(8) Any activity connected with what is commonly known as a commercial, trade, business or professional activity of any nature; that is, the mooring and docking of commercial fishing boats such as shrimp boats and charter boats, other than what is commonly referred to as one-to six-passenger bay or gulf sport fishing boats, and in no instance where customers come and go from any part of the lands or waterways of the Harbor Oaks Project. That is, the lots (lands) are restricted against business and the mooring areas are similarly restricted.

(9) Any item or activity prohibited on a land site (e.g., out-side toilets, storage of building materials, prohibited radio or television aerials or guy wires, and long delays in construction) shall likewise be a prohibited item or activity in a mooring area.

c. The following types of articles are excepted from the general prohibition against items of any nature whatsoever as may be placed or that may remain in a waterway, or constitute an obstruction, or interfere with navigation, or constitute an unsightly article, herein called Allowed Articles, to-wit:

(1) Lines, tackle, cables and other devices for properly holding, raising or otherwise moving or securing a boat in a dock slip or mooring area (but this shall not include unsightly used tires or noticeable parts thereof, bright colors and paints, or large reflectors.

(2) Upright water pipes, faucets and lines, for water and electricity, to use in connection with boats in the mooring areas (but not to be used in connection with permanent or temporary residences in a boat, which is prohibited). The use of a boat as a residence on waterways in the Harbor Oaks Project, temporary or permanent, is restricted and prohibited just as would be the use of a house trailer, bus, truck or similar vehicle on the land site areas of the Harbor Oaks Project.

(3) Reasonable lighting for safety or security, but not to constitute a nuisance to owners of nearby lots and not to constitute a hazard to navigation because of the brightness or direction of the lighting, and in no event shall any flashing light be allowed nor outdoor speaker.

These final decisions in interpreting the general intent, effect and purpose of these restrictions shall be binding upon and inure to the benefit of and may be enforced by the persons or entities to which other provisions in these restrictions apply (reference here being made to Part IX of the restrictions), shall carry the same severability provision as contained in Part X, and shall have the same duration as provided in Part VII.

This document shall be recorded in the Official Public Records of Real Property of Aransas County, Texas, and shall hereafter constitute constructive notice hereof to all persons or entities to which this document applies.

SIGNED this the 11th day of August, 1994.

HARBOR OAKS PROPERTY
OWNERS' ASSOCIATION, INC.

By: Jack Salyer
Jack Salyer, President

STATE OF TEXAS :

This instrument was acknowledged before me on the 11th day of August, 1994, by Jack Salyer, President of HARBOR OAKS PROPERTY OWNERS' ASSOCIATION, INC., a Texas corporation, on behalf of said corporation.

[Place Seal Below]

MARY LYNN TURNER
Notary Public
State of Texas
My Comm Exp 9-14-94

Mary Lynn Turner
Notary Public, State of Texas
Commission expires:
Printed name: Mary Lynn Turner

FILED FOR RECORD
At 12:05 P. M.
AUG 12 1994
Peggy L. Friebele
PEGGY L. FRIEBELE
COUNTY CLERK, ARANSAS CO., TEXAS
Filed by & return to:
Calvin W. Schaby
Call 729-7500

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State of Texas }
County of Aransas }
I hereby certify that this instrument was Filed on 8-12-94
12:05 M. and was duly Recorded in the Official Public Records of
Aransas County, Texas, under File No. 196232 on 8-12-94

Peggy L. Friebele
PEGGY L. FRIEBELE
COUNTY CLERK
ARANSAS COUNTY, TEXAS