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DECLARATION OF
RESERVATIONS, RESTRICTIONS, COVENANTS AND LIENS
OF
NEWPORT, SECTION TEN

THE STATE OF TEXAS)
COUNTY OF HARRIS)

KNOW ALL MEN BY THESE PRESENTS:

At a meeting of the Board of Directors of Diamondhead Corporation, a Delaware corporation (hereinafter called the "Corporation"), held in the office of the corporation in New Orleans, Louisiana, on the 10th day of November, 1977, all the Directors of the corporation being present, the following resolution was adopted by unanimous vote:

BE IT RESOLVED:

That the restrictions, covenants and liens hereinafter set out shall be, and the same are, made applicable to NEWPORT, SECTION TEN, a subdivision of Harris County, Texas, according to the map or plat thereof filed for record in the Official Public Records of Real Property of Harris County, Texas, on September 27, 1974, under File No. E-266782, and recorded in Volume 220 of Maps, Page 76, said map being hereinafter referred to as the "Map". The Map has been duly authenticated with proper certificate showing dedication of the streets, drives, and easements to the use of the present and future residents and to the public, subject to the reservations, restrictions, covenants and liens herein contained, to the same extent as though copied at length in said dedication certificate and the Map is subject only to minor changes as, in the judgment of the Corporation are necessary for the efficient installation of improvements. That the Corporation is the owner of all the lots, tracts, parcels, and property in said NEWPORT, SECTION TEN.

RESERVATIONS

That the Map dedicates for public use as such the streets, alleys, parks and easements shown thereon and there was reserved and is hereby expressly reserved in the Corporation the following rights, title and easements, which reservations shall be referred to and made a part of and construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of the Corporation conveying NEWPORT, SECTION TEN, or any part thereof.

(1) The legal and fee simple title in and to each and all of the several streets and drives as shown on the Map is hereby reserved in the Corporation subject to the limited dedications herein expressed.

(2) The Corporation reserves the exclusive right to construct and operate in, over, upon, along and under said streets and drives a transportation system or systems; and to cause to be erected and maintained herein and thereon wires and poles for the purpose of constructing and maintaining a system of electric lights, power, telegraph and telephone line or lines and connections; and to construct, lay, and maintain in, along, and under any and all of said streets, and drives and along easements provided therefore, all pipes, conduits and appurtenances necessary and proper for the construction and maintenance of a system of drainage and a system of sewage and for the supply of water, (retaining also the right to grant or to deny to areas beyond NEWPORT, SECTION TEN, connection privileges to said drainage, sewage or water systems) gas, light and power, telegraph and telephone service to said NEWPORT, SECTION TEN, and the inhabitants thereof; and for all other purposes incident to the development and use of said property as a community unit.

(3) The Corporation reserves the necessary easements and rights-of-way for the purpose of constructing and maintaining and repairing a system or systems of light, electric power, telegraph and telephone line or lines, gas, sewers, or any other utility the Corporation sees fit to install across said lots, tracts and parcels of land situated in NEWPORT, SECTION TEN, as shown on the Map, to which and its record reference is here made for all purposes.

(4) The Corporation reserves the right to make minor changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements.

(5) The above reservations will not prevent entry by any municipal authority or utility company or their successors or assigns, upon said easement and rights-of-way for the purpose of constructing, maintaining and repairing a system or systems of light, electric power, telephone and telegraph line or lines, gas, sewers or any other utility the Corporation sees fit to have installed across said lots, tracts and parcels situated in NEWPORT, SECTION TEN, and such right upon the part of any such municipal authority or utility company is hereby expressly recognized.

(6) Neither the Corporation nor any municipal authority nor any utility company using the easements and rights-of-way herein referred to shall be liable for any damage done by them or their assigns, their agents, employees or servants, to shrubbery, trees or flowers or any other property of the owner situated on the land burdened by said easements.

(7) That the title conveyed by the Corporation to any lot, tract or parcel of land in NEWPORT, SECTION TEN, by contract, deed or other conveyance shall not in any event be held or construed to include the title to the water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone lines, poles or conduits or any other utility or appurtenances thereto constructed by the Corporation, its agents or assigns, through, along or upon said premises or any part thereof to serve said property or any other portions of NEWPORT, SECTION TEN, or any part of "NEWPORT", as said term is hereinafter defined, and the right to maintain, repair, sell or lease such lines, utilities and appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in the Corporation.

RESTRICTIONS

That for the purpose of creating and carrying out a uniform plan for the improvements and sale of NEWPORT, SECTION TEN, the Corporation being the sole owner of all property located in NEWPORT, SECTION TEN, desires to restrict the use and the development of the property located in NEWPORT, SECTION TEN, for the purposes of enhancing and protecting the value, desirability and attractiveness of the land, which reservations shall run with the land and shall be binding upon all parties having or acquiring any right title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

NOW, THEREFORE, the Corporation being the sole owner of the property known as NEWPORT, SECTION TEN, a subdivision in Harris County, Texas, according to the Map hereinabove described, does hereby impose the following restrictions, covenants, and liens upon NEWPORT, SECTION TEN, which shall inure to the benefit of the Corporation, its successors and assigns and to each and every purchaser of lands in NEWPORT, SECTION TEN, and their heirs, successors and assigns and to the Architectural Committee, for which is hereinafter provided, its successors and assigns, and to Newport Yacht and Country Club, Inc., its successors and assigns, and any one of said beneficiaries shall have the right to enforce such restrictions, covenants and liens using whatever legal method is deemed advisable, including without limitation, injunctive relief; and if any one of such restrictions, covenants and liens shall be held to be invalid, or for any reason is not enforced, none of the others shall be affected or impaired thereby, but shall remain in full force and effect. As used herein the term "NEWPORT" shall refer to and mean NEWPORT, SECTION TEN, and any and all other lots, tracts or parcels of land now owned or hereafter acquired by the Corporation in any of the following surveys in Harris County, Texas, as well as those adjacent or contiguous thereto, to wit:

Humphrey Jackson Survey	Abstract No. 37
William Wilson Survey	Abstract No. 838
Absolom Reeves Survey	Abstract No. 60
J. Callyhan Survey	Abstract No. 199
Lewis A. Levy Survey	Abstract No. 517
Victor Blanco Survey	Abstract No. 2
W. R. Baker Survey	Abstract No. 144

TERM

(1) These restrictions, covenants and liens shall be effective until July 1, 2027 at which time, unless terminated in the manner set forth in (2) below, these restrictions, covenants and liens shall be automatically extended for successive periods of ten years each until terminated in the manner set forth in (2) below, with the first such ten year period commencing, July 2, 2027, and ending on July 1, 2037.

(2) Any one or more of the restrictions, covenants and liens herein contained may be annulled, amended or modified at any time by, but shall be deemed to have been annulled, amended or modified only upon, the recordation of an instrument in writing setting forth such annulment, amendment or modification and executed by the then record owner or owners (as shown by the official Public Records of Real Property of Harris

County, Texas, at the time of the filing of such instrument) of seventy-five (75%) percent of the real property comprising NEWPORT, SECTION TEN (computed upon a square foot basis).

LAND USE

(1) All lots, tracts and parcels of NEWPORT, SECTION TEN, shall be used only as set forth and classified herein or on the Map and such designated usage can be changed only by and with the approval of the Architectural Committee, for which is hereinafter provided.

(2) All lots, tracts and parcels of NEWPORT, SECTION TEN, unless specifically designated for a different use on the Map (such as by the term "Unrestricted Reserve") or hereinafter, shall be used for single family residential purposes only. As used herein, the term "residential purposes" shall be held and construed to exclude hospitals duplex houses and apartment houses, and to exclude commercial and professional uses; and any usage of any lot, tract or parcel of NEWPORT, SECTION TEN, is hereby expressly prohibited, except for those lots, tracts and parcels whose use is specifically indicate for purposes other than single family residential purposes as set forth hereinafter; provided, however, nothing contained herein shall be construed to prevent the Corporation from erecting and maintaining, or authorizing the erection and maintenance of structures and signs for the development and sale of the property situated in NEWPORT, SECTION TEN, while the same or any part thereof is owned by the Corporation, or its successors to whom such permission is granted.

LAND IMPROVEMENTS

The terms "house" or "residence" as used herein with regard to building setback lines shall include galleries, porches, porte cocheres, steps, projections and every other permanent part of the improvements, except roofs.

All lots, tracts and parcels of NEWPORT, SECTION TEN, save and except those lots, tracts or parcels specifically designated for a different use on the Map such as by the term "Unrestricted Reserve" shall be improved, occupied and used according to the provisions of the following land improvement classifications:

Classification RS-2-1200 Residential-Single
Family-One Story or Two Story-1200 Square Feet

Those lots, tracts and parcels of NEWPORT, SECTION TEN, hereinafter designated with Classification RS-2-1200 are hereby restricted as to the use and improvement thereof as follows:

(1) Only one single family residence shall be constructed upon each lot, tract or parcel designated with this classification; however, this shall not prohibit the construction of a residence on a portion of two or more lots, tracts or parcels as shown on the Map, provided such tract constitutes a homesite under Paragraph (2) hereinbelow.

(2) Parts of two or more adjoining lots facing the same street in the same block may be designated as one homesite provided the lot frontage shall not be less than the minimum frontage of lots in the same block facing the same street.

(3) Any residence erected on a lot, tract or parcel designated with this classification shall be limited to two stories in height wherein a single story shall be defined as any floor level which lies at an elevation of less than five (5) feet above any other floor level within the same residence.

(4) Any residence constructed on any lot, tract or parcel designated with this classification shall contain not less than Twelve Hundred Square Feet (1,200 Sq. Ft.) of fully enclosed floor area devoted to living purposes. Floor area as used in this paragraph (4) shall be exclusive of roofed or unroofed porches, terraces, garages, carports, galleries, porte cocheres and any other permitted outbuildings, and shall further be computed from the faces of the exterior walls enclosing such floor area. If a single family residence shall be two-story, the first floor area shall be a minimum of One Thousand Square Feet (1,000 Sq. Ft.) of fully enclosed floor area devoted to living purposes.

(5) The Architectural Committee hereinafter designated shall have the authority to make additional regulations and requirements as to the height and size of all buildings and structures within this classification, including without limitation, fences, walls, eaves, trellises, copings and other such surfaces, projections and appendages as will visibly affect the appearance of said buildings and structures.

(6) As hereinafter provided, all permits and/or approvals for the construction of improvements upon property designated with this classification shall be issued only after a thorough review of a complete and detailed set of construction plans of the proposed buildings and no construction shall commence upon any lot, tract or parcel designated with this classification unless and until the receipt of written approval by the Architectural Committee shall have been effected. Plans and specifications submitted to the Architectural Committee for approval shall include, without limitation, the following:

(a) Site development plan, including drives, paths, fences, docks, patios and all proposed improvements in connection with such building.

(b) Landscaping plan, to include all trees, bushes, shrubbery, planting and other proposed landscaping.

(c) Complete and detailed construction plans and specifications, to include without limitation, all exterior elevations, materials to be used, exterior colors to be used, plot plans and improvement locations.

(7) There shall be constructed upon each lot, tract or parcel in NEWPORT, SECTION TEN designed with this classification a minimum of one (1) sheltered automobile parking stall of at least eight (8) feet in width and eighteen (18) feet in length. Said required parking stall and any other parking stall or stalls shall be constructed entirely within the building setback lines hereinafter prescribed.

APPROVAL TO BUILD

No construction or erection of improvements upon any lot, tract or parcel contained in NEWPORT, SECTION TEN, shall ever be commenced until all appropriate building permits have been secured and the written approval of the Architectural Committee has been received. Pursuant thereto, the Architectural Committee shall not be required to take action unless and until three (3) sets of the plans and specifications required herein shall have been submitted to the Architectural Committee.

BUILDING SETBACK LINES

No building or other improvement erected upon any lot, tract or parcel contained in NEWPORT, SECTION TEN, shall ever be so erected or constructed over or across the front, side or rear building setback lines as set forth and described on the Map; provided, however, if the Map does not set forth and describe front, side and rear setback lines with respect to any lot, tract or parcel of land contained in NEWPORT, SECTION TEN, herein restricted to single family residential purposes only then, as to such lot(s), tract(s) or parcel(s) of land, the front setback line shall be twenty-five (25) feet, the side setback lines shall be five (5) feet and the rear setback line shall be fifteen (15) feet or if there is a detached garage in which instance there shall be an eight (8) foot rear setback line for said detached garage. Unless otherwise approved by the Architectural Committee, each main single family residence shall face the front of the lot.

SEWAGE DISPOSAL AND WATER SYSTEM; UNDERGROUND ELECTRIC DISTRIBUTION SYSTEM

All buildings and other improvements constructed or erected upon any lot, tract or parcel in NEWPORT, SECTION TEN, completed prior to the time that a central sewage system and/or central water system is capable of serving such building or improvement, must be connected to and the owners thereof must commence use of such systems within thirty (30) days after such time as each such system shall become capable of serving such improvements or building. All buildings or other improvements constructed or erected upon any lot, tract or parcel situated in NEWPORT, SECTION TEN, completed subsequent to such time as a central sewage system and/or a central water system are capable of serving such building or improvements, must be connected to and the owners thereof must commence the use of such systems prior to the occupancy and use of such building or improvement.

An underground electric distribution system will be installed in that part of Newport Subdivision, Section X, designated herein as Underground Residential Subdivision, which underground service area embraces all of the lots which are platted in Newport Subdivision, Section X, at the execution of an agreement between Company and Developer or thereafter. In the event that there are constructed within the Underground Residential Subdivision structures containing multiple dwelling units such as townhouses, duplexes or apartments, then the underground service area embraces all of the dwelling units involved. The owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure, the Owner/Developer, shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Developer has either by designation on the plat of the Subdivision or by separate instrument granted necessary easements to the electric company, providing for the installation, maintenance and operation of its electric distribution system, and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure the Owner/Developer, shall at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each dwelling unit therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Developer (except for certain conduits, where applicable, and except as hereinafter provided) upon Developer's representation that the Underground Residential Subdivision is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such subdivision, townhouses, duplexes and apartment structures, all of which are designed to be permanently located where originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale or rent and all of which multiple dwelling

unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the developer or the lot owners in the Underground Residential Subdivision be changed so as to permit the erection therein of one or more mobile homes, Company shall not be obligated to provide electric service to any such mobile home unless (a) Developer has paid to the Company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision or (b) the Owner of each affected lot, or the applicant for service to any mobile home, shall pay to the Company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such lot or dwelling unit over the cost of equivalent overhead facilities to serve such lot or dwelling unit, plus (2) the cost of rearranging, and adding any electric facilities serving such lot, which arrangement and/or addition is determined by Company to be necessary.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s), shown on the plat of Newport Subdivision, Section X, as such plat exists at the execution of the agreement for underground electric service between the electric company and Developer or thereafter. Specifically, but not by way of limitation, if a lot owner in a former Reserve undertakes some action which would have invoked the above per front lot foot payment if such action had been undertaken in the Underground Residential Subdivision, such owner or applicant for service shall pay the electric company \$1.75 per front lot foot, unless Developer has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future non-residential development in such Reserve(s).

TEMPORARY STRUCTURES AND OUTBUILDINGS

No structure of a temporary character, basement, tent, shack, trailer, camper, mobile home (even if affixed to realty), garage or any other outbuilding shall ever be used on any lot, tract or parcel contained in NEWPORT, SECTION TEN, at any time as a permanent or temporary residence, dwelling, building or other structure, except under a temporary written permit which may be granted, for a specific time period, in the discretion of the Corporation. Further, no such structure of a temporary character, basement, tent, shack, trailer, camper, mobile homes (even if affixed to realty), garage or other outbuilding shall ever be placed on or erected upon any lot, tract or parcel contained in NEWPORT, SECTION TEN, provided however, that the Architectural Committee may grant permission for such temporary buildings or structures to be so erected for the sole purpose of storing materials during the construction of permanent buildings and other improvements upon any such lot, tract or parcel, and such temporary facilities may be constructed as are necessary while selling residences.

No garage or outbuilding ever erected upon any lot, tract or parcel situated in NEWPORT, SECTION TEN, shall ever be used as a residence or living quarter, except by servants engaged on the premises.

CONSTRUCTION PERIODS

All construction, altering or remodeling of any building or other improvement upon any lot, tract or parcel situated in NEWPORT, SECTION TEN, shall be pursued diligently from the commencement thereof until the completion thereof.

LOT GRADING AND FILLING

All grading of any lot, tract or parcel in NEWPORT, SECTION TEN, shall be in accordance with standard FHA requirements for Type A drainage.

NUISANCES: APPEARANCE OF LOTS, TRACTS OR PARCELS: AND REMOVAL OF TREES

No noxious, unhealthful, unsanitary or other offensive activities, whether for profit or not, shall ever be carried on or permitted to exist upon any lot, tract or parcel situated in NEWPORT, SECTION TEN, nor shall anything be done or permitted to be done upon any such lot, tract or parcel, which may be or become an annoyance or nuisance to the other owners of any lot, tract or parcel situated in NEWPORT, SECTION TEN. No trash, ashes, rubbish, garbage or any other refuse shall ever be thrown, dumped, maintained or otherwise allowed to exist upon any lot, tract or parcel situated in NEWPORT, SECTION TEN except for such reasonable period of time, not to exceed seven (7) days, pending proper removal or disposal thereof and all such wastes prior to proper removal or proper disposal thereof shall be kept in proper containers. All incinerators or other equipment for the disposal or storage of such matter shall be kept and maintained in a clean, sanitary condition, and all incinerators and other apparatus used for the disposal of such waste shall be approved by the Architectural Committee before installation and initial use.

All lots, tracts and parcels situated in NEWPORT, SECTION TEN, shall at all times be kept and maintained in a clean, healthful, sightly and wholesome condition. This restriction is waived in regard to normal sales activities required to sell homes in the subdivision and the lighting effects utilized to display model homes.

All service yards, woodpiles and storage piles shall be walled in or kept screened by adequate solid fencing or walls in such manner as to conceal them from view from adjacent lots, tracts or parcels and roadways.

No tree shall ever be removed from any lot, tract or parcel situated in NEWPORT, SECTION TEN, without obtaining the prior consent of the Architectural Committee.

BOAT AND TRAILER STORAGE

No truck, trailer, boat, boat trailer, travel trailer, camp trailer, house trailer, mobile home (even if affixed to realty) or other similar property shall ever be stored on any lot, tract or parcel or parked on any street or driveway contained in NEWPORT, SECTION TEN, for a period longer than forty-eight (48) hours without the prior written approval of the Architectural Committee.

RADIO AND TELEVISION ANTENNA

No electronic antenna or device of any type, other than an antenna for receiving normal television signals, shall be erected, constructed, placed or permitted to remain on any of the lots, houses or buildings constructed in this subdivision.

Television antennas may be attached to the house; however, the antenna's location shall be restricted to the rear of the house or to the rear of the roof ridge line, gable or center line of the principal dwelling so as to be hidden from sight when viewed from the fronting street.

LAUNDRY

All apparatus maintained for the purpose of drying wash shall be erected only in those areas approved for such use by the Architectural Committee, except that a folding drying rack not more than four (4) feet in height may be placed at the rear of any lot, tract or parcel contained in NEWPORT, SECTION TEN, and shall be stored when not actually being used.

PETS AND OTHER ANIMALS

No livestock of any kind shall ever be staked or pastured, and no cattle, hogs, rabbits, poultry or other livestock shall ever be kept or maintained upon any lot, tract or parcel contained in NEWPORT, SECTION TEN, except for dogs, cats and other bona fide household pets which do not make objectionable noise or constitute a nuisance, health or safety hazard or inconvenience to any owner of other adjacent lots, tracts or parcels situated in NEWPORT, SECTION TEN. Notwithstanding the foregoing, no raising, breeding, training or dealing in dogs, cats or other animals shall ever be permitted on or from any lot, tract or parcel situated in NEWPORT, SECTION TEN.

Horseback riding shall be limited to those equestrian trials which shall have been approved by the Architectural Committee and all horses shall be stabled only in those areas designed for such use by the Architectural Committee.

SIGNS

No signs, billboards, posters or advertising devices of any character shall ever be erected upon or allowed to exist upon any lot, tract or parcel contained in NEWPORT, SECTION TEN, without the express prior written consent of the Architectural Committee; provided, however, this covenant shall not apply to the Corporation, or a successor in title to the Corporation engaged in the construction and sale of residences in NEWPORT, SECTION TEN. The Corporation, or its assigns, will have the right to remove any sign, advertisement, or billboard or structure that does not comply with the above, and in so doing shall not be subject to any liability of trespass or other tort in connection therewith or arising with such removal.

OIL, GAS AND OTHER MINERAL DRILLING OR EXPLORATION

No oil, gas or other mineral exploration or development operations, including without limitation, seismographic exploration, drilling, refining, mining, quarrying, tunneling, excavating, tank or pipeline construction and erection or any other similar activity or activities connected with mineral exploration or development shall ever be conducted or carried on upon any lot, tract or parcel in NEWPORT, SECTION TEN; provided, however, nothing in the foregoing shall ever restrict the Corporation, its successors or assigns, to carry on any such activities under any lot, tract or parcel situated in NEWPORT, SECTION TEN.

FENCES AND BOUNDARY PLANTINGS

Except as limited further hereinafter, no wall, coping or fence exceeding six (6) feet in height measured from the adjoining ground surface inside any such wall, coping or fence may ever be erected or maintained upon any lot, tract or parcel situated in NEWPORT, SECTION TEN, except as hereinafter provided; no boundary plantings exceeding eight (8) feet in height, except trees with single trunks, shall ever be planted, permitted or maintained upon or along any side and/or rear boundary line of any lot, tract or parcel situated in NEWPORT, SECTION TEN.

No wall, coping or fence shall ever be constructed upon any lot, tract or parcel contained in NEWPORT, SECTION TEN which shall adjoin a golf course.

No wall, coping, fence or boundary planting shall ever be constructed, planted, maintained or otherwise allowed to exist upon any lot, tract or parcel contained in NEWPORT, SECTION TEN, which shall interfere with the vision of the operators of motor vehicles.

LOT MAINTENANCE

The owners or occupants of all lots shall at all times keep all weeds and grass thereof cut in a sanitary, healthful and attractive manner and shall in no event use any lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The drying of clothes in full public view is prohibited and the owners or occupants of any lots at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard or portion of the lot is visible to full public view shall construct and maintain a drying yard or other suitable enclosure to screen the following from public view: the drying of clothes, yard equipment, or storage piles, which are incident to the normal residential requirements of a typical family. No lot shall be used or maintained as a dumping ground for trash. Trash, garbage or other waste materials shall not be kept except in proper containers constructed of metal, plastic or masonry materials with proper covers or lids. Equipment for the storage of disposal or such water materials used in the construction of improvements erected upon any lot may be placed upon such lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the lot or stored in a suitable enclosure on the lot.

ARCHITECTURAL COMMITTEE

The Architectural Committee shall be initially composed of the following members, to-wit:

John R. Kelly	Jack A. Furman
R. C. Speake	Tom Montgomery
Carl Young	

Any vacancy which shall occur shall be filled by the remaining member or members of the Architectural Committee as then constituted, or, if no members remain, by the Corporation. The Architectural Committee may appoint advisory members or committees from time to time to advise it on matters pertaining to NEWPORT, SECTION TEN.

DUTIES OF ARCHITECTURAL COMMITTEE

The Architectural Committee shall perform and discharge or shall cause to be performed and discharged all those matters which are set forth in this instrument to be performed by the Architectural Committee.

No building shall be erected, placed or altered on any parcel in NEWPORT, SECTION TEN, until all plans and specifications have been presented to the Architectural Committee and approved by the Architectural Committee within thirty (30) days from the receipt thereof. Should no action have been taken by the Architectural Committee within such thirty (30) days, then and in such event all such plans and specifications presented to the Architectural Committee shall be deemed to have been approved, unless the Architectural Committee shall give written notice prior to the expiration of such thirty (30) days to the party presenting such plans and specifications that more than thirty (30) days are required to review such plans and specifications, whereupon approval or disapproval of such plans and specifications shall be evidenced solely by written notice communicating approval or disapproval to the party presenting such plans and specifications. Upon approval or disapproval of such plans and specifications by the Architectural Committee, two sets of said plans and specifications showing the approval or disapproval of the Architectural Committee thereon, shall be returned to the person submitting them and the other copy thereof shall be retained by the Architectural Committee.

The Architectural Committee shall have the right to disapprove any plans and specifications submitted to it in the event such plans and specifications are not in accordance with all of the provisions of this instrument, if the design or color schemes of the proposed building or other structure are not in harmony with the general surroundings of such lot, tract or parcel, or with the adjacent building or structures, if the plans and specifications are incomplete, or in the event the Architectural Committee deems the plans, specifications or details of the building or structure depicted thereon, to be contrary to the interest, welfare or rights of all or any part of the owners of the lots, tracts or parcels adjacent thereto, all in the sole discretion of the Architectural Committee whose decision shall be final.

Notwithstanding anything of the foregoing, neither the Corporation, the Architectural Committee nor any architect or agent thereof or of the Corporation shall ever be in any way responsible for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing, nor for any structural or other defects in any work done according to such plans and specifications.

The Architectural Committee shall have power to and may allow reasonable variances and adjustments to the restrictions set forth herein in order to overcome practical difficulties and to prevent unnecessary hardships in the application of the restrictions contained herein; provided, however, that such is done in conformity with the intent and purposes hereof; and provided further, that in every instance such variance or adjustment will not be materially detrimental or injurious to other property, improvements or the owners thereof and such variances and adjustments as may be granted hereunder may include without limitation the height and size restrictions as set forth herein.

The Architectural Committee may also determine and allow in the respective classifications of lots, tracts and parcels of NEWPORT, SECTION TEN, additional uses which are of the same character and will not materially be detrimental to the owners of the other lots, tracts or parcels adjacent thereto.

In the event there shall be governmental regulations which conflict with or prevent work of construction or improvements in the manner as required by this instrument, such circumstance shall be deemed and constitute a practical difficulty justifying the allowance of variances and adjustments of these restrictions in order to prevent unnecessary hardships; provided, however, that in every instance the variance or adjustment shall not be materially detrimental or injurious to the property or improvements situated in NEWPORT, SECTION TEN.

NEWPORT YACHT AND COUNTRY CLUB, INC.

AND/OR

NEWPORT PROPERTY OWNERS ASSOCIATION, INC.

Each purchaser of a lot, tract, parcel or parcels in NEWPORT, SECTION TEN, shall by acceptance of a deed thereto or the signing of a contract or agreement to purchase the same, whether from the Corporation or a subsequent owner of such parcel or parcels bind himself, his heirs, personal representatives, and assigns, to pay all charges and assessments as shall be determined and levied upon such parcel and/or purchaser by Newport Yacht and Country Club, Inc. and/or Newport Property Owners Association, Inc., (hereinafter sometimes referred to as the "Organizations") including interest on such charges and assessments and collection costs thereof, if any, including attorney's fees; and the obligation to pay such charges, assessments, interest and cost thereby constitutes a continuing lien and an obligation running with the land, and also the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

All liens herein provided for shall be enforceable by appropriate legal proceedings, in the manner provided by law. No proceedings for enforcement of any such lien or liens shall be commenced except upon the expiration of four (4) months from and after the date the charge or assessment giving rise to such lien becomes due and payable.

Liens of first mortgages placed upon any of the property in NEWPORT, SECTION TEN, for the purpose of constructing a residence or other improvement thereon and recorded in accordance with the laws of the State of Texas, shall be from the date of such recordation superior to any and all liens provided for herein. The Corporation shall, if requested, execute further instruments to subordinate any and all liens provided for herein to such liens of first mortgages.

The Corporation may, at its option, by appropriate written instrument recorded in accordance with the laws of the State of Texas, subordinate or waive any and all liens provided for herein.

PROVIDED, HOWEVER, and with exception anything to the contrary set out herein (these Declarations) notwithstanding:

(1) Any lot owner or purchaser (hereinafter referred to as "Owner"), who obtains a Veterans Administration guaranteed or Federal Housing Administration insured loan for the purchase or construction of a home on any lot within NEWPORT, SECTION TEN, or

(2) If the Veterans Administration or Federal Housing Administration (hereinafter referred to as "Government"), holds a mortgage on, or owns any lot within NEWPORT, SECTION TEN,

said Owner, and successors in title to said lot for the length of time said loan is outstanding, and said Government, its successors, assigns, or its mortgagors, their transferees or assigns (so long as said mortgage is outstanding) shall have the right to resign at any time (if then a present member) from the membership in said Newport Yacht and Country Club, Inc., and/or Newport Property Owners Association Inc., (hereinafter referred to as "organizations"), or shall have the right to refuse at any time to pay initiation fee or to join (if then not a present member) said Organizations, in either of which event, no fees, penalties, future charges, liens or assessments, or interest or costs thereon -- of the nature set forth above and herein this Article, shall arise, accrue or be due to, or charged or assessed by, the Corporation, or the Organizations, or their assigns or successors in interest, against said Owner or successors in title, or against said Government, its successors, assigns or its mortgagors, their transferees or assigns, other than the regular dues and fees applicable to all members accrued during such time as Owner or successors in title, or Government, its successors, assigns or its mortgagors, their transferees or assigns, are actually members. Should Owner, or successors in title, or Government, its successors, assigns or its mortgagors, their transferees or assigns, either not join or resign from Organizations, they shall have not right to use any of the facilities, use of which is restricted to members and their guests.

Further, if said Owner or successors in title, or Government, its successors, assigns or its mortgagors, their transferees or assigns, decides to join or retain membership in the Organizations, all delinquent charges, initiation fees, or dues shall not be a lien or charge against the land in which they have an interest or own, but shall constitute a debt against the member, and said debt shall not be transferable to any successor in title or interest in or to said land.

Notwithstanding anything in the foregoing, no monthly maintenance charge shall ever be due or owing by the Corporation by virtue of being the owner of any lot, tract or parcel situated in "NEWPORT."

Subject to the exceptions set forth above, said monthly maintenance charges hereby imposed, together with all collection expenses and attorney's fees incurred in connection therewith shall be secured by an express vendor's lien which is hereby expressly created and imposed upon each and every lot, tract, and parcel in NEWPORT, SECTION TEN, and every conveyance of any or all of the lots, tracts or parcels situated in NEWPORT, SECTION TEN, hereafter made shall be made subject to such vendor's lien. Such monthly maintenance charges and other sums shall be paid by each and every lot owner at the time, in the manner and at such place as Newport Yacht and Country Club, Inc., its successors or assigns, shall from time to time designate and said express vendor's liens are hereby transferred and assigned to Newport Yacht and Country Club, Inc.

Said Newport Yacht and Country Club, Inc., or the Corporation, or their successors and assigns, shall have the power and authority to enforce collection of, collect, hold, administer and expend any and all moneys, paid or to be paid pursuant hereto and to carry out the purposes hereof.

In the event other portions of "NEWPORT" are hereafter developed by the Corporation and a like maintenance charge for similar purposes is placed and imposed upon the lots, tracts and parcels therein, then the maintenance charge collected from said several portions of "NEWPORT," may be pooled, merged and combined into and with the monthly maintenance charges set forth herein and all such moneys may be pooled, merged and combined with the general funds of the Corporation.

The monthly maintenance charge and liens securing the same for which are herein provided shall remain in effect and shall be collectible until the restrictions, covenants and liens set forth herein shall have expired according to the provisions hereinabove set forth.

REMEDIES FOR VIOLATIONS

Purchasers of residences in NEWPORT, SECTION TEN, shall have the privilege of joining Newport Yacht and Country Club upon payment of the applicable initiation fee and receiving a limited membership which will include use of all facilities at Newport except the Country Club, Yacht Club and Golf Course. Such membership shall be appurtenant to the lot and may not be transferred except in conjunction with a transfer of the lot, and may not be retained if the lot is sold.

All restrictions, covenants and liens herein contained shall be applicable to and binding upon all of the lots, tracts and parcels in NEWPORT, SECTION TEN, and the owners thereof, irrespective of the source of title of such owners, and all breaches thereof, if continued for a period of in excess of thirty (30) days from and after the date that Corporation or any other property owner or owners shall have notified in writing the owner or resident in possession of the lot, tract or parcel upon which or as to which such breach has been committed to refrain from the continuance of such action and to correct such breach, shall warrant the Corporation or other lot, tract or parcel owner, to apply to any court of law or

equity having jurisdiction thereof for an injunction or other proper relief, and if such relief be granted by said court, all reasonable expenses in prosecuting such suit, including attorney's fees, shall be reimbursed by said lot, tract or parcel owner against whom such suit was so prosecuted.

Notwithstanding anything in the foregoing, no violation of the restrictions and covenants set forth or foreclosure of the vendor's liens created herein shall in any way defeat or render invalid the lien of any deed of trust or mortgage made in good faith for value as to any lot, tract or parcel or portion thereof situated in NEWPORT, SECTION TEN, but such restrictions, covenants and vendor's liens shall be enforceable against and apply to all or any portion thereof acquired by any person through foreclosure or by deed in lieu of foreclosure and all remedies herein set forth shall be available and enforceable for any violation of the restrictions, covenants or vendor's liens herein contained, occurring after the acquisition of said property through foreclosure, or deed in lieu of foreclosure.

ACCEPTANCE OF DECLARATION

Each purchaser and grantee of each lot, tract or parcel subject to the restrictions, covenants and liens set forth herein, by acceptance of a deed conveying title thereto, shall accept such title upon and subject to each and all the restrictions, covenants and liens herein contained, as well as the rights and powers of the Corporation and by such acceptance shall for themselves, their heirs, personal representatives, successors and assigns, covenants, consent and agree to and with the Corporation, and to and with the owners and subsequent grantees of each and every other lot, tract or parcel situated in NEWPORT, SECTION TEN, to keep, observe, comply with and perform said restrictions and covenants and be subject to the liens all as set forth herein.

NON-WAIVER

No delay or omission on the part of the Corporation or the owner or owners of any lot, tract or parcel of land situated in NEWPORT, SECTION TEN, in exercising or enforcing any lien, right, power or remedy, herein provided for in the event of any breach of any of the restrictions and covenants herein contained, shall be construed as a waiver thereof or acquiescence therein, and no right of action shall accrue, nor shall any action be brought or maintained by anyone whomsoever against the Corporation for or on account of its failure or neglect to exercise any right, power or remedy herein provided for in the event of such breach, or for imposing herein restrictions and covenants and liens which may be unenforceable.

REMEDIES CUMULATIVE

The various rights and remedies of the Corporation and the owners of the lots, tracts and parcels situated in NEWPORT, SECTION TEN, as heretofore set out are and shall be cumulative of and in addition to each other and those provided by law. All of them may be used, relied upon, resorted to and enforced without any way affecting the ability of the Corporation or said property owners to use, rely upon, resort to and enforce the others, or any of them.

NUMBER AND GENDER

All words used herein in the singular number shall extend to and include the plural; all words used in any gender shall extend to and include all genders; all unless the particular context in question shall specifically provide otherwise.

CAPTIONS

The captions of the various paragraph hereof are for convenience only and are not a part hereof, and do not in any way limit or amplify the terms or provisions hereof.

AND WE, JACK A. FURMAN as Vice President of DIAMONDHEAD CORPORATION, and KENNETH E. HENDRYCY as its Assistant Secretary do hereby certify that the above and foregoing is a true and correct copy of the resolution of the Board of Directors of DIAMONDHEAD CORPORATION passed and adopted at a meeting of said Board of Directors held at New Orleans, Louisiana on the 10th day of November, 1977.

WITNESS our hands at New Orleans, Louisiana, on this 18th day of AUGUST, 19 78.

DIAMONDHEAD CORPORATION

By: Jack A. Furman

Vice President

Attest: K. E. Hendrycy

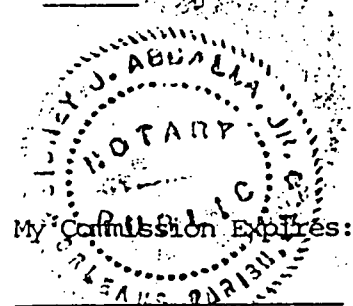
Assistant Secretary

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned authority, on this day personally appeared JACK A. FURMAN, Vice President of DIAMONDHEAD CORPORATION, a 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, this 18th day of AUGUST, 19 78.



Sidney J. Abdalla, Jr.
Notary Public in and
for Orleans Parish, Louisiana

SIDNEY J. ABDALLA, JR.
Notary Public, Parish of Orleans, State of La.
My Commission is issued for life.

CONSENT OF MORTGAGEE

Citibank, N.A., a national banking association, acting herein for itself and as Agent for the First National Bank of Chicago, the Chase Manhattan Bank, N.A., Wells Fargo Bank, N.A., Crocker National Bank, First Pennsylvania Bank, N.A., First National State Bank of New Jersey and Wachovia Bank and Trust Company, N.A. (all said national banking associations being herein collectively called the "Lenders"), represents that the Lenders are the only owners and holders of all indebtedness secured by the liens created under and by virtue of that certain Mortgage and Deed of Trust dated as of July 3, 1974, (the "Deed of Trust"), executed by Diamondhead Corporation and others, as the "Borrowers," and naming Chicago Title Insurance Company as Trustee, and Larry E. Hendricks, as Trustee, and recorded under Clerk's File No. E-199296 and recorded under Film Code Reference No. 106-11-0166, of the Deed of Trust Records of Harris County, Texas, and any amendments thereto, which Deed of Trust covers and describes, among other properties, the property described in the Declaration of Reservations, Restrictions, Covenants and Liens of NEWPORT, SECTION TEN, dated August 18, 1978, a copy of which is attached hereto; and the said Citibank, N.A., for itself and as Agent for the Lenders, does hereby consent to the terms and provisions of said Declaration of Reservations, Restrictions, Covenants and Liens.*

IN TESTIMONY WHEREOF, Citibank, N.A., for itself and as Agent for the Lenders has caused these presents to be executed on this the 5th day of September, 1978.

(SEAL)

CITIBANK, N.A.
For itself and as Agent
for the Lenders

Attest:

By:

Vice President

*The foregoing consent shall not be deemed a subordination of the Deed of Trust to any lien acquired by an Organization pursuant to said Declaration.

106-94-0092

STATE OF NEW YORK

COUNTY OF NEW YORK

BEFORE ME, the undersigned authority, on this day personally appeared Philip C. Kwan, Vice President of Citibank, N.A., a National Banking Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said National Banking Association in its capacities therein stated.

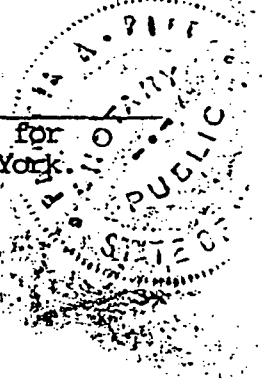
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 5th day of September, 1978.

PATRICIA A. PITT
Notary Public, State of New York
No. 30-4630698
Qualified in Monroe County
Commission Expires March 30, 1980

Expiration of Commission

Patricia A. Pitt

Notary Public in and for
New York County, New York.



RETURN TO:
DIAMONDHEAD CORPORATION
P. O. BOX 191
CROSBY, TEXAS 77537

FIRST AMENDMENT
TO
DECLARATION OF
RESERVATIONS, RESTRICTIONS, COVENANTS AND LIENS
OF
NEWPORT, SECTION TEN

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

That DIAMONDHEAD CORPORATION, a Delaware corporation (hereinafter called "Diamondhead"), and GENERAL HOMES CONSOLIDATED COMPANY, INC., a Texas corporation and the successor, by change of name, to GENERAL HOMES, INC. (hereinafter called "General Homes"), collectively being the sole owners of all lots, tracts, and parcels of land in NEWPORT, SECTION TEN, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 220, Page 76, of the Map Records of Harris County, Texas (hereinafter called "Newport, Section Ten"), and in accordance with the terms and provisions of that certain Declaration of Reservations, Restrictions, Covenants and Liens of Newport, Section Ten dated August 18, 1978 (the "Original Declaration"), executed by Diamondhead, filed for record in the Office of the County Clerk of Harris County, Texas on September 18, 1978, under File No. F771494, and recorded under Film Code Reference No. 106-94-0074 in the Official Public Records of Real Property of Harris County, Texas, to which and its record reference is here made for all purposes, do hereby amend and modify the Original Declaration as hereinafter provided, to wit:

1. Commencing on page four of the Original Declaration is a Section thereof entitled "Land Improvements" and contained in such Land Improvements Section of the Original Declaration are seven numbered paragraphs which specify certain restrictions imposed upon the lots, tracts and

improvement thereof. Diamondhead and General Homes do hereby ammend such Land Improvement Section of the Original Declaration, by adding immediately subsequent to paragraph (7) of such Land Improvement section of the Original Declaration, a new paragraph (8) which shall read as follows, to wit:

(8) In accordance with the subsequent provisions of this paragraph (8) each lot of land in Newport Section Ten set forth and described in Exhibit A attached hereto and made a part hereof for all purposes is hereinafter sometimes called a "Sidewalk Lot" and collectively called the "Sidewalk Lots", and each Sidewalk Lot and the ownership thereof are hereby imposed with the following obligations, to wit:

(a) The plans and specifications herein required to be submitted to the Architectural Committee prior to the commencement of construction of a residence upon a Sidewalk Lot shall include within the plans and specifications so presented, plans and specifications for the construction of a four foot wide, four inch thick, portland cement, concrete sidewalk, which conforms to and is in compliance with the then current specifications prescribed by the Veterans Administration and the Federal Housing Administration (and if the current specifications of such Federal agencies shall vary, the agency whose specifications are the most stringent shall be applicable), and which is to be constructed in the area between the curb line of each street abutting such Sidewalk Lot and the boundary line of each Sidewalk Lot that abuts a street, and which sidewalk shall extend the full length between the projections of the boundary lines of such Sidewalk Lot that intersect (as opposed to being in common with) the right-of-way of such street. In the event such Sidewalk Lot is a corner lot (e.g. bounded on Two sides by street rights-of-way), then the plans and specifications for such sidewalk shall also include a ramp for barrier free entrance to the sidewalk by the handicapped.

(b) As a part of and in connection with the initial construction of a residence upon a Sidewalk Lot, the sidewalk provided for in the plans and specifications submitted to and approved by the Architectural Committee shall be constructed within the boundaries of the street right-of-way of the street which abuts the Sidewalk Lot and at a location and with an alignment which is approved by the Architectural Committee, as reflected by the plans and specifications approved by the Architectural Committee; provided, that such sidewalk shall not be located farther than two feet from the boundary line of the Sidewalk Lot, unless the Architectural Committee approves a variance from such two foot requirement; and provided, further, that the Architectural Committee shall not approve any such variance unless the Veterans Administration and the Federal Housing Administration shall consent to such variance.

(c) No residence may be occupied or otherwise utilized by the owner thereof for residential purposes or for purposes incidental to such residential purposes, unless and until such sidewalk shall have been constructed in accordance with the plans and specifications so approved by the Architectural Committee.

2. Commencing on page 15 of the Original Declaration is a section thereof entitled "Remedies For Violations". Diamondhead and General Homes do hereby amend the Original Declaration by adding thereto, immediately prior to said Remedies For Violation Section a new section, entitled "Newport Section Ten Property Owners Association, Inc.", which shall read as follows, to wit:

NEWPORT, SECTION TEN PROPERTY OWNERS ASSOCIATION, INC.

(1) Each purchaser of a lot, tract, parcel or parcels in Newport Section Ten, by acceptance of a deed thereto, whether from Diamondhead or General Homes, or a subsequent owner of such parcel or parcels, binds himself, his heirs, personal representatives, and assigns, to pay all charges and assessments as shall be determined and levied upon such parcel and/or purchaser by Newport Section Ten Property Owners Association Inc., a Texas non-profit corporation (hereinafter called the "Owners Association"), including, without limitation, interest on such charges and assessments, and the collection costs thereof, if any, including attorney's fees; and the obligation to pay such charges, assessments, interests and costs

constitute a continuing lien (hereinafter imposed) and obligation running with and binding upon the title to the land, and also shall be a personal obligation of the person who was the owner of such property at the time when the assessment fell due.

The charges and assessments which may be levied by the Owners Association under the provisions hereof are expressly limited in amount as follows, to wit:

(a) For the calendar year 1979, the maximum monthly charge and assessment which the Owners Association may levy under the provisions hereof shall be Eight Dollars (\$8.00) per month for each "Class A Lot" (defined below) and One Dollar (\$1.00) per month for each "Class B Lot" (defined below); and

(b) For the calendar year 1980 and all subsequent calendar years, the maximum monthly charge and assessment which the Owners Association may levy under the provisions hereof shall be the "Applicable Amount" (defined below) per month for each Class A Lot and One Dollar (\$1.00) per month for each Class B Lot.

As used herein, the term "Class A Lot" shall refer to and mean each lot of land in Newport, Section 10, owned and occupied by a resident or lessee and on which a single family residence has been constructed. Each lot in Newport, Section Ten shall become a Class A Lot upon conveyance or lease of such lot to such residential occupant or lessee and upon such conveyance, the current charge and assessment shall commence to accrue and be payable. As used herein, the term "Class B Lot" shall refer to and mean each lot of land in Newport, Section Ten which is not a Class A lot on the date such determination is being made. Initially all lots of land in Newport, Section Ten are class B Lots, but upon conveyance or lease of a lot, which is then a Class B Lot, to a residential occupant, or the lease of same to a lessee such lot automatically on the date of conveyance or lease becomes a Class A Lot. As used herein, the term "Applicable Amount" shall refer to and mean the amount derived by dividing the "Total Projected Annual Cost" (defined below) by the number of Class A Lots determined as of January 1 of the calendar year for which the Total Projected Annual Cost is being determined. As used herein the term "Total Projected Annual Cost" shall refer to all costs, expenses and expenditures which the Board of Directors of the Owners Association shall have determined will be incurred or made by the Owners Association for the said calendar year.

All liens created in this section shall be enforceable by appropriate legal proceedings, in the manner provided by law. No proceedings for enforcement of any such lien or liens shall be commenced except upon the expiration of four (4) months from and after the date the charge or assessment giving rise to such lien become due and payable.

Liens of first mortgages granted upon any of the property in Newport Section Ten for the purposes of securing payment of purchase money for such property, or for the purpose of constructing a residence or other improvements upon such property, and in either case recorded in accordance with the laws of the State of Texas, shall be from the date of such recordation superior to any and all liens imposed upon such property for the payment of such charges and assessments as may be levied by the Owners Association as herein provided. The Owners Association, if requested, may execute further instruments to subordinate any and all liens created herein to secure payment of such charges and assessments as may be levied by it upon the property in Newport Section Ten.

Subject to the exceptions set forth in the next preceding paragraph hereto, the charges and assessments imposed herein on the lots, tracts and parcels of Newport, Section Ten, together with all collection expenses and attorney's fees incurred in connection therewith, shall be secured by an express lien which is hereby expressly created and imposed upon each and every lot, tract and parcel in Newport, Section Ten, and every conveyance of all or any of the lots, tracts or parcels situated in Newport, Section Ten, hereafter made, shall be made subject to such express lien hereby imposed. The charges and assessments and other sums shall be paid by each and every lot owner at the time, in the manner and at such place as the Owners Association, its successors or assigns, shall from time to time designate and said express liens are hereby expressly transferred and assigned, without recourse or warranty, express or implied, to the Owners Association.

The Owners Association, or its successors and assigns, shall have the power and authority to enforce collection, collect, hold, administer and expend any and all monies paid or to be paid pursuant hereto and to carry out the purposes hereof.

The charges, assessments and liens securing same which are hereby imposed upon the lots, tracts and parcels of Newport, Section Ten shall remain in effect and shall be collectable until the restrictions, covenants and liens set forth in the Original Declaration, as ammended herein, shall have expired according to the provisions thereof.

Notwithstanding anything in this section to the contrary, no violation of the restrictions and covenants set forth herein or the foreclosure of the express liens created herein shall in any way defeat or render invalid the lien of any deed of trust or mortgage made in good faith for value as to any lot, tract or parcel or portion thereof situated in Newport, Section Ten, but such restrictions, covenants and express liens shall be enforceable against and shall apply to all and every portion thereof acquired by any person through foreclosure or by deed in lieu of foreclosure and all remedies set forth in the Original Declaration shall be available and enforceable for the violation of the restrictions, covenants and express liens herein contained, occuring after the acquisition of said property through foreclosure, or deed in lieu of foreclosure.

The liens imposed upon the lots, tracts and parcels of land in Newport, Section Ten and set forth in the Original Declaration are and shall be subordinate to the express liens herein provided to secure payment of the charges and assessments made by the Owners Association; however, a foreclosure of an express lien imposed in this Section upon the lots, tracts and parcels of land in Newport, Section Ten to enforce payment of the charges and assessments levied by the Owners Association shall have the effect of cutting off and discharging such lot, tract or parcel (but not the owner or owners thereof) from liability for all charges and assessments levied on such lot, tract or parcel down to, but not after, the time of foreclosure; and subsequent to such foreclosure, such charges and assessments levied by Newport Yacht and Country Club, Inc. and/or Newport Property Owners Association, Inc. (subject to the express proviso in the section of the Original

Declaration providing for such charges and assessments) shall again accrue as a charge upon such lot, tract or parcel and be secured by the liens provided therefor in the Original Declaration, but, as aforesaid, only to the extent provided in the Original Declaration. Nothing in this First Amendment shall be construed as modifying the proviso to the section of the Original Declaration entitled "Newport Yacht and Country Club, Inc. and/or Newport Property Owners Association, Inc., appearing on page 13 thereof and commencing "PROVIDED, HOWEVER, and with exception anything . . ."

Except as herein expressly provided, the reservations, restrictions, covenants and liens set forth in the Original Declaration are hereby ratified and confirmed as being in full force and effect.

EXECUTED on this 6th day of December,
1978.

DIAMONDHEAD CORPORATION

By

John R. Kelly, Vice President

ATTEST:

By

Kenneth E. Hendrycy, Assistant Secretary

GENERAL HOMES CONSOLIDATED COMPANY, INC.

By

Jeffrey P. Payson, Executive Vice President

ATTEST:

By

Barbara Schader,
Asst. Secretary

THE STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned authority on this day personally appeared John R. Kelly, Vice President of DIAMONDHEAD CORPORATION, a 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 this the 6th day of December, 1978.

Sidney J. Abdalla, Jr.
Notary Public in and for
Orleans Parish, Louisiana
My Commission Expires: _____

SIDNEY J. ABDALLA, JR.
Notary Public, Parish of Orleans, State of La.
My Commission is issued for life.

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority on this day personally appeared Jeffrey P. Payson, Executive Vice President of GENERAL HOMES CONSOLIDATED COMPANY, INC., a 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 this the 6th day of December, 1978.

Barbara Schader
Notary Public in and for
Harris County, Texas
My Commission Expires: _____

BARBARA SCHÄDER
Notary Public in and for Harris County, Texas
My Commission Expires May 4, 1980

EXHIBIT A
TO
FIRST AMENDMENT OF THE
DECLARATION OF RESERVATION, RESTRICTIONS, COVENANTS AND LIENS
OF
NEWPORT, SECTION TEN

The following described lots of land in Newport, Section Ten, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 220, Page 76, of the Map Records of Harris County, Texas, are the lots referred to as "Sidewalk Lots" collectively, and each such lot is referred to as a "Sidewalk Lot" in the First Amendment of the Declaration of Reservations, Restrictions, Covenants and Liens to which this Exhibit A is attached, to wit:

<u>Block No.</u>	<u>Lot No. (both nos. inclusive)</u>	<u>Name(s) of Street(s) In Which Sidewalk(s) is(are) To Be Built</u>
1	1 (corner)	Golf Club Drive and Broken Back Drive
	2 thru 6	Broken Back
	12 thru 23	Broken Back
2	1 (corner)	Forelock Way and Broken Back
	2 thru 6	Broken Back
	13 thru 16	Broken Back
	32, 33	Broken Back
	34 (corner)	Broken Back and Forelock Way
	35 thru 54	Forelock Way
3	1 (corner)	Golf Club Drive and Broken Back Drive
	2	Broken Back Drive
	3 (corner)	Broken Back and Forelock Way
	4 thru 14	Forelock Way
	21	Forelock Way
	22	Forelock Way
	25 thru 29	Jolly Boat Drive
	30 (corner)	Jolly Boat Drive and Golf Club Drive
	31 thru 48	Golf Club Drive

114-93-0936

<u>Block No.</u>	<u>Lot No.</u> <u>(both nos. inclusive)</u>	<u>Name(s) of Street(s) in</u> <u>Which Sidewalk(s) is(are)</u> <u>To Be Built</u>
4	1 (corner)	Jolly Boat Drive and Mallet Street
	2 thru 21	Mallet Street
	27 thru 32	Loom Street
	33 (corner)	Loom Street and Jolly Boat Drive
	34	Jolly Boat Drive
	35	Diamondhead Boulevard and Jolly Boat Drive
	36 thru 45	Diamondhead Boulevard
	46 (corner)	Diamondhead Boulevard and Golf Club Drive
	47 thru 69	Golf Club Drive
	70 (corner)	Golf Club Drive and Jolly Boat Drive
5	1	Mallet Street
	7, 8	Jolly Boat Drive
	16 thru 18	Jolly Boat Drive
	19 (corner)	Jolly Boat Drive and Loom Street
	20, 21	Loom Street
	25 thru 31	Mallet Street
	6	1 (corner)
2 thru 8		Jolly Boat Drive
13 thru 16		Jolly Boat Drive
17		Jolly Boat Drive
26		Mallet Street
27 thru 30		Mallet Street
39		Mallet Street

<u>Block No.</u>	<u>Lot No. (both nos. inclusive)</u>	<u>Name(s) of Street(s) In Which Sidewalk(s) is(are) To Be Built</u>
7	1, 2, 7	Forelock Way
	8 (corner)	Forelock Way and Broken Back Drive
	9, 10, 15, 16	Broken Back Drive
	17 (corner)	Broken Back Drive and Jolly Boat Drive
	18 thru 25	Jolly Boat Drive
8	1 thru 11	Broken Back Drive
	15	Broken Back Drive
	16 (corner)	Broken Back Drive and Jolly Boat Drive
	17	Jolly Boat Drive
	18 (corner)	Jolly Boat Drive and Boat Hook Street
	19 thru 21	Boat Hook Street
	27 thru 29	Boat Hook Street
9	1 (corner)	Jolly Boat Drive and Boat Hook Street
	2 thru 9	Boat Hook Street
	21 thru 25	Jolly Boat Drive
10	1 thru 3	Boat Hook Street
	26, 27, 28	Jolly Boat Drive
	36, 37, 38	Jolly Boat Drive
	39 (corner)	Jolly Boat Drive and Diamondhead Boulevard
	40 thru 47	Diamondhead Boulevard
	64, 65	Diamondhead Boulevard

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SECOND AMENDMENT
TO
DECLARATION OF
RESERVATIONS, RESTRICTIONS, COVENANTS AND LIENS
OF
NEWPORT, SECTION TEN

THE STATE OF TEXAS S
COUNTY OF HARRIS S

KNOW ALL MEN BY THESE PRESENTS:

157-83-1587

That DIAMONDHEAD CORPORATION, a Delaware corporation (hereinafter called "Diamondhead"), UNITED STATES ATLANTIC CORPORATION, a Delaware corporation (hereinafter called "Atlantic"), and GENERAL HOMES CONSOLIDATED COMPANIES, INC., a Texas corporation and the successor, by change of name, to GENERAL HOMES, INC. (hereinafter called "General Homes"), collectively being the owner of record of more than seventy-five (75%) percent of the real property comprising Newport, Section Ten (computed upon a square footage basis), a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 220, Page 76, of the Map Records of Harris County, Texas (hereinafter called "Newport, Section Ten"), and in accordance with the terms and provisions of that certain Declaration of Reservations, Restrictions, Covenants and Liens of Newport, Section Ten dated August 18, 1978 (the "Original Declaration"), executed by Diamondhead Corporation, filed for record in the Office of the County Clerk of Harris County, Texas, on September 18, 1978, under File No. F771494, and recorded under Film Code Reference No. 106-94-0074 in the Official Public Records of Real Property of Harris County, Texas, and that certain First Amendment to the aforereferenced Declaration of Reservations, Restrictions, Covenants and Liens of Newport, Section Ten filed for record in the Office of the County Clerk of Harris County, Texas, on December 11, 1978, under File No. F887460, and recorded under Film Code Reference No. 114-93-0927, to which and its record reference is here made for all purposes, do hereby amend and modify the Original Declaration as hereinafter provided, to wit:

1. Under the section entitled Newport, Yacht and Country Club, Inc., and/or Newport Property Owners Association, Inc., commencing on Page 14 and beginning in subparagraph (1) after the words "Veterans Administration guaranteed or Federal Housing Administration insured loan (hereinafter referred to as "Government")" the words "or a Federal National Mortgage Association conventional loan or a conventional first mortgage loan" shall be added thereto and elsewhere in the aforereferenced section so that with respect not only to a Veterans Administration guaranteed or a Federal Housing Administration insured loan, the property owner shall have the right to resign at anytime from membership in Newport Yacht and Country Club, Inc. and/or Newport Property Owners Association, Inc. if that purchaser obtains a Federal National Mortgage Association conventional loan or a conventional first mortgage loan.

157-83-1588

Except as herein expressly provided, the reservations, restrictions, covenants and liens set forth in the Original Declaration and the First Amendment thereto are hereby ratified and confirmed as being in full force and effect.

EXECUTED on this 6 day of MAY, 1980.

DIAMONDHEAD CORPORATION

BY Jack A. Furman
Jack A. Furman, Vice President

ATTEST:

BY Kenneth E. Hendley
Kenneth E. Hendley, Assistant Secretary

UNITED STATES ATLANTIC CORPORATION

BY Jack A. Furman
Jack A. Furman, Vice President

ATTEST:

BY Kenneth E. Hendley
Kenneth E. Hendley, Assistant Secretary

GENERAL HOMES CONSOLIDATED COMPANIES, INC.

BY Jeffrey P. Tayson
Jeffrey P. Tayson, Executive Vice Pres.

ATTEST:

BY Barbara Schader
Barbara Schader, Asst. Sec.

RECORDER'S MEMORANDUM:
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

FILED

MAY 7 1 35 PM '80

County Clerk
HARRIS COUNTY, TEXAS

THE STATE OF MISSISSIPPI

COUNTY OF HANCOCK

BEFORE ME, the undersigned authority on this day personally appeared Jack A. Furman, Vice President of DIAMONDHEAD CORPORATION, a 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 this the 6th day of May, 1980.

Leverna B. Ruse
Notary Public in and for Leverna B. Ruse
Hancock County, Mississippi
My Commission Expires: 6/20/83

THE STATE OF MISSISSIPPI

COUNTY OF HANCOCK

BEFORE ME, the undersigned authority on this day personally appeared Jack A. Furman, Vice President of UNITED STATES ATLANTIC CORPORATION, a 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 this the 6th day of May, 1980.

Leverna B. Ruse
Notary Public in and for Leverna B. Ruse
Hancock County, Mississippi
My Commission Expires: 6/20/83

THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority on this day personally appeared Jeffrey P. Larson, President of GENERAL HOMES CONSOLIDATED COMPANIES, INC., a 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 this the 6th day of May, 1980.

Martha A. Miller
Notary Public
Harris County, Texas
My Commission Expires: 6/27/81

STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

MAY 7 1980



Quita L. Lusk
COUNTY CLERK,
HARRIS COUNTY, TEXAS

RETURN TO:
DIAMONDHEAD CORPORATION
P. O. BOX 191
CROSBY, TEXAS 77532

U803879

536-51-2793

**THIRD AMENDMENT TO THE DECLARATION OF
RESERVATIONS, RESTRICTIONS COVENANTS AND LIENS OF
NEWPORT, SECTION TEN**

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

12/29/00 300487775 U803879

\$359.75

PREAMBLE

WHEREAS, Diamondhead Corporation, a Delaware Corporation ("the Corporation"), executed that certain Declaration of Reservations Restrictions, Covenants and Liens of Newport, Section Ten, dated August 18, 1978 ("the Original Declaration"), filed for record in the Office of the County Clerk of Harris County, Texas on September 18, 1978, under File No. F771494, and recorded under Film Code Reference No. 106-94-0074, et seq., in the Official Public Records of Real Property of Harris County, Texas;

AND WHEREAS, the Corporation executed that certain First Amendment to Declaration of Reservations, Restrictions, Covenants and Liens of Newport, Section Ten, dated December 6, 1978 ("the First Amendment"), filed for record in the Office of the County Clerk of Harris County, Texas, under File No. F887460, et seq., and recorded under Film Code Reference No. 114-93-0927 in the Official Public Records of Real Property of Harris County, Texas;

AND WHEREAS, the Corporation executed that certain Second Amendment to Declaration of Reservations, Restrictions, Covenants and Liens of Newport, Section Ten, dated May 5, 1980 ("the Second Amendment"), filed for record in the Office of the County Clerk of Harris County, Texas on May 7, 1980, under File No. G526857, and recorded under Film Code Reference No. 157-83-1587, et seq., in the Official Public Records of Real Property of Harris County, Texas;

AND WHEREAS, the record owners of seventy-five percent of the real property comprising NEWPORT, SECTION TEN executed that certain Second Amendment to Declaration of Reservation, Restrictions, Covenants and Liens of Newport, Section Ten, dated August 29, 1997, ("the 1997 Amendment"), filed for record in the Office of the County Clerk of Harris County, Texas on August 29, 1997, under File No. S615295, and recorded under Film Code Reference No. 514-57-1766, et seq., in the Official Public Records of Real Property of Harris County, Texas;

AND WHEREAS the undersigned, pursuant to the power granted in subparagraph (2) of the section of the Original Declaration entitled, "Term" as amended by the 1997 Amendment, and further pursuant to Chapter 204 of the Texas Property Code, desire to amend the Original Declaration and amendments thereto as hereinafter provided.

At: M. SUSAN Rice P.C.

3900 ESSEX ST 1070

HOU, TX 77027

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT, the undersigned, being the record owners (as shown by the Official Public Records of Real Property of Harris County, Texas, at the time of the filing of this instrument) of a majority of the lots contained in NEWPORT, SECTION TEN, a subdivision of Harris County, Texas, do hereby amend the Declaration as follows:

(1) on Page 13 of the Original Declaration, as amended by the 1997 Amendment, there is that certain section entitled "THE NEW PROPERTY OWNERS ASSOCIATION OF NEWPORT, INC."; under said heading and prior to the subsection entitled "Lien Prescribed," the following is hereby inserted:

The Owners of property in NEWPORT, SECTION TEN, do hereby covenant and agree with each other that NEWPORT, SECTION TEN is hereby brought within the jurisdiction of THE NEW PROPERTY OWNERS ASSOCIATION OF NEWPORT, INC., (the "Association") a non-profit corporation organized under the laws of the State of Texas, to govern NEWPORT, SECTION TEN, pursuant to the restrictions therefor recorded in the Real Property Records of Harris County, Texas, as amended by this instrument. All of the authority and responsibility of the Architectural Control Committee of the Association as set forth in the Original Declaration and the amendments thereto shall hereinafter be vested in The New Property Owners Association of Newport, Inc. Membership in the Association shall be regulated according to the Articles of Incorporation, Bylaws, and other governing documents of the Association. If this Amendment passes, no other Association in Section Ten can enforce the deed restrictions or collect maintenance charge or assessment from the homeowners.

(2) on Page 14 of the Original Declaration the last five (5) paragraphs commencing with the phrase, "PROVIDED, HOWEVER," are hereby deleted, except as modified herein with regard to those owners having a Veterans Administration, Federal Housing Administration, or Federal National Mortgage Association conventional loan that is still outstanding, who have, prior to the date this instrument is filed, resigned their membership from Newport Property Owners Association, Inc., and/or its successors and assigns, in accordance with the aforesaid provisions set forth in the Original Declaration. In lieu of the deleted paragraphs identified in item 2 herein, the following is hereby inserted:

As of the date this instrument is filed, no owner having or hereafter acquiring a Veterans Administration, Federal Housing Administration, or Federal National Mortgage Association conventional loan will have the option to resign said owners' membership with The New Property Owners Association of Newport, Inc., nor shall any owner having or hereafter acquiring a Veterans Administration, Federal Housing Administration, or Federal National Mortgage Association conventional loan have the right to refuse to join The New Property Owners Association of Newport, Inc.

As to those owners having a Veterans Administration, Federal Housing Administration, or Federal National Mortgage Association conventional loan that is still outstanding and who have, before the date this instrument is filed, resigned their membership from Newport Property Owners Association, Inc., and/or its successors and assigns, in accordance with the provisions of the Original Declaration and amendments thereto, the following provisions shall apply:

- a) Said owners (hereinafter referred to as "non-member owners") have the option of joining The New Property Owners Association of Newport, Inc., and thereby acquiring all rights, obligations and privileges associated with such membership.
- b) If said non-member owner decides to join the Association, all maintenance charges and dues that are assessed from the date of joining the Association shall be a lien or charge against the land and the member as provided by the provisions of this Third Amendment to the Declaration of Reservations, Restrictions, Covenants and Liens of Newport, Section Ten.
- c) Non-member owners who do not join The New Property Owners Association of Newport, Inc., shall not have the right to use any of the facilities governed by The New Property Owners Association of Newport, Inc., use of which is restricted to members and their guests.

- d) Non-member owners may not assign or transfer their waiver of membership by assignment, deed or devise to any subsequent owner of property in Newport. Successors in title to non-member owners automatically become members of The New Property Owners of Newport, Inc., by their acquisition of title to property in Newport subdivision, regardless of the way in which the property was acquired.
- e) Non-member owners shall report the payoff of their Veterans Administration, Federal Housing Administration, or Federal National Mortgage Association conventional loan to The New Property Owners Association of Newport, Inc., within thirty (30) days prior to the final payment on said loan. Upon the date when said Veterans Administration, Federal Housing Administration, or Federal National Mortgage Association conventional loan is no longer outstanding, non-member owners will automatically become members of The New Property Owners of Newport, Inc., and shall thereafter be subject to all charges, fees and dues assessed by The New Property Owners Association of Newport, Inc. which shall begin to accrue on the date of payoff of said loans, regardless of whether the non-member owner reports said payoff date to the Association.
- f) As of the date this instrument is filed, non-member owners shall be assessed for their pro-rata share of the cost of NEWPORT, SECTION TEN expenses including, but not limited to, repair and maintenance of sidewalks, street light power and maintenance, costs of security, and other expenses incurred by The New Property Owners Association of Newport, Inc. to maintain NEWPORT, SECTION TEN. Said costs and expenses that are assessed as provided in this subsection shall be a lien or charge against the land and the non-member owner as provided by the provisions of this Third Amendment to the Declaration of

Reservations, Restrictions, Covenants and Liens of Newport, Section
Ten.

Each contract or deed which has heretofore been or may hereafter be executed with regard to any of the lots in NEWPORT, SECTION TEN, shall be conclusively held to have been executed, delivered, and accepted subject to the covenants, conditions, restrictions, easements, liens and charges set forth in the Declaration of Reservations, Restrictions, Covenants, and Liens of Newport, Section Ten, as amended by this instrument, regardless of whether or not said covenants, conditions, restrictions, easements, liens and charges are set out in full in said contract or deed. Said covenants, conditions and restrictions shall run with the real property, and shall bind all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof.

This instrument may be executed in multiple counterparts, petitions and/or ballots, and each counterpart hereof executed by any party shall be deemed an original and shall as to such party constitute one and the same instrument with all other counterparts hereof executed by any party, and shall bind any party signing a counterpart hereof regardless of whether the same or any other counterpart hereof is executed by any other party intending to be or become a party hereto.

IN WITNESS WHEREOF, this instrument has been executed in multiple counterparts as of the _____ day of _____, 2000.

THE NEW PROPERTY OWNERS
ASSOCIATION OF NEWPORT, INC.

BY: _____
PRINTED NAME: _____
PRESIDENT OF THE NEW PROPERTY
OWNERS ASSOCIATION OF NEWPORT, INC.

ATTEST:

BY: _____
PRINTED NAME: _____
SECRETARY OF THE NEW PROPERTY
OWNERS ASSOCIATION OF NEWPORT, INC.

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared _____, President of The New Property Owners Association of Newport, Inc., a Texas Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2000.

 Notary Public in and for the State of Texas

536-51-2799

**BALLOTS FOR THE THIRD AMENDMENT TO
THE DECLARATION OF RESERVATIONS, RESTRICTIONS,
COVENANTS AND LIENS OF NEWPORT, SECTION TEN**

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

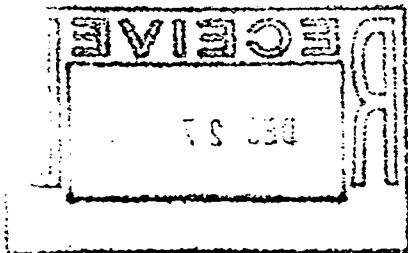
WHEREAS, The New Property Owners Association of Newport, Inc. has determined that the Third Amendment to the Declaration of Reservations, Restrictions, Covenants and Liens of Newport, Section Ten, ("Third Amendment") has been approved by the then record owner or owners of seventy-five percent (75%) of the real property comprising of NEWPORT, SECTION TEN, as evidence by the attached ballots. I further certify that such signed approval of said owners has been recorded with the secretary of The New Property Owners Association of Newport, Inc.

WHEREAS the Third Amendment and ballots which are attached hereto are evidence of the approval of the Third Amendment to the Declaration of Reservations, Restrictions, Covenants and Liens of Newport, Section Ten by the owners in NEWPORT, SECTION TEN. The ballots that are attached hereto shall be filed in the real property records of Harris County, Texas with the Third Amendment.

EXECUTED this the 27th day of December, 2001.

(183)
102

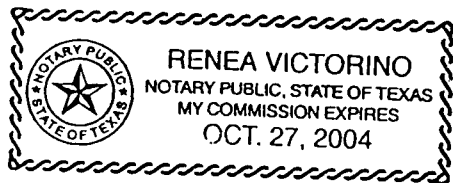
THE NEW PROPERTY OWNERS
ASSOCIATION OF NEWPORT, INC.

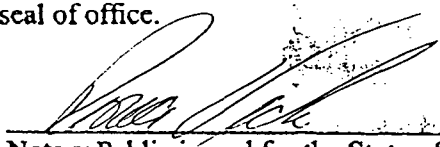


BY: Dan Kasprzak
NAME: DAN KASPRZAK
TITLE: PRESIDENT

536-51-2801

SUBSCRIBED and SWORN TO before me on this the 27 day of December
2001, to certify which witness my hand and seal of office.




Notary Public in and for the State of Texas

536-51-2801