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

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 York, New York, on the 24th day of July, 1972, 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 FIVE, a subdivision in 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 11, 1972, under File No. 685293, and recorded in Vol. 196 of Maps, Page 138, 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 such minor changes as, in the judgment of DIAMONDHEAD CORPORATION, are necessary for the efficient installation of improvements. That DIAMONDHEAD CORPORATION is the owner of all the lots, tracts, parcels, and property in said NEWPORT, SECTION FIVE.

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 DIAMONDHEAD 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 DIAMONDHEAD CORPORATION conveying NEWPORT, SECTION FIVE 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 erect and maintain therein 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 therefor, all pipes and conduits 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 FIVE connection privileges to said drainage, sewage or water systems) gas, light and power, telegraph and telephone service to said NEWPORT, SECTION FIVE 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, 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 FIVE, 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 easements 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 FIVE, 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 FIVE 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 FIVE, 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 improvement and sale of NEWPORT, SECTION FIVE, the Corporation, being the sole owner of all property located in NEWPORT, SECTION FIVE, desires to restrict the use and the development of the property located in NEWPORT, SECTION FIVE, in order to insure that it will be and remain a high class, restricted subdivision;

NOW, THEREFORE, the Corporation, being the sole owner of the property known as NEWPORT, SECTION FIVE, a subdivision in Harris County, Texas, according to the Map hereinabove described, does hereby impose the following restrictions, covenants and liens upon NEWPORT, SECTION FIVE, which shall inure to the benefit of the Corporation, its successors and assigns and to each and every purchaser of lands in NEWPORT, SECTION FIVE 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 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 FIVE, 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:

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(3) The Corporation reserves the necessary easements and rights-of-way for the purpose of constructing, 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 FIVE, 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 easements 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 FIVE, 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 FIVE 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 FIVE, 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 improvement and sale of NEWPORT, SECTION FIVE, the Corporation, being the sole owner of all property located in NEWPORT, SECTION FIVE, desires to restrict the use and the development of the property located in NEWPORT, SECTION FIVE, in order to insure that it will be and remain a high class, restricted subdivision;

NOW, THEREFORE, the Corporation being the sole owner of the property known as NEWPORT, SECTION FIVE, a subdivision in Harris County, Texas, according to the Map hereinabove described, does hereby impose the following restrictions, covenants and liens upon NEWPORT, SECTION FIVE, which shall inure to the benefit of the Corporation, its successors and assigns and to each and every purchaser of lands in NEWPORT, SECTION FIVE 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 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 FIVE, 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:

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Humphrey Jackson Survey,	Abstract No. 37
William Wilson Survey,	Abstract No. 332
Absalom 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. 444

TERM

(1) These restrictions, covenants and liens shall be effective until October 20, 2022, 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 October 21, 2022 and ending on October 20, 2032.

(2) Any one or more of the restrictions, covenants and lien 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 percent (75%) of the real property comprising NEWPORT, SECTION FIVE (computed upon a square foot basis).

LAND USE

(1) All lots, tracts and parcels of NEWPORT, SECTION FIVE 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 FIVE unless specifically designated for a different use on the Map (such as by the term "Unrestricted Reserve") or hereinafter, shall be used for residence purposes only. As used herein, the term "residence purposes" shall be held and construed to exclude hospitals, duplex houses and apartment houses, and to exclude commercial and professional uses; and any usage or any lot, tract or parcel of NEWPORT, SECTION FIVE is hereby expressly prohibited, except for those lots, tracts and parcels whose use is specifically indicated for purposes other than residence 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 FIVE while the same or any part thereof is owned by the Corporation.

LAND IMPROVEMENT

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.

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All lots, tracts and parcels of NEWPORT, SECTION FIVE, 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 R-S-1-720 Residential-Single Family-
One-Story-720 Square Feet

Classification R-S-2-1000 Residential-Single Family
Two-Story-1000 Square Feet

Those lots, tracts and parcels of NEWPORT, SECTION FIVE herein-
after designated with Classification R-S-1-720 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 one story 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 seven hundred twenty feet (720 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.

(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, decks, patios and all proposed improvements in connection with such building.

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(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) hereinafter.

(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 not exceed two stories in height and no second story of any residence shall have a floor level which lies at an elevation of less than five (5) feet, or more than twelve (12) 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 one thousand square feet (1,000 sq. ft.) of fully enclosed floor area devoted to living purposes and if such residence is to be two (2) stories in height, the lower story of such residence shall contain not less than one thousand square feet (1,000 sq. ft.). 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.

(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, decks, 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 FIVE, designated 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. All enclosures, shelters, screens and other improvements constructed for the purpose of automobile and other vehicle parking shall be attached to and be a part of the structure of the residence constructed on all lots, tracts or parcels situated in NEWPORT, SECTION FIVE.

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(8) The following lots, parcels and tracts of NEWPORT, SECTION FIVE, are hereby designated with Classification R-S-2-1000 and all improvements erected or constructed thereon shall conform strictly to the restrictions of that classification, as well as the other restrictions hereinafter set forth as applying to all lots, tracts or parcels contained in NEWPORT, SECTION FIVE, to wit:

<u>LOT NUMBERS</u> (both numbers inclusive)	<u>BLOCK NUMBERS</u>
Lots Twelve (12) through Eighteen (18)	Block Two (2)
Lots One (1), Two (2), and Four (4) through Twenty-five (25)	Block Four (4)
Lots Eight (8) through Eleven (11) and Twenty-three (23) through Twenty-nine (29), and Thirty-One (31)	Block Five (5)
Lots One (1) through Nine (9)	Block Six (6)
Lots Two (2) through Twenty (20) and Twenty-eight (28) through Thirty-seven (37)	Block Seven (7)
Lots Three (3) through Nine (9)	Block Eight (8)
Lots One (1), Two (2), and Nineteen (19) through Twenty-four (24)	Block Nine (9)
Lots One (1) through Seven (7), Ten (10) and Eleven (11)	Block Twelve (12)
Lots Nine (9) through Fifteen (15)	Block Thirteen (13)
Lots One (1) through Thirteen (13) and Twenty-three (23) through Twenty-five (25) and Thirty-three (33) through Thirty-eight (38)	Block Fourteen (14)
Lots One (1) and Two (2)	Block Fifteen (15)
Lot Two (2)	Block Sixteen (16)
Lot Five (5)	Block Seventeen (17)
Lots Three (3) through Eight (8)	Block Nineteen (19)

APPROVAL TO BUILD

No construction or erection of improvements upon any lot, tract or parcel contained in NEWPORT, SECTION FIVE, however classified, shall ever be commenced until the written approval of the Architectural Committee shall have been received. Pursuant to give such written authorization unless and until three (3) sets of the plans and specifications required under the various land use classifications above set forth 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 FIVE 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.

MINIMUM BUILDING ELEVATION

No building or other improvement shall ever be erected or constructed upon any lot, tract or parcel contained in NEWPORT, SECTION FIVE which shall have a finished floor level located at an elevation of less than + twenty-five feet (+25') above sea level without the express written notification thereof having been given to the Architectural Committee by the owner of such lot, tract or parcel upon which the building or other improvement is to be erected or constructed, stating that such owner has familiarized himself with the changes of water elevations affecting such property. Further, no building or other improvement shall ever be erected or constructed upon any lot, tract or parcel contained in NEWPORT, SECTION FIVE which shall impair, in the opinion of the Architectural Committee, an adjacent lot, tract or parcel owner's view.

SEWAGE DISPOSAL AND WATER SYSTEM

All buildings and other improvements constructed or erected upon any lot, tract or parcel in NEWPORT, SECTION FIVE completed prior to the time that a central sewage system and/or central water system is

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(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 FIVE, designated 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. All enclosures, shelters, screens and other improvements constructed for the purpose of automobile and other vehicle parking shall be attached to and be a part of the structure of the residence constructed on all lots, tracts or parcels situated in NEWPORT, SECTION FIVE

(8) Manufactured housing may be placed on lots zoned R-S-1-720 subject to the restrictions herein contained, and the following conditions and limitations:

(A) The space between ground level and the bottom of the manufactured home must be enclosed in a manner suitable to the Architectural Committee.

(B) The exterior of the manufactured housing must be completely enclosed by a material of wood finish.

(C) The manufactured housing must be modified by a wood structure or otherwise so it will not have a flat roof in its finished form.

(D) The Architectural Committee must be satisfied that the manufactured housing in its finished form has such an appearance that it does not have the appearance of manufactured housing.

(E) The Architectural Committee shall have absolute discretion in granting or rejecting permits and/or applications for the placement of manufactured housing.

(9) The following lots, parcels and tracts of NEWPORT, SECTION FIVE, are hereby designated with Classification R-S-1-720 and all improvements erected or constructed thereon shall conform strictly to the restrictions of that classification, as well as the other restrictions hereinafter set forth as applying to all lots, tracts or parcels contained in NEWPORT, SECTION FIVE, to wit:

Lot Numbers
(Both numbers inclusive)

Block Numbers

Lots Twenty-one (21) through
Thirty-five (35)

Block Seven (7)

Lots One (1) through Twenty-Three (23)

Block Fifteen (15)

Those lots, tracts and parcels of NEWPORT, SECTION FIVE hereinafter designated with Classification R-S-2-1000 are hereby restricted as to the use and improvement thereof as follows:

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capable of servicing 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 servicing such improvement or building. All buildings and other improvements constructed or erected upon any lot, tract or parcel situated in NEWPORT, SECTION FIVE completed subsequent to such time as a central sewage system and/or a central water system are capable of servicing 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.

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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 FIVE, at any time as a permanent temporary residence, dwelling, building or other structure, except under a temporary written permit which may be granted, for specific time period, in the discretion of the Corporation. Further, no such structure of a temporary character, basement, tent, shack, trailer, camper, mobile home (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 FIVE, 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.

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

RECORDER'S MEMORANDUM:
All Or Parts Of The Text On This Page
Was Not Clearly Legible For Satisfactory
Recording

CONSTRUCTION PERIODS

All construction, altering or remodeling of any building or other improvement upon any lot, tract or parcel situated in NEWPORT SECTION FIVE, 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 FIVE shall be approved in advance by the Architectural Committee and no lot, tract or parcel may be filled to a point higher than the highest natural point of elevation upon such lot, tract or parcel.

NUISANCES; APPEARANCES OF LOTS, TRACTS OR PARCELS; AND REMOVAL OF TREES

No noxious, unhealthful, unsanitary or other offensive activities shall ever be carried on or permitted to exist upon any lot, tract or parcel situated in NEWPORT, SECTION FIVE, 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 FIVE. 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 FIVE 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 sanitary containers. All incinerators or other equipment for the disposal or storage of such matter shall be kept and maintained in a clean and 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 FIVE, shall at all times be kept and maintained in a clean, healthful, sightly and wholesome condition.

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 FIVE, without obtaining the prior written consent of the Architectural Committee.

BOAT AND TRAILER STORAGE

No 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 contained in NEWPORT, SECTION FIVE without the prior written approval of the Architectural Committee.

RADIO AND TELEVISION ANTENNA

No television or radio antenna or towers shall ever be erected or maintained upon any lot, tract or parcel situated in NEWPORT, SECTION FIVE without the express prior written consent of the Architectural Committee.

LAUNDRY

All apparatus maintained for the purpose of drying wash shall be erected only in those area or 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 FIVE 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 FIVE 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 FIVE. 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 FIVE without the express prior written approval of the Architectural Committee.

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

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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 FIVE without the express prior written consent of the Architectural Committee; provided, however, this covenant shall not apply to the Corporation.

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, excavation, 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 FIVE; provided, however, nothing in the foregoing shall ever restrict the Corporation, its successors and assigns, to carry on any such activities in, on or under any lot, tract or parcel situated in NEWPORT, SECTION FIVE.

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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 FIVE 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 FIVE.

No wall, coping or fence shall ever be constructed upon any lot, tract or parcel contained in NEWPORT, SECTION FIVE 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 FIVE which shall interfere with the vision of the operators of motor vehicles.

ARCHITECTURAL COMMITTEE

ORGANIZATION

The Architectural Committee shall be initially composed of the following three people to wit: William H. Maurer, William M. Hendrich and P. Holcomb Hector.

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 committees from time to time to advise it on matters pertaining to NEWPORT, SECTION FIVE

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.

All plans and specifications presented to the Architectural Committee shall be approved or disapproved by the Architectural Committee within forty (40) days from the receipt thereof. Should no action have been taken by the Architectural Committee within such forty (40) days, then and in such event all such plans and specifications presented to the Architectural Committee shall be deemed to have been disapproved, unless the Architectural Committee shall give written notice prior to the expiration of such forty (40) days to the party presenting such plans and specifications that more than forty (40) 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, size and building setback restrictions as set forth herein or on the Map.

The Architectural Committee may also determine and allow in the respective classifications of lots, tracts and parcels of NEWPORT, SECTION FIVE, 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 FIVE.

153-26-1700

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LIEN TO SECURE THE PAYMENT OF DUES, CHARGES
AND ASSESSMENTS OF NEWPORT YACHT AND COUNTRY
CLUB, INC., OR THE ASSIGNEE OF NEWPORT YACHT
AND COUNTRY CLUB, INC.

LIEN PRESCRIBED

All lots, tracts and parcels situated in NEWPORT, SECTION FIVE are hereby subjected to a monthly maintenance charge at a rate to be established from time to time by the board of directors of Newport Yacht and Country Club, Inc., a Texas corporation or its successors and assigns, for the purpose of maintaining and operating the streets, roads and common recreational facilities and areas of "NEWPORT".

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".

Said monthly maintenance charges hereby imposed, together with all collection expenses and attorneys' 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 FIVE and every conveyance of any or all of the lots, tracts or parcels situated in NEWPORT, SECTION FIVE 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 combines into and with the monthly maintenance charges set forth herein and all such moneys may be pooled, combined or merged with the general funds of the Corporation; provided, however, an amount equal to all such moneys so collected shall be expended by Newport Yacht and Country Club, Inc. or the Corporation for the maintenance and operation of the streets, roads and common recreational facilities and areas of "NEWPORT".

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.

The vendor's lien prescribed herein as security for the payment of said monthly charge shall be enforceable by Newport Yacht and Country Club, Inc., its successors and assigns through appropriate legal proceedings for enforcement of such 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.

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Liens of first deeds of trust, purchase money mortgages and mechanic's and materialmen's liens placed upon any of said lots, tracts or parcels in NEWPORT, SECTION FIVE for the purpose of constructing a residence or other buildings or improvements thereon or thereto 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 for which are herein provided. The Corporation or Newport Yacht and Country Club, Inc. may, if requested, execute instruments to subordinate any and all liens provided for herein to such liens of first deeds of trust, purchase money mortgages and mechanic's and materialmen's liens.

The Corporation, or Newport Yacht and Country Club, Inc., at its option, by appropriate written instrument recorded in accordance with the laws of the State of Texas, may subordinate any and all liens provided for herein to the liens of the other deeds of trust and/or other encumbrances.

REMEDIES FOR VIOLATIONS

All restrictions, covenants and liens herein contained shall be applicable to and binding upon all of the lots, tracts and parcels in NEWPORT, SECTION FIVE and the owners thereof, irrespective of the source of title of such owners, and all breaches thereof, if continued for a period 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 suite, including attorneys' 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 FIVE, but such restriction, 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 restriction and 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, covenant, 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 FIVE to keep, observe, comply with and perform said restrictions and covenants and be subject to the liens all as set forth herein.

153-26-1702

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 FIVE, 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 any 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 FIVE 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 paragraphs 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, P. HOLCOMB HEETOR, as Vice President of DIAMONDHEAD CORPORATION, and JACK A. FURMAN, 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 YORK, N. Y., on the 24TH day of JULY, A.D., 1972.

WITNESS our hands at MOUNTAIN SIDE, NEW JERSEY, on this the 27TH day of OCTOBER, A.D., 1972.

DIAMONDHEAD CORPORATION

ATTEST:

Jack A. Furman
Assistant Secretary

BY

P. Holcomb Heetor
Vice President

(SEAL)



NEW JERSEY
THE STATE OF ~~TEXAS~~)
UNION)
COUNTY OF ~~HARRIS~~)

BEFORE ME, the undersigned authority, on this day personally appeared P. HOLCOMB HECTOR and JACK A. EURNAN, Vice President and Assistant Secretary, respectively, of DIAMONDHEAD CORPORATION, a Delaware corporation, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

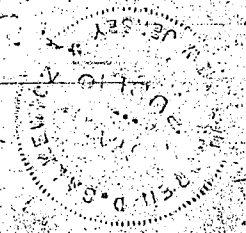
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27TH day of OCTOBER, 1972.

153-26-1704

Kara D. Salas
Notary Public in and for
~~Harris~~ County, ~~Texas~~
UNION NEW JERSEY

RECORDER'S MEMORANDUM:
The changes made on this instrument
were present at the time instrument
was filed and recorded.

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 29, 1977



FILED
572 NOV 15 PM 12 40
HARRIS COUNTY, TEXAS

DIAMONDHEAD CORP.
P.O. Box 191
CROSBY, TEXAS 77532

153-28-1705

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

NOV 15 1972



P. E. Montgomery
COUNTY CLERK
HARRIS COUNTY, TEXAS

101-15-28-1705