

Article 1

1.00 All lots in HOLIDAY SHORES, SUBDIVISION THREE, SECTIONS ONE, TWO, THREE, FOUR and FIVE shall be known and designated as "residential lots" and shall be used for single family residential purposes only; except for Lot Nos. 1, 2, 3, 4 and 5, Block No. 21, of SECTION ONE and Lot Nos. 316 & 317, Block No. 38, of SECTION FOUR. The lots in SECTION FOUR shall be designated as "Marina". All the above listed excepted lots shall be known as "commercial lots" and may be used for commercial use if the owners prefer to do so. However, all buildings on the commercial lots must be built on concrete slabs and conform to all protective and restrictive covenants set forth herein except to the minimum size of any buildings constructed thereon. The building setback line to Lot Nos. 1, 2, 3, 4 and 5, Block No. 21, of SECTION ONE must be forty (40') feet from the road or street edge instead of the usual twenty (20') foot setback line for residential lots as set out in section 1.03 hereof.

1.01 No building, fencing or detached garage (detached garages will not be approved until a residence is being constructed) shall be erected, placed or altered on any lot, property or area in this Subdivision until the building plans, specifications and plot plans showing the location and size of such building have been approved, in writing, as to conformity and harmony of external and structural design and quality, and in conformity with the reservations, protective covenants, limitations, conditions and restrictions as hereinafter set out, and a building application has been approved by an Architectural Control Committee (the "Committee"), designated by SHPOA, its successors or assigns. Additionally, no pre-manufactured homes shall be permitted, including, but not limited to: house trailers, mobile homes, modular homes, or any derivative thereof, as defined by the Board of Directors. However, site built homes may be relocated to this subdivision, provided the home is determined to comply with all of the requirements outlined in this paragraph and paragraph 1.06. No privacy fence shall be erected without prior Board of Directors approval.

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

1.03 Each residence, once commenced, must be "dried in" within six (6) months from the date of commencement thereof. The term "dried in" means that the exterior must have the appearance, from the outside, of being a completed house, including all necessary doors, windows, roof, paint and trim. If any such residence is not dried in within six (6) months after the date of building commencement, the owner of same hereby gives the Committee, its representative, or agent, the

right and authority to enter upon the property upon which such structure is situated and to disassemble said structure and store the building materials on the premise or elsewhere at the discretion of the Committee. The owner or occupant of any such lot agrees, by purchase or occupancy thereof, that the Committee shall not be liable, in trespass or otherwise, in entering said lot and disassembling any such structure. The owner or occupant further agrees to pay any and all cost incurred in enforcing this clause.

1.04 No building or other structure, including fences, shall be located nearer to the street than the building setback lines as set forth herein. The building setback lines on all residential lots shall be at least twenty (20') feet back from the street in all cases except corner lots. In the case of corner residential lots, the twenty (20') foot setback line shall be on the side of the lot fronting on the street. In the case of the side of the lot abutting the street, the minimum setback line shall be ten (10') feet. Corner residential lots shall be deemed to front on the street side having the least frontage. No building shall be located nearer than five (5') feet to any interior lot line, except in the event one building is constructed on more than one lot, the combined areas shall be considered as one lot for the purposes of determining the interior setback line only and in no case does this clause merge two lots into one for the purposes of any annual maintenance fee. In any determination of this clause, the building line shall include open porches and garages or any other abutting structures to the principle residence. Variations from these requirements as to building location may be granted by SHPOA, its successors or assigns, upon the recommendation of the Architectural Control Committee and upon such variations being ratified by all abutting property owners.

1.05 No portable building, storage building, other out-building or structure shall be constructed or moved onto this subdivision prior to construction or commencement of construction of residence with the following exception. Storage buildings may be allowed, subject to all of the requirements specified in paragraphs 1.01 and 1.04, as well as a maximum size limitation of 8'x10', and must have Board approval. No garage or other out-building shall be used as a temporary or permanent residence in this subdivision. No lot owner shall allow any occupied or unoccupied recreational vehicle, camper, house trailer, tent or tent trailer to remain on any unimproved lot or combination of lots governed by SHPOA ("unimproved lot" means a lot without a house constructed or being constructed on the lot) for a period exceeding two (2) weeks and a period of at least twelve (12) days must have elapsed in between any two week period. No lot owner shall allow any person to live in any recreational vehicle, camper, house trailer, tent or tent trailer stored on an improved lot. Any waste or gray water must be disposed of as per TRA requirements.

1.06 The floor area of all residences, exclusive of open porches and garages, shall be at least 900 sq. feet; except for SECTION FOUR, which shall have a minimum floor area of at least 1,000 sq. feet. The design, materials, and workmanship in all buildings shall be in conformity with common use by architects and builders of quality homes, and no building or structure shall be occupied or used until the exterior thereof is completely finished.

No temporary dwellings shall be permitted. (a) Subject to the remaining provisions of this paragraph, no shack or any outbuilding (other than a private boathouse, garage, or storage building complying with these restrictions) shall be erected or placed on any lot, and no boathouse, garage

or storage building erected or placed on any lot shall at any time be used as a dwelling, temporarily or permanently. (b) Temporary camping equipment cannot be left on a lot unattended for more than twenty-four (24) consecutive hours.

1.07 Lots shall be used for single-family residential purposes only. In no event shall any residential lot be used for any business purposes. The term "residential purposes" as used herein shall be held and construed to exclude hospitals, clinics, nursing homes, duplex houses, apartment houses, boarding houses, hotels and all other commercial uses as all such uses of said property are hereby expressly prohibited. Rental or lease of the lot and the residence thereon for any period of time less than 180 days shall be prohibited. Any rental or lease shall provide, in writing, that the renter or lessee has received a copy of the Deed Restrictions and agrees to be bound by same and comply with all Deed Restrictions.

Rental or lease of the lot and residence shall not relieve the property owner from compliance with these Deed Restrictions.

1.08 Wherever a residence is established on any lot, it shall be provided with an inside toilet and said toilet, together with any dishwashers and plumbing fixtures, shall be connected immediately with a septic tank or approved sewage system at the expense of the lot owner. Such sewage disposal systems shall be in accordance with the requirements of the Texas Department of Health and the Trinity River Authority ("TRA") and shall be subject to the inspection and approval of the health officer of San Jacinto County, Texas. The drainage of septic tanks into a road, street, alley or other public ditch or Lake Livingston, either directly or indirectly, is strictly prohibited. Construction permit or application must be obtained from TRA and SHPOA before construction may begin on all waterfront and non-waterfront lots.

Article 2

2.00 Lots are to be purchased subject to easements as established, at any time, by grant or agreement between SHPOA, its successors or assigns, and the utility companies furnishing electricity, telephone, water, gas or sewage and all utilities shall have the right, without fear of damages, when it has permission from SHPOA, its successors or assigns, to enter upon said lots and cut any trees or do what work it deems necessary to install and maintain such utilities. In addition thereto, waterfront lots shall be subject to flood easements established or to be established and granted to Trinity River Authority or other authority controlling Lake Livingston. Floor level of all buildings erected upon TRA easement areas must be above one hundred thirty seven (137') feet elevation above sea level or otherwise permitted by said TRA. SHPOA shall not be held responsible or accountable for lake area depths providing water access to purchaser's lot.

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

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

2.03 No animals, livestock or poultry of any kind shall be raised, bred or kept by a property owner, except that dogs and cats (not to exceed two of any category) may be kept provided they are not kept, bred or maintained for any commercial purposes, but only for the use and pleasure of the property owner regardless of the number of lots owned.

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

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

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

Transport Vehicles. Trucks with tonnage in excess of one (1) ton shall not be permitted to park on the street, driveways, or lots overnight, and no vehicle of any size which normally transports inflammatory or explosive cargo may be kept in the Subdivision at any time.

2.07 On all residential lots, no used appliances, inoperable motor vehicles (including tractors, backhoes and other industrial vehicles), inoperable recreational vehicles, inoperable motorcycles, inoperable off-road vehicles and inoperable boats shall be stored, parked, or placed on any lot. "Inoperable" shall be defined as any boat or vehicle which does not have a current valid license

tag and state inspection sticker affixed thereon where required by state law. This clause is not to be interpreted as restricting any lot owner from storing such used appliances, inoperable motor vehicles, inoperable recreational vehicles, inoperable motorcycles or other inoperable off-road vehicles or inoperable boats from being stored, parked or placed in the lot owner's garage. Variations from these requirements, as to storage of inoperable motor vehicles or inoperable boats, may be granted by SHPOA, its successors or assigns, upon petition and approval of SHPOA's Board of Directors and upon such variations being ratified, in writing, by all abutting property owners.

Article 3

3.00 Each lot in said subdivision shall be subject to an annual maintenance fee, due and payable annually each July 1st of each year. Said fee is to be set and collected by SHPOA, its successors or assigns. Said fee shall be used for the purpose of building, maintaining and operating the parks, boat launching facilities, docks, swimming pool, tennis court, basketball court, pavilion, recreational areas, and bathrooms, disposing of garbage, rubbish, or doing any other thing necessary or desirable to keep the property neat, clean, and in good order, as deemed necessary in the opinion of SHPOA, its successors or assigns. Each lot owner, for each lot owned, hereby covenants, and each lot owner by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay SHPOA, its successors and assigns, the annual maintenance fee, The annual maintenance fee, together with interest, costs, and reasonable attorney's fees (said interest, costs and attorney's fees shall be deemed as a special fee), shall be a charge on the land and shall be a continuing lien upon the property against which such fee is made. Each such fee, together with interest, costs and attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time the fee fell due. The owner further agrees, by the purchase of any lot in this subdivision, that SHPOA, it successors or assigns, shall be entitled, but not limited, to enforce its rights to collect said sums, attorney's fees and costs incurred in the collection of said sums by non-judicial foreclosure. Interest on any such delinquent fee and accompanying late fees shall accrue at the rate of eighteen (18%) percent per annum. Enforcement of Deed Restrictions.

- (a) Subject to the provisions of subsection (d) of this paragraph, if any person or entity, as defined hereinafter, whether or not lawfully in possession of any real property hereunder, shall either (1) violate or attempt to violate any restriction or provision herein or (2) suffer to be violated (with respect to the real property in which such person or entity has rights other than the rights granted by this sentence) any restriction or provision herein, it shall be lawful for San Jacinto County, SHPOA and/or any person or entity, as defined hereinafter, possessing rights with respect to any real property hereunder, to prosecute any proceedings at law or in equity against any such person or entity violating, attempting to violate and/or suffering to be violated any restriction or provision herein to (1) prevent such violation, (2) recover damages of other dues for such violation, and (3) recover court costs and reasonable

attorney's fees incurred in such proceedings. "Person or entity", as used in the immediately preceding sentence hereof, shall include, but shall not be limited to, all owners and purchasers of any real property hereunder, as well as all heirs, devisees, assignees, legal representatives and other persons or entities who acquire any of the rights (with respect to the real property hereunder) of the owner or purchaser of any real property hereunder.

- (b) SHPOA has the right, but not the exclusive duty, to take action to enforce any violation of these deed restrictions.
- (c) Neither the Architectural Control Committee, nor the members of said Committee, nor the directors nor officers of the Association, shall have any liability or responsibility at law nor in equity on account of the enforcement of, or on account of the failure to enforce, these restrictions. An exercise of discretionary authority by the Association concerning a restrictive covenant is presumed reasonable unless the court determines by a preponderance of the evidence that the exercise of discretionary authority was arbitrary, capricious, or discriminatory.
- (d) Notwithstanding any other provisions hereof, the Association shall not be liable or subject to any proceeding at law or in equity on account of any violation or attempted violation of any restriction or provision herein which occurs during such time as there is in force a contract to purchase the property where such violation or attempted violation takes place.

3.01 SHPOA, a legal Texas non-profit corporation, and a property owners association as defined by Chapters 202 and 209 of the Texas Property Code, is governed by its Board of Directors. All SHPOA members shall have one vote per lot owned when voting for the election of Directors during the annual meeting. All SHPOA members in good standing ("good standing" shall mean lot owners who are current in the payment of all dues and assessments), shall have free and unrestricted ingress and egress to the lake through designated areas, and have full use of all waterfront improvements, pool, park and recreational facilities, at their own risk.

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

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

amendment. The person(s) requesting the amendment shall bear all the expense of such amendment.

3.04 All covenants and restrictions are for the benefit of the entire subdivision and shall be binding upon all property owners or their successors, heirs or assigns. Violation of any of these restrictions or covenants by one lot owner shall not necessarily void or affect the responsibility of any other lot owner to abide by these restrictions. Invalidation of any one of the covenants or restrictions by a judgment of any court shall in no way affect any of the other provisions which shall remain in full force and effect. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded with the County Clerk of San Jacinto County, Texas, after which time said covenant shall be extended automatically for successive five (5) year periods unless aforementioned steps are taken to terminate them.

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

Partial Invalidity and Severability.

- (a) It is understood that no act or omission upon the part of any party hereto or any person hereafter acquiring an interest in said property by, through, or under same shall ever be construed as a waiver of the operation or enforcement of these covenants and restrictions, and easements.
- (b) In the event any portion of the provisions hereof shall become or be held invalid, whether by reason of abandonment, waiver, estoppel, judicial decision or otherwise, such partial invalidity shall not affect, alter or impair any other provision hereof, which was not thereby held invalid; and such provisions, including Restrictions, Reservations and Covenants shall remain in full force and effect, binding in accordance with their terms.

In addition to the Maintenance Fee assessment set forth in paragraph 3 of these 2018 Restated and Amended Restrictions, the owners of lots purchased in said Subdivision shall be subject to a "Special Assessment" for major maintenance projects, repairs and renovations in such amount as may be established by the Association at a special or annual meeting of the members, at which a quorum is present and at which notice for an election for the assessment of said Special Assessment is given at least thirty (30) days in advance of such meeting. Should the special assessment be approved by a two-third (2/3) vote of the members, represented in person or by proxy, of the Property Owners Association at the annual meeting of the Property Owners Association, then the Special Assessment shall become effective on the date noticed, with the proceeds from such special assessment being ear-marked for the specific purpose set forth in the notice of such election. Said Special Assessment shall be secured by a lien against said lot, the same lien as provided for by restrictions. The failure to pay said any Special Assessment shall constitute authority for the

Association to bring a lawsuit to judicially foreclosure lien against said lot. This lien is in the form of an assessment to run with the ownership of said lots. The Special Assessment shall be deemed delinquent if not paid within thirty (30) days of the date set forth in the notice as being the date the Special Assessment is due.

3.06. Every property owner in Holiday Shores Subdivision No. 3, Section Nos. 1, 2, 3, 4, and 5, shall be a member of the Stephens Hills Property Owners Association, Inc., (the "Association"), and the Association shall be a Property Owners Association as defined by the Texas Property Code. The Board of Directors of the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations now or hereafter imposed by these restrictions, and said lawsuit to be brought in the name of the Association, upon a vote by the majority of the Board of the Directors of the Association at the duly called meeting of the Board at which a quorum of Directors is present, against any lot owner who is delinquent in payment of the maintenance fees, as delinquent is defined in these restrictions, and Bylaws of the Association, as well for enforcement of any other deed restriction violation.

IN WITNESS WHEREOF, STEPHENS HILLS PROPERTY OWNERS ASSOCIATION has caused these presents to be executed by its President thereunto duly authorized on this 14 day of December, 2018.

STEPHENS HILLS PROPERTY OWNERS ASSOCIATION, INC.

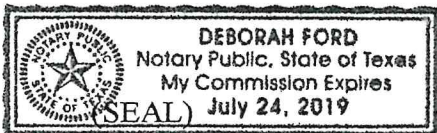
BY: Juli Fendley
JULI FENDLEY, President

CORPORATE ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF SAN JACINTO §

BEFORE ME, THE UNDERSIGNED AUTHORITY, on this day personally appeared Juli Fendley, President of the Stephens Hills Property Owners Association, a Texas non-profit corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same as the act and deed of said corporation and for the purposes and consideration therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 14 DAY OF December, 2018.



Deborah Ford
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
Deborah Ford
PRINTED NAME OF NOTARY

My commission Expires:
7/24/19

AFTER FILING RETURN TO:
STEPHEN HILLS PROPERTY ASSOCIATION
P.O. BOX 256
POINT BLANK, TX 77364

**STEPHENS HILLS PROPERTY OWNERS ASSOCIATION, INC.
(SHPOA)
SPECIAL MEETING MINUTES
November 17, 2018**

**RE: Approval from Members to Sell SHPOA Property – Portion of Lot 612
Approval from Members for Restated and Amended Deed Restrictions**

Board Members Present:

Juli Fendley
Gary Blaylock
Rich Brazzale
Joe Campbell
Glorian Drews
Ellen Fendley

Accountant:

Teresa Eddinger

Administrative Assistant:

Debbie Ford

Absent:

Wes Wodahl – proxy to Rich Brazzale

Approval from Members to Sell SHPOA Property – Portion of Lot 612:

President Juli Fendley called the Special Meeting to order at 12:01 p.m. She explained the process for voting to the members who attended the meeting. She asked the members to vote on the sale for a portion of Lot 612, Sub II, Sec 5 that is part of SHPOA property. President Fendley said that the (mailed) proxy votes had been counted, and opened the floor for discussion. There were no questions from the floor and live votes were counted.

President Fendley asked the members to vote:

Live Votes – Yes: 19 ½

Live Votes – No: 0

Proxies – Yes: 194 ½

Proxies – No: 19

Total Yes Votes: 214

Total No Votes: 19

Approval from the Members to sell a portion of Lot 612 that is located on SHPOA property was passed by two-thirds (2/3) of the voting members.

Approval from Members for Restated and Amended Deed Restrictions:**Sub II, Sections 1-6**

Live Votes – Yes: 2

Live Votes – No: 0

Proxies – Yes: 22

Proxies – No: 10

Total Yes Votes: 24

Total No Votes: 10

Members approved the Restated and Amended Deed Restrictions for Sub II, Sections 1-6 by a majority vote.

Sub II, Sections 7-9 (Holiday Harbor):

Live Votes – Yes: 0

Live Votes – No: 2

Proxies – Yes: 15

Proxies – No: 4

Total Yes Votes: 15

Total No Votes: 6

Members approved the Restated and Amended Deed Restrictions for Sub II, Sections 7-9 (Holiday Harbor) by a majority vote.

Sub III, Sections 1-5:

(Two-thirds (2/3) required for approval)

Live Votes – Yes: 4

Live Votes – No: 0

Proxies – Yes: 63

Proxies – No: 25

Non-Votes: 346

Total Yes Votes: 413

Total No Votes: 25

Members approved the Restated and Amended Deed Restrictions for Sub III, Sections 1-5 by a two-thirds (2/3) vote.

After there was no further discussion Mike Golden made a motion to adjourn the meeting. The motion was seconded by Darrell Doyle and approved by the members. The meeting was adjourned at 12:10 p.m.