

RESTRICTIONS
REPLAT OF CAPE ROYALE
HARBOUR VILLAS SECTION 2
SUBDIVISION

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

THAT, MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST, a Delaware corporation (referred to herein as "Developer"), with offices and principal place of business in The Woodlands, Montgomery County, Texas, acting herein by and through its duly authorized officers, is the owner of all that certain real property situated in San Jacinto County, Texas, known as REPLAT OF CAPE ROYALE, HARBOUR VILLAS SECTION 2 (being sometimes referred to herein as "the Subdivision"), according to the map of said Replat of Cape Royale, Harbour Villas Section 2, filed for record in Volume 7, Page 51 of the Plat Records of San Jacinto County, Texas, to which map and the record thereof reference is here made for a full and particular description of said real property.

Developer desires to create and carry out a uniform plan for the improvement, development and sale of all of the property in the Subdivision, for the benefit of the present and future owners of the property, and for the protection of property values in the Subdivision; and, to that purpose, Developer hereby adopts, establishes and imposes the following declarations, reservations, protective covenants, limitations, conditions and easements to apply uniformly to the use, improvement, occupancy and conveyance of all property in the Subdivision; and each contract or deed which may be hereafter executed with regard to any of the lots in the Subdivision shall conclusively be held to have been executed, delivered and accepted subject to the following (regardless of whether or not the same are set out in full or by reference in said contract or deed):

SUBDIVISION RESTRICTIONS

1. Use. None of the lots as shown on the recorded plat of the Subdivision or the improvements thereon shall be used for anything other than single-family, private residential purposes, and all lots as shown on the plat shall be known as residential lots. The word "lot" shall not be deemed to include any portion of the reserve area or common areas as shown on the plat. Lots 1 through 19, both inclusive, as shown on the recorded plat of the Subdivision, shall be used only for attached dwelling units having party walls. A "party wall" is a wall which is built as a part of the original construction of a dwelling unit and placed on the dividing line between two dwelling units. Lot 20 as shown on the recorded plat shall be used only for a single family detached dwelling unit. No commercial, business or professional activity shall be permitted on any residential lot, reserve area or common area as shown on the plat of the Subdivision, nor shall any commercial, business or professional activity be engaged in from any such residential lot, reserve area or common area as shown on the recorded plat of the Subdivision. The common areas as shown on the recorded plat may be used only for parks, parking, or recreational purposes. The reserve area as shown on the recorded plat of the Subdivision may be used for a purpose other than park, parking or recreation, provided the written approval of the Developer has first been obtained.

2. Resubdivision. No portion of the Subdivision may be resubdivided without the approval of the Developer and the Committee. Restrictions approved by the Developer must be imposed on the resubdivided or replatted property.

3. Architectural Control Committee. An Architectural Control Committee ("Committee") shall be appointed, from time to time, by Developer, whose purpose it shall be to review plans, to insure for all owners harmony of location, and harmony of external and structural design and quality with existing structures. The Committee shall have the right to designate a representative to act for it in all matters arising hereunder. Until such time as the Committee has been constituted and appointed, Developer, or its nominee or representative, shall carry out all functions of the Committee relating to these restrictions. After Developer has conveyed title by general warranty deed to 75% of the lots in all sections of Cape Royale Subdivision, or sooner at the sole election of Developer, the members of the Committee shall be selected by the Cape Royale Property Owners' Association ("Association").

4. Structures.

(a) No residence shall be constructed or permitted to remain on any residential lot in the Subdivision unless each such residence shall have a minimum of 1000 square feet of living area, exclusive of attached garage, porch or other appendage.

(b) No improvements shall be placed on any property in the Subdivision until the building plans, specifications and plot plans showing the location of such improvements on the property, have been approved in writing by the Committee. Likewise, the alteration of any existing improvements which materially affects or changes the exterior design thereof may not be made until the plans for such alterations have been approved in writing by the Committee. In the event the Committee disapproves of any such plans, specifications and/or plot plans, notice of such disapproval shall be delivered in person or by registered or certified letter addressed to the party submitting the same at an address which must be supplied with the submission. In passing upon all of such plans, specifications and/or plot plans, the Committee may take into consideration, among other things, the suitability of any such proposed building or structure

or the alteration thereof and the materials of which it is to be constructed to the lot or plot upon which it is to be constructed, and the affect thereof upon adjacent neighboring or other lots or plots. Any such notice shall set forth the elements disapproved and the reason or reasons therefor, but need not contain suggestions as to methods of curing any matters or things disapproved. The judgment of the Committee in this respect in the exercise of its sole and absolute discretion shall be final and conclusive. If said Committee fails to approve or disapprove said plans, specifications and/or plot plans within thirty (30) days after the same have been received by the Committee, the same will be deemed to have been approved.

(c) No residence may be occupied in the Subdivision until such time as electricity and central water and sanitary sewers are available to serve the lot on which such residence is to be constructed.

(d) No structure shall be occupied or used for residential or storage purposes (other than for the storage of building materials to be used in the construction and completion thereof) until the exterior thereof shall have been fully completed in accordance with the approved plans and specifications.

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

(f) No trailer, mobile home, tent, shack, camper, garage, barn or other outbuilding or structure of a temporary character shall, at any time, ever be used as a residence, temporary or permanent, nor shall any structure of a temporary character ever be used in any way or moved onto or permitted to remain on any lot except during construction of permanent structures.

5. Signs. "For Sale" signs, "For Rent" signs and other advertising structures may be displayed in the Subdivision only with the approval of the Committee. The Committee shall apply the same sign standards as for other sections of Cape Royale Subdivision.

6. Nuisances. No noxious or offensive activity shall be carried on or maintained on any lot or portion of the Subdivision, nor shall anything be done or permitted to be done thereon which may be or become a nuisance in the neighborhood.

7. Firearms. The use or discharge of firearms in the Subdivision is expressly prohibited.

8. Garbage and trash disposal. No lot shall be used or maintained as a dumping ground for garbage. Trash, garbage or other rubbish shall be kept only in sightly, sanitary containers. Each lot owner shall be responsible for disposing of all of his

9. Unightly storage. If open carports are used, no unsightly storage and/or unsightly vehicles shall be permitted therein.

10. Camping. No camping shall be permitted in the Subdivision at any time.

11. Animals. No horses, cows, poultry, or livestock of any kind (other than house pets) may be kept on any lot in the Subdivision.

12. Off-street parking. Both prior to and after the occupancy of a dwelling on any lot, the owner shall provide appropriate space for off-street parking for his vehicle and/or boat.

13. Weeds. The owner of each lot shall keep the same clean and free of weeds such as will be in keeping with the other property and the community at any particular time. Upon failure to do this, Developer or the Association may have the lot cleaned and the cost or expense thereof shall be payable on demand by the owner to Developer or the Association, as the case may be.

14. Sewerage and Water. No building or structure shall be occupied as a residence unless all plumbing fixtures, dishwashers and toilets are connected to the established sewerage system in the Subdivision. Each lot owner in the Subdivision covenants and agrees to pay the initial connection charge to connect his residence to the water system and to the sewage disposal system and monthly service charge imposed by the municipal utility district or other governmental authority providing water and sewer service in the Subdivision. A lien is hereby retained to secure payment of said charges.

15. Utility Easements. An easement is expressly reserved in, on, over, under and through those portions of the lots as shown on the Subdivision map for the purpose of installing, repairing and maintaining electric power, water, sewerage, gas, telephone and similar utility facilities and services. There is also reserved and dedicated hereby for the use of the Developer and any public or private utility company an unobstructed aerial easement five (5) feet wide from a plane twenty (20) feet above the ground upward, located adjacent to and above all dedicated utility easements as shown and/or reserved on the map or plat of the Subdivision. The easements reserved and dedicated under the terms and provisions hereof and under the terms and provisions of the Subdivision plat shall be for the general benefit of the Subdivision as herein defined and any other land owned or acquired by Developer in the vicinity thereof, and shall also inure to the benefit and may be used by any public or private utility company entering into and upon said property for the purposes aforesaid, without the necessity of any further grant of such easement rights to such utility companies. Fences, walls and shrubbery hedges shall be permitted on any such easements except those easements being used for underground electric and/or telephone systems, provided: (i) that such fences, walls and hedges do not interfere in any way with the use of such easements by any public or private utilities then utilizing or thereafter designed to utilize the same, (ii) that the right of the owners of such fences, walls and hedges shall at all times be and remain subordinate and inferior in every way to the right of public and private utilities; and (iii) that such public or private utilities at any time may, without liability of any kind to the owner or owners thereof, remove any such fence, wall or hedge where the removal of the same is incidental to or necessary for the performance of public or private utility operations. No buildings or structures of any character may be erected or allowed to remain on any utility easement.

16. Utility Lines and Facilities. Each owner of a lot within the Subdivision shall be responsible for maintaining his lot in such a manner as to prevent damage to public or private utility lines or facilities located in, on, or under his lot. Such maintenance shall include, but not by way of limitation, bulkheading. In the event of a violation or breach of this covenant herein contained which violation or breach continues after fifteen (15) days written notice to the owner of any lot involved setting forth the nature of such violation or breach and the specific action to be taken to remedy such violation or breach, the Developer, its successors or assigns, the Cape Royale Property Owners' Association and/or any municipal utility district owning, operating or maintaining such utility lines or facilities, and their agents, shall have the right at reasonable times to enter upon the land on which such violation or breach exists and to take the actions specified in the notice to the owner to remedy, abate and remove, at the expense of the owner thereof, such conditions as may be reasonably necessary to protect the public or private utility lines; and the said party shall not thereby be deemed guilty in any manner of trespass for such entry, abatement or removal. The cost of such remedy or abatement shall be paid to the Developer, the Cape Royale Property Owners' Association or the municipal utility district incurring the expense upon demand and if not paid within thirty (30) days thereof, shall become a lien upon the lot affected in the same manner as a lien securing the maintenance charge; provided, however, that any such lien shall be subordinate and inferior to any voluntary lien, including any renewal and/or extension thereof, created on any lot or lots in the subdivision by an owner thereof for the purpose of obtaining a construction or permanent loan or both such loans for the purpose of improving such lot or lots. The rights and remedies provided for in this paragraph are in addition to, and not in lieu of, all other rights and remedies to enforce the Restrictions available at law or in equity.

17. Association membership. All purchasers of a lot or lots in the Subdivision must be members of the Association.

18. Park and Recreational Areas. All property owners, members of their families and their guests, shall have the right of ingress and egress to the lake through the park areas as shown on Cape Royale Subdivision plats. Such right shall extend to and include the owners of lots within the Subdivision as well as all other sections of Cape Royale Subdivision developed by the Developer from lands contiguous to or in the vicinity of the said Subdivision. All parks, lakes and beach improvements shall be available for use by such property owners, their families and guests, at their own risk. When 75% of the lots in all sections of Cape Royale Subdivision have been sold and title to these lots conveyed by general warranty deed, or sooner, at the election of the Developer, Developer may transfer title to all park and other community areas to the Association or other civic organization active in the area, after which the operation of and maintenance and payment of taxes on such park and other community area shall be the responsibility of such transferee. Nothing herein contained shall be construed as dedicating the Reserves shown on the plat of the Subdivision to the public or to anyone else for park purposes, and Developer hereby declares that such reserves have not been dedicated for use as park areas.

19. Easements in favor of the Trinity River Authority of Texas. The property included in the Subdivision is subject to certain easements in favor of The Trinity River Authority of Texas, and the use of the land area contained in said easements is further subject to the approval by The Trinity River Authority of Texas as set out in that certain conveyance from Mitchell & Mitchell Land Development Co. to The Trinity River Authority of Texas dated January 10, 1968, recorded in Volume 107, Page 506.

of the Deed Records of San Jacinto County, Texas, to which instrument and the record thereof reference is hereby made for all purposes.

20. Oil, Gas and Mineral Development. No oil or gas drilling, oil or gas development operations, oil or gas refining or treatment, quarrying or mining operations of any kind shall be permitted upon any residential lot in the Subdivision, nor shall oil or gas wells, or tunnels, mineral excavations or shafts be permitted on any residential lot at any time while these restrictions remain in full force and effect. No derricks or other structure designed for use in boring or drilling for oil or gas shall be erected, maintained or permitted on any residential lot in the Subdivision at any time while these restrictions remain in force and effect.

21. Drainage structures. Drainage structures under private driveways shall always have a net drainage opening area of sufficient size to permit the free flow of water without backwater.

22. Cutting of Trees. No growing trees 6" or more in diameter measured at a point 12" from the ground may be cut from any lot without the prior written approval of the Committee, except only for such trees as may be removed where necessary to the construction of improvements on the lot.

23. Maintenance Fund. Each lot in the Subdivision, from and after the sale thereof by Developer, is hereby subjected to an annual maintenance charge of \$15.00 per month (\$180.00 per year) per lot, for the purpose of creating a fund to be known as the "Cape Royale Maintenance Fund", to be paid by the Purchaser of each such lot in conjunction with a per lot charge to be paid by the purchasers of other lots in the Subdivision, the same to be secured by an assessment lien upon said lots, said maintenance charge to be payable monthly in advance as directed by the Developer or the Association, as the case may be. At such time as Developer has transferred the title by general warranty deed to 75% of the residential lots in all sections of Cape Royale Subdivision, or sooner if notice to such effect is given by Developer to the Association, the responsibility for the collection and disbursement of such maintenance fund may be delegated to the Association. The annual maintenance charge may be increased from year to year up to an annual increase not to exceed 10% of the maintenance charge for the previous year. Funds arising from such charge may be applied, so far as sufficient, toward the payment of maintenance or improvement expenses incurred for any or all of the following purposes: lighting, streets, sidewalks, paths, parks, parkways, esplanades, areas between curbs and sidewalks, swimming pools, clubhouse facilities, ramps, boat landings, boat basins, and other similar recreational facilities, collecting and disposing of garbage, ashes, rubbish, and the like, employing policemen and watchmen, providing fire protection, caring for vacant lots, collecting of maintenance charges, enforcement of restrictions, and doing any other things necessary or desirable in the opinion of the Developer to keep the property neat and in good order, or which it considers of general benefit to the owners or occupants of the Subdivision, it being understood that the judgment of the Developer (or the Association, as the case may be) in the expenditure of said fund shall be final so long as such judgment is exercised in good faith. Any and all liens securing said maintenance charge are hereby declared to be expressly subordinate and inferior to any voluntary lien, including any renewal and/or extension thereof, created on any lot or lots in the Subdivision by an owner thereof for the purpose of obtaining a construction or permanent loan or both such loans for the purpose of improving such lot or lots. Said subordination of liens shall continue and be in full force and effect for so long

24. Covenants running with the Land. All of the restrictions, covenants and conditions herein provided for and adopted shall apply to each and every lot in the Subdivision, and shall be covenants running with the land. Developer, its successors and assigns, shall have the right to enforce observance and performance of the restrictions and covenants contained and provided for herein, and in order to prevent a breach or to enforce the observance or performance of same, shall have the right, in addition to all legal remedies or remedies elsewhere provided herein, to an injunction either prohibitive or mandatory. The owner of any lot or lots in the Subdivision affected shall likewise have the right either to prevent a breach of any such restrictions or covenants or to enforce the performance thereof.

25. Partial Invalidity. Invalidation of any of these covenants, restrictions or conditions by court judgment or otherwise, shall not affect, in any way, the validity of any of the other covenants, restrictions or conditions, all of which shall remain in full force and effect. Acquiescence in any violation, shall not be deemed a waiver of the right to enforce against the violator or others the conditions so violated or any other conditions; and Developer shall have the right to enter the property of the violator and correct the violation, or to require that the same be corrected.

26. Duration of restrictions.

(a) The restrictions and covenants herein provided for and adopted shall remain in full force and effect until December 31, 1998, subject to modification or amendment as hereinafter provided.

(b) At the end of the term provided in 26 (a) above, and at the end of each ten (10) year extension herein provided for, these restrictions shall be automatically extended and renewed for succeeding periods of ten (10) years each, unless, within six (6) months prior to the date such restrictions and covenants would otherwise be automatically extended, an instrument shall have been signed by the then owners by general warranty deed of a majority of lots in the Subdivision, each lot entitling its owner to one (1) vote, and shall have been recorded in the Office of the County Clerk of San Jacinto County, Texas, agreeing to change said restrictions and covenants in whole or in part.

(c) Any or all of the restrictions, covenants and conditions herein contained may be repealed, amended or modified at any time with the written consent of Developer, by a majority vote of the lot owners in the Subdivision, each lot entitling its owner to one (1) vote. Such repeal, amendment or modification shall be effected by an instrument in writing executed by Developer and such majority of said lot owners, and filed for record in the office of the County Clerk of San Jacinto County, Texas.

27. Headings. All sections and paragraph headings used herein are for convenience only and shall have no efficacy in construing any of the restrictions, covenants or conditions herein contained.

28. Further Development. Notice is hereby given to each purchaser of a lot in the Subdivision that Developer may in the future add an additional section or sections to the Cape Royale Subdivision. Purchasers of lots in such future sections may be entitled to use recreational facilities, if any, in the Subdivision.

and effect of an original, this the 18th day of November, 1983.

MITCHELL DEVELOPMENT CORPORATION
OF THE SOUTHWEST

By: [Signature]
Name: Alfred Lehtonen
Title: Vice President

STATE OF TEXAS
COUNTY OF MONTGOMERY

This instrument was acknowledged before me on November 18, 1983, by Alfred Lehtonen, Vice President of Mitchell Development Corporation of the Southwest, a Delaware Corporation, on behalf of said corporation.

Kathleen Davidson
Notary Public
State of Texas
KATHLEEN DAVIDSON
Notary Public in and for State of Texas
My Commission Expires 10/11/87



NOTICE TO PURCHASERS OF REAL PROPERTY

The real property, described below which you are about to purchase is located in the Cape Royale Municipal Utility District. The district has taxing authority separate from any other taxing authority, and may, subject to voter approval, issue an unlimited amount of bonds. As of this date, the most recent rate of taxes levied by the district on real property in the district is \$.50 on each \$100 of assessed valuation. The total amount of bonds which has been approved by the voters and which have been, or may at this date be issued is \$ 1,500,000.00. The purpose of this district is to provide water and sewer services within the district through the issuance of bonds payable from property taxes and user charges. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned by the district. The legal description of the property which you are acquiring is as follows:

A tract of land containing 2.938 acres, being all of Replat of Cape Royale, Harbour Villas Section 2, a subdivision in the Drury McGee Survey, A-28, San Jacinto County, Texas, according to the map or plat thereof recorded in Volume 7, Page 51 of the Plat Records of San Jacinto County, Texas.

MITCHELL DEVELOPMENT CORPORATION
OF THE SOUTHWEST

11-18-83
Date

[Signature]
Signature of Seller
Alfred Lehtonen
Vice President

The undersigned purchaser hereby acknowledges receipt of the foregoing notice prior to closing of the purchase of the real property described in such notice.

November 18, 1983
Date

[Signature]
By: Don E. West

THE STATE OF TEXAS §
COUNTY OF SAN JACINTO §

This instrument was acknowledged before me this 18th day of November, 1983, by Alfred Lehtonen Vice President of MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST, a Delaware corporation, on behalf of said corporation.

[Signature]
Notary Public
State of Texas
My Commission Expires: _____
KATHLEEN SANDGREN
Notary Public and for State of Texas
My Commission Expires 10/11/87

THE STATE OF TEXAS §
COUNTY OF SAN JACINTO §

This instrument was acknowledged before me this 18th day of November, 1983, by Don E. West.

[Signature] (Dottie Barnes)
Notary Public

THE STATE OF TEXAS §
 §
COUNTY OF SAN JACINTO §

KNOW ALL MEN BY THESE PRESENTS:

THAT, MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST, a corporation, with offices in The Woodlands, Montgomery County, Texas, (hereinafter called "Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to it in hand paid in cash by DON E. WEST (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged and confessed; and,

The further consideration of the execution and delivery by Grantee of its one (1) certain promissory note of even date herewith, in the principal sum of ONE HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS (\$120,000.00) payable to the order of Grantor, bearing interest at the rate therein provided, and being payable as therein provided;

has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY, unto the said Grantee, of San Jacinto County, Texas, that certain tract or parcel of land, lying and being situated in the County of San Jacinto, State of Texas, and described as follows:

All that certain tract or parcel of land containing 2.938 acres, being all of Harbour Villas Section 2, a subdivision in the Drury McGee Survey, A-28, in San Jacinto County, Texas, according to the map or plat thereof, recorded in Volume 7, Page 51 of the Map Records of San Jacinto County, Texas.

THIS CONVEYANCE is made and accepted subject to any and all easements, rights-of-way, oil, gas, and other mineral reservations, royalty interests or restrictions, covenants and conditions affecting the Property and of record in the Real Property Records of San Jacinto County, Texas.

TO HAVE AND TO HOLD the above-described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, its successors and assigns FOREVER; and Grantor does hereby bind itself, its successors and assigns, to Warrant and Forever Defend all and singular the Property, unto the Grantee herein, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Ad valorem taxes have been prorated as of the date hereof, and are assumed by Grantee.

BUT, it is expressly agreed and stipulated that the Vendor's Lien and Superior Title is retained against the above-described Property and premises until the above-described note, and all interest thereof, is fully paid according to its face and tenor, effect and reading, when this Deed shall become absolute.

EXECUTED this 18 day of November, 1983.

MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST

By [Signature]
Name: Alfred Lehtonen
Title: Vice President
[Signature]
Don E. West

THE STATE OF TEXAS
COUNTY OF

This instrument was acknowledged before me on November 18, 1983, by Alfred Lehtonen, Vice President of Mitchell Development Corporation of the Southwest, a corporation, on behalf of the corporation.

[Signature]
Notary Public
State of Texas
My Commission Expires: [Date]
Notary Public in and for State of Texas
My Commission Expires 10/11/83

THE STATE OF TEXAS
COUNTY OF

This instrument was acknowledged before me on Nov. 21 1982, by Don E. West.

[Signature] (Dottie Bar
Notary Public
State of Texas
My Commission Expires: 3-17-85

Mailing Address of Grantee:

Don E. West
P.O. Box 307
Coldspring Texas 77321