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Form No. 1-Res. -- P.A.

DEEDS

Restrictions and covenants applicable to POINT AQUARIUS SUBDIVISION, SECTION SIX, being _____ acres in the Timothy Cude Survey A-12, Montgomery County, Texas.

STATE OF TEXAS 0
COUNTY OF MONTGOMERY 0

PART I

WHEREAS, The Bonanza Corporation, a Texas corporation, of Montgomery County, Texas is the owner in fee simple of the hereinafter, described premises in Montgomery County, Texas to-wit:

Being POINT AQUARIUS SUBDIVISION, SECTION SIX, and being _____ acres of land out of and a part of the Timothy Cude Survey A-12, Montgomery County, Texas as per map or plat thereof recorded in the plat records in the office of the county clerk of Montgomery County, Texas. File Number _____.

WHEREAS, it is the desire of said owner of said subdivision for the purpose of insuring harmonious, pleasant and satisfactory living conditions in a residential subdivision, and to insure means for mutually safe-guarding and enhancing the value of investments in said subdivision by each property owner therein, to fix and adopt the restrictions and covenants set forth hereinafter, which said restrictions, covenants, and provisions shall govern the development and use of said subdivision, and shall be binding upon the undersigned, its successors and assigns, for the term stipulated herein.

These restrictions, covenants, and provisions are specifically set forth to cover Section Six of Point Aquarius Subdivision, however, it is specifically stated that The Bonanza Corporation, its successors or assigns may incorporate into any provisions hereof any other properties within the Timothy Cude Survey or adjacent surveys, whether said properties are presently owned, or acquired in the future, and such properties are subdivided and dedicated as a section, lot or block of Point Aquarius Subdivision. In such case all General or Specific Commons as so designated upon said future plats or Subdivision will fall under the provision of Part IV hereof.

PART II

1. TERM: These covenants, restrictions and/or provisions are to run with the land and shall be binding on all parties and all persons claiming under them for a period of Thirty-Five (35) years from date, after which time said covenants, restrictions and provisions shall be automatically extended for successive ten (10) year periods, unless an instrument signed and acknowledged by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part at the expiration of any such ten (10) year period, except as specifically stated otherwise herein.

2. SEVERABILITY: Restrictive covenants, and each part of any covenant, shall be held severable, in that the invalidation of any covenant or part thereof by Court Judgment shall not run to any other provision by restrictive covenants, and said other provisions shall remain in full force and effect.

3. ENFORCEMENT: Enforcement of restrictive covenants shall be by proceedings at law or in equity against any person or parties violating or attempting to violate any restrictions, covenants or terms, and legal remedy shall lie in restraint of violation or recovery of said damages, and as may be otherwise provided herein. The right of legal action in enforcement shall accrue to any owner of property in this subdivision or any claimant thereunder and to any political unit or government authority having jurisdiction in the matter in question.

4. **LIENS:** Liens upon any lot, building site or tract of land in this Subdivision given to secure payment of notes for purchase money advanced, or for improvements made or to be made, or for the extension or renewal of such indebtedness or notes, or any part thereof, shall not be invalidated or affected in any way by any violation of these covenants on the part of any person or party acquiring any such lot, building site or tract of land: such lien shall remain in full force and priority in the case of any court judgment against such owner of such lot, building site or tract of land; said premises shall remain subject to such liens; and no release of any restrictive covenants, or any part thereof, shall be construed as against the original purchaser, his heirs, executors, administrators, assigns or successors, as the case may be; and sale under a foreclosure of such lien as hereinabove recited shall pass title to such premises subject to the restrictive covenants then in effect.

5. **ARCHITECTURAL CONTROL:** No building or fence shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure, and complete plan of septic system if any, showing relation to lot lines and water lines have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. Approval shall be provided in Part VI hereof. Septic systems will be allowed only as a temporary measure until sewage system is available, and permits must be obtained from proper authority.

The Architectural Control Committee is hereby authorized to enforce any building or fire codes, or any rules, restrictions or requirements concerning the construction of buildings in this Subdivision, said requirements having been made by an Authority, local, county, state or otherwise, having the legal authority to make such requirements. It is further stipulated herein that the Architectural Control Committee is empowered to require fire walls to be constructed at wall sections in contiguous housing, wherever said Architectural Control Committee deems that such requirement is necessary or beneficial to the safety and preservation of property or life. Such requirements would be made based on the requirements of municipalities of the area or some other standard code ordinarily pertaining to the construction industry.

6. **ARCHITECTURAL CONTROL COMMITTEE:** The Architectural Control Committee is composed of Jim W. Fuller, Don Apostolo and Fred Garner, all of Conroe, Texas. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant. At any time, after five years from date, the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to change the membership of the committee.

7. **PROCEDURE:** The committee's approval or disapproval as required in these covenants shall be in writing. In the event the committee, or its designated representative fail to approve or disapprove within 30 days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

8. **EASEMENTS:** It is understood and agreed that the easements granted herein are reserved as permanent easements for the purpose set forth in said paragraphs and are not subject to the time limit applicable to other restrictions.

PART III

1. **LAND USE:** No lot, building site or tract shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain

on any lot other than one detached single-family dwelling house not to exceed three stories in height, a private garage for the family vehicles, storage facilities and bathing, toilet, or dressing rooms for private pools. No business of any type, kind or character, or apartment house, nor any occupation or business for commercial gain or profit shall be done or carried on or in said residential area. All parts of said Subdivision are hereby designated as a residential area, except as hereinafter explicitly excluded.

2. **EASEMENTS:** Easements as shown and called for on the official plat of said Subdivision have been dedicated for the installation, operation and maintenance therein of utilities servicing the needs of residents of this Subdivision. Ground easements are drawn and marked on the official plat. Any facilities such as storm sewers, water mains, sanitary sewers, gas mains, electric power lines and telephone lines will be installed upon street right-of-way and easements as dedicated on the official plat. Title to all utility systems and to all parts thereof shall remain vested in the person, firm, corporation, or political unit having due and legal authority to install, own and operate such system and no right of ownership therein, or any part thereof, shall pass to any owner of real property in this Subdivision by virtue of such ownership. The owners of utility systems shall have the rights of ingress and egress for purposes of installation, operation and maintenance, and for like purposes, shall have prior rights in the use of land under easement as against the owner of such land, and no person, firm or entity will construct a fence or barrier thereon except as permitted hereinafter.

3. **BUILDING SITES:** A building site consists of one lot, or one or more lots or parts of two adjoining lots. Building sites made up of fractional parts of adjacent lots shall be no smaller in area and have no less footage than the larger of the two lots as shown on the official plat, if there be any difference between the size of the two lots involved. Under no circumstances shall a residence be built on less than one whole lot as dedicated on the official plat.

4. **BUILDING TYPE AND SIZE:** The building erected upon any building site shall consist of no more than one single-family dwelling establishment. No building shall be erected upon any building site, nor any building altered, placed or permitted to remain on such site other than one single-family dwelling, together with housing space for usual family requirements such as garage, household laundry, storage or servant's quarters.

The covered part of the dwelling proper exclusive of open porches, carports, garages and servant's quarters will contain a minimum of 1,800 square feet if erected on any of the lots in this section except that the covered part of the dwelling proper, exclusive of open porches, carports, garages and servant's quarters will contain a minimum of 2,000 square feet if erected on any of the lots fronting on Lake Conroe which includes all lots in Block One.

No building shall be erected off of the premises and moved onto said Subdivision. That is, no other building shall be moved from other premises into this Subdivision and all buildings or units shall be constructed and erected on said premises. In the event of a multi-story dwelling unit, the ground floor area, exclusive of open porches and garages, shall not be less than one thousand (1,000) net square feet. Garages may be built attached to or separate from the dwelling proper.

5. **BUILDING LOCATION ON SITE:** For these purposes, porches, stoops, bays and covered areas are considered a part of the building. No part of any building shall be closer than twenty (20) feet from the front property line nor closer than five (5) feet to side division lines of building sites. The drip line of eaves shall be kept back from side and back property lines and utility easements by at least one foot. In cases where building is done adjacent to easements, encroachments upon such easements by any part of such building including foundations and eaves, shall be forbidden. All residences shall be erected with front thereof facing the street with the smallest area adjacent to said lot. That is residence shall be erected fronting on the street adjacent to the smallest frontage of said lot.

6. SEQUENCE OF BUILDING: No housing for garage, servant's quarters, or other service function of the dwelling establishment shall be erected or placed upon any building site until construction of the dwelling proper has been started and is actually under way. Any structure begun must be completed within a reasonable length of time.

7. TEMPORARY STRUCTURES AND UTILITY BUILDINGS: No temporary building or structure will be erected on any lot in this Subdivision, nor will any building of any type for any purpose be erected on any lot in this Subdivision prior to the construction of a dwelling, as per these restrictions, and approved by the Architectural Control Committee. No temporary structures such as a trailer, tent, shack, shed storage room or garage shall be used at any time on any building site in this Subdivision as either temporary or permanent residence.

8. WATER SUPPLY: Water for this Subdivision will be provided by distribution lines connected with a central water system and no water wells shall be made, bored or drilled, nor any type of kind of private system installed or used, except that a private well may be drilled at the owner's option for sprinkler systems or similar non-drinkable use, upon approval of the Architectural Control Committee. Wells may be drilled by the hereinafter established Authority for use in watering commons and filling of ponds in commons.

9. SANITARY SEWERS: No open or pit type toilets will be allowed in this Subdivision. All dwellings constructed in this Subdivision prior to occupancy, must have a sewage disposal system installed to comply with the requirements of the appropriate governing agency and must immediately tie onto a central sewer system when available.

10. WALLS AND FENCES: Walls and fences, if any, must be approved by the Architectural Control Committee; shall be no closer to front street property lines than the front of the dwelling located on said lot and no closer than five feet to side street lines. Any erection of any wall, fence or other improvements on any easement is forbidden. Fences and walls will be constructed of ornamental iron, wood or masonry.

11. NUISANCES: No nuisance shall be maintained nor any noxious or offensive activity carried on on any lot, building site or tract of land in this Subdivision; nor shall anything be done thereon which may or might become a nuisance to the neighborhood.

12. GARBAGE AND TRASH DISPOSAL: Garbage and trash or other refuse accumulated in this Subdivision shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence of this subdivision is or may be created. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

13. ON-THE-STREET PARKING: At all times those areas of street right-of-way between pavement and property lines shall be maintained from encumbrances by personal or private property. No on-the-street parking will be allowed.

14. SIGNS: No signs consisting of advertising display or devices of any type or kind shall be in public view on any building site in this subdivision except for the builder's signs during the construction and sales period of improvements in which case one installation on the building site of not more than five (5) square feet of sign space shall be the maximum allowable. No sign will be allowed upon any site or building advertising such site or building for sale except as above stated.

15. **PETS, POULTRY AND LIVESTOCK:** No animals of any kind, livestock, or poultry shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes.

16. **MINERAL DEVELOPMENT:** No oil well drilling, oil development operation or oil refining of any kind shall be permitted upon or on any lot, nor shall oil wells tanks or mineral excavations be permitted on any lot. No derrick or other structures designed for use in drilling for oil, or natural gas shall be erected, maintained or permitted upon any of said lots; provided, however, that this provision shall not prevent the leasing of the land above described or any portion thereof, for oil, gas and mineral purposes and the development of same, it being contemplated that said premises or portions thereof may be developed from adjacent lands by directional drilling operations.

17. **SIGHT DISTANCE AT INTERSECTIONS:** No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points ten feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight-line limitations shall apply on any lot within five feet from the intersection of the street property line with the edge of a driveway or alley pavement. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

18. **STREET OR PASSAGE WAYS:** No street or passage-way shall be erected on, over or through any lot or block (except driveways to a house located on such lot or block) except as shown on the map or plat of such Subdivision.

19. **CUTTING TREES IN R.O.W.:** No trees over five inches in diameter will be removed from street right-of-way lying between ditches or curbs, and private property lines except as is absolutely necessary for access by automobile from street into lots.

20. **DRAINAGE:** Natural drainage of streets, lots or roadway ditches will not be impaired by any person or persons. Driveway culverts will be of sufficient size to afford proper drainage of ditches without backing water up into ditch or diverting flow. The breaking of curbs for drive installations will be accomplished in a good and workmanlike manner and such break will be recemented without hinderance to drainage and such work is subject to the inspection and approval of the Architectural Control Committee. No curb will be broken prior to Architectural Control Committee approval.

PART IV

1. **NOTICE OF AUTHORITY FOR ASSESSMENT:** Each interested party or purchaser of a lot, tract or parcel of ground, hereinafter called lots, as platted in this Subdivision is hereby made aware of the fact that all streets herein are dedicated or will be dedicated to the use of the property owners herein and are not dedicated to the County of Montgomery, any municipal body or public authority nor to the public. Such purchaser or other interested party is hereby given notice that the maintenance of such streets and other designated areas and facilities, called common areas, and the payment for Security Guards and Patrols, garbage pick-up and other conveniences deemed necessary and requisite to the pleasure, comfort, security and enjoyment of the property owners in Point Aquarius Subdivision, will be provided for through an assessment of assessments, as the case may be, to be levied against each and every lot as is platted or to be platted in Point Aquarius Subdivision, and any other tract or parcel of land sold therein that will

benefit from the use of common areas and common facilities to be maintained by assessment, such determination to be made by the Authority created herein.

2. AGREEMENT: Each purchaser of a property in Point Aquarius Subdivision hereby agrees that The Bonanza Corporation, a Texas corporation existing under the laws of the State of Texas has the authority, and in consideration of the necessity, of an authority to administer the funds and attend to the management and maintenance of all common areas, services and facilities in said subdivision does hereby grant and give unto the said The Bonanza Corporation, its successors and assigns, the authority to levy and collect assessments as necessary, and to expend said funds as necessary, subject to the requirements as hereinafter set forth, for the purpose of the maintenance of all facilities and areas and services as hereinabove and hereinafter described.

The Bonanza Corporation, its successors or assigns may at its option, cause to be created a Property Owners Association or associations with charter and by-laws approved by The Bonanza Corporation and members, being owners of property in Point Aquarius, and at the option of said The Bonanza Corporation may assign the authority created in this instrument to said Property Owners Association or associations and convey unto such association or associations as trustee, all the various common areas both General and Specific. Such conveyance would be subject to all the requirements, authority and limitations as are imposed upon The Bonanza Corporation and property owners in this and other instrument. Hereinafter, the title The Authority, for purposes of this instrument, will mean any legal person or body holding the authority of this instrument.

3. CATEGORIES OF COMMONS: There will be two categories of common areas designated upon the plat or plats filed of record showing the subdivision of Point Aquarius. Said designated common areas may be in the form of land to which title is held in fee by the Authority as established herein, or may be shown as easements upon and across homesites or other property as shown upon the plat or plats of said subdivision, or such commons may be set forth and dedicated in a separate written instrument.

a. General Common Areas: These areas will be so designated on the plat or plats of said subdivision as general common areas, as areas to be used in common by all the property owners in all sections of the subdivision of all of Point Aquarius. These commons may include but not necessarily be limited to areas and facilities such as:

Through or thorough-fare streets, boulevards, decorative and planting areas, pools, ponds, entrance gates, guard houses, walkways, guest or owner parking, recreation areas or facilities as may be so constructed and developed and/or designated as General Common areas by the developers, The Bonanza Corporation its successors or assigns.

b. Specific Common Areas: These areas will be so designated on the plat or plats of said subdivision as Specific Common Areas and will be common only to those owners of lots in the specific area or areas as so designated upon the plat and will not be used in common with all the owners in all of the subdivision Point Aquarius, but will be used in common only with owners in such specific section, sections or areas as so designated.

These commons will include but not necessarily be limited, to such areas and facilities as: Limited access ways to homesites, decorative and planting areas, pools, ponds, statuary, recreation areas, walkways, guest or owner parking and facilities within the specific common area as may be so constructed and developed, and/or designated as Specific Common areas by the developer, The Bonanza Corporation, its successors and assigns.

It is herein stipulated that designated common areas, whether Specific or General may be used for any purpose required or deemed by the Authority, advantageous to the property owners in Point Aquarius, such purpose to include but not be limited to the installation of any or all utilities, and dedication of such easements and right-of-way as deemed necessary by said Authority, such dedications may be

made upon the plat thereof or by separate instrument in writing and such dedication may be made at the descretion of the authority at anytime, present or future or the Authority may allow the installation of any main or service extensions in said Commons by letter to the utility company, or may allow installation of service lines from main to dwelling or outlets by oral approval. Any such installations made will be considered approved if the Authority has not ordered such installation halted prior to completion thereof.

4. GENERAL COMMONS: All lots in this subdivision are subject to a monthly levy and the owners will pay into a fund a prescribed fee assessment for the purposes of paying the cost to accomplish those things necessary to the maintenance of those areas designated as General Common Areas. Such levy will also include funds necessary to pay for Security Guard and Patrol service as deemed necessary by the Authority, and all other services and incidentals deemed necessary by the Authority to assure the protection, enjoyment and pleasure and benefit of each property owner and resident within Point Aquarius Subdivision. Said assessment will be levied against each and every single family dwelling site as a separate unit and upon a basis of the number of units constructed or to be constructed upon multi-family sites. The fee to be set upon a multi-family sites prior to the construction of said dwelling units will be set by the Authority based upon the estimations of the capacity of said site for individual multi-family units and shall thereafter be adjusted if necessary, to conform to the number of units constructed or to be constructed after final plans and specifications are submitted for such construction or after such construction has been begun, at the option of the Authority.

5. SPECIFIC COMMONS: All lots, tracts or parcels of ground as platted in this subdivision lying within a section, sections or area having reserved unto said section, sections or areas a Specific Common area or Specific Common areas, facilities or services specifically common to that section, sections or areas and such commons being designated upon the plat as Specific Common areas for the exclusive use of the owners or residents therein will be levied upon and required to pay into a special and separate fund additional funds for the maintenance of said Specific Commons or service performed specifically for such areas.

All such assessments will be levied in the same manner and upon the same basis as set forth hereinabove and hereinafter set forth.

6. EFFECTIVE DATE OF ASSESSMENTS: Any or all levies for any or all purposes as herein set forth may be made and begun at an appropriate times as will be determined by the Authority. Said action may be made to affect, at different times, any sections, and levies for maintenance of general or specific areas may be made or begun at different dates, and are not required to be made simultaneously.

When such determination is made by the Authority, notice will be given to the owners of such properties as affected and all said owners will then be required to pay said assessments to the Authority. No owner, person, firm or legal body will be excluded or exempt from the payment of such levies including the developer, The Bonanza Corporation, its successors or assigns.

7. HANDLING OF ASSESSED FUNDS: It is specified herein that all funds collected by the Authority for maintenance and services of General Commons will be kept in a special bank account called Point Aquarius General Commons Account, to be used only for the purposes as herein stated, and an itemized account of all receipts and disbursements will be mailed quarterly to all property owners in said subdivision.

It is specified herein that all funds collected by the Authority for maintenance and services of Specific Commons will be kept in separate special accounts. Each such account will be titled in such a manner as to determine the section or area covered and said funds will be used for the purposes as herein stated as regard that specific section or area. An itemized account of all receipts and disbursements concerning said account will be mailed quarterly to all property owners in such area or section.

If at any time the owners of 51% or more of the lots affected by an assessment desire that the fund so established and the books and records pertaining thereto be audited, then said owners may, by affixing their signatures to a petition cause such audit to be made. Such petition will cite the account by its proper identification and shall stipulate the name of a Certified Public Accountant who shall make such audit and the date that such records shall be made available to said Accountant. The Authority will then be compelled to make such records available to the named Certified Public Accountant, in the offices of the Authority, and will be authorized to pay to such accountant, reasonable accounting fees for said audit from the funds of the account so audited.

8. ESTABLISHMENT OF AMOUNT OF ASSESSMENT: The Authority in initially setting the monthly levy or assessment for any purpose stated herein, will do so on an estimated basis determined by an indepth study of the requirements of said purposes. Said amount so levied may be changed from time to time, as necessary, to pay the allowed expenses as herein set forth or should said assessment prove to be more than needed for such purposes, then, the Authority will reduce said levy accordingly.

9. SPECIAL ASSESSMENTS: The Authority will have the right, privilege and powers to levy special assessments as may become necessary for purposes as required and authorized herein. Such special assessments would be made on the same pro-rata basis as hereinabove set forth and paid to Authority as prescribed by said Authority. Upon the approval of the owners of 51% of the lots subject to any special assessment, such special assessments could be made for the purpose of the construction or reconstruction of improvements for the use and benefit of such owners in the Common areas, either General or Specific.

10. COLLECTION OF ASSESSMENTS: The Authority will have the sole responsibility and authority to collect all assessments. Such assessments will be levied on a monthly basis and Authority will have the power to allow certain reasonable discounts to owners paying said assessments semi-annually or annually in advance. Authority will have the power to add to such assessments appropriate and reasonable penalties against said owners for delinquency in payment of assessments as well as the other remedies set forth herein.

11. DELINQUENT ASSESSMENTS: Any owner being 30 days delinquent in the payment of any assessment will have filed against his property a lien for such assessment, plus any penalties and cost. Such lien shall remain in effect until all past due assessments, penalties and costs have been paid or satisfied.

12. ENFORCEMENT OF LIENS: Each lien established by the Authority pursuant to the provisions of this instrument, by recording with the County Clerk of Montgomery County a notice of delinquency and lien upon subject property may be foreclosed, as and in the same manner as is provided for the foreclosure of a mortgage upon real property under the laws of the State of Texas, just as though said Authority had retained a vendor's lien and possessed a Deed of Trust and note against said property. In any action to foreclose any such lien, the Authority shall be entitled to cost, including reasonable attorney's fees, and other allowed cost and penalties.

13. RESERVATION OF LIENS: The Authority does hereby reserve unto itself, establish and impose a lien, thereby securing each assessment imposed or to be imposed, or in any way provided for herein, together with any cost, interest or penalties against all the property covered in this instrument subject only to any limitations and/or provisions in this instrument.

14. SUBORDINATION TO MORTGAGE: Each and every assessment and lien, together with any cost, penalties or interest, established, reserved or imposed under this instrument and authority shall be subordinate to any valid bonafide mortgage or trust deed (and the lien and/or title thereof) which has been or may hereafter be given in good faith and for value on any interest of any owner covered by

this instrument and authority. Any subsequent owner of any property so covered purchased at foreclosure shall be bound by restrictions, conditions, covenants, reservations, assessments and liens set out in this instrument, not including, however, any assessment or lien arising prior to the foreclosure sale.

15. EXCLUSION OF DEVELOPER: The developer of Point Aquarius, The Bonanza Corporation, its successors and assigns, hereinafter called Developer, will sell to purchasers properties within said subdivision. It is specifically stated and agreed that if one or more lots, tracts or parcels of land are sold to any purchaser by Developer, by contract for deed, or deed with lien and note or other instrument and purchaser defaults in payments of said lien in any manner, such as failure to pay principal interest, taxes, insurance or assessments set out hereunder and said property be repossessed, or such contract cancelled by Developer, or any assignee of Developer's right title and interest in any such lien or contract, then Developer or said assignee, will not be required to pay to the Authority any delinquent or past due assessments or penalties and any liens for non-payment of same filed by said Authority will be released as regards such property; however, this stipulation does not by any means relieve the purchaser in default who failed to pay such assessments levied and/or penalties and cost, and from whom said property was repossessed, of his personal liability to pay such delinquent funds, though such delinquency will not be attached to such property as a lien in this instance.

16. RULES AND REGULATIONS GOVERNING USE OF COMMONS AND FACILITIES THEREIN: Rules and regulations governing the use of all commons and facilities both General and Specific, will be made and enforced by the Authority, to insure the best and mutual enjoyment thereof of all the qualified property owners and their guests. Any owner who fails to pay assessments levied or fails to comply with any requirements or rules and regulations governing the use of said commons and facilities will be denied the use thereof. Such rules and regulations to be made and enforced by the Authority will include, but not be limited to; rules concerning guest privileges to commons, hours of use of pools, tennis courts, etc., speed limits on streets, type of vehicles on streets and other commons, control of noise, etc.

17. DELEGATION OF USE OF FACILITIES: Any owner may delegate his right of enjoyment to the common areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

18. MAINTENANCE OF LOTS: The owner of a lot or lots in the subdivision will be required to keep said property free of underbrush, weeds, tall grass, or any other unsightly or offensive growth or accumulation of trash, garbage or unsightly deposits of any nature or kind from the date of purchase of said lot. This requirement is effective on occupied and unoccupied lots. Ten days after notice to owner of such situation existing, the Authority hereinabove created or its employees will have the right and authority to enter upon said premises and correct existing violation of the requirements so stated. Such Authority will charge said owner a reasonable fee for such work accomplished and bill said owner for said fee plus \$ 1.00 per month, for each instance, until owner pays said Authority in full as billed. All monies so owed the Authority will become a special assessment against the property of owner.

19. EXTERIOR MAINTENANCE OF BUILDINGS: In the event the owner of any building in the subdivision should allow such building to fall into disrepair and become in need of paint, repair or restoration of any nature and become unattractive and not in keeping with the neighborhood, the Authority as herein established will give such owner written notice of such conditions. Fifteen (15) days after notice of such condition to owner, and failure of owner to begin and continue at a reasonable rate of progress to correct such condition, the Authority may enter upon said premises to do or cause to be done any work necessary to correct said situation. The owner

thereof shall be billed for cost plus 10%. All monies so owed the Authority will become a special assessment against the property of owner.

20. The Authority herein created is empowered to contract with a utility company for the owner or occupant of each dwelling in this subdivision to pay the amount of 50¢ per month, such 50¢ to be added to such occupant's electric bill each month, as a contribution toward payment for the operation and maintenance of street lighting in this subdivision. This fee may be adjusted up or down within reason, in accord with the rates of the utility company.

21. NOTICE: In all instances herein where notice is required, notice will have been given upon placing in the United States mail said notice to the last known address of such person or party to whom notice is to be given.

22. It is specifically agreed by each purchaser and stipulated herein that the developer, The Bonanza Corporation, its successors and assigns will have the right of use of all commons whether specific or general; such use will be allowed for the purposes of promotion and sale of property by said developer and will include the right of developer to issue passes and permits to guests or prospective purchasers of property and developers employees to use and enjoy for limited periods, such commons, facilities and services just as does an owner of a lot or lots in said subdivision. This right is reserved unto The Bonanza Corporation, its successors and assigns so long as said developer owns land in the Subdivision and is marketing same.

PART V

UTILITY STANDBY CHARGES

Until such time as water and sewer taps are made for each separate residential lot, and water and sewer service is commenced, there shall be levied against every individual residential lot, severally, a standby charge not to exceed \$ 7.50 per month. Such charge shall be fixed from time to time by the Board of Directors of the utility district to be created on the property, which charge shall be due and payable in monthly installments in advance; and the payment of such standby charge or charges shall be and is secured by a lien as hereby created. The Bonanza Corporation does hereby reserve unto itself, its successors and assigns and establish and impose a lien, thereby securing the assessment as herein set forth for the prescribed utility standby charge.

This lien so established, may be foreclosed upon after notice of delinquency to the owner of any lot, as and in the same manner as is provided for the foreclosure of a mortgage upon real property under the laws of the State of Texas, just as though The Bonanza Corporation had retained a vendor's lien and possessed a deed of trust and note against said lots. Any such action of foreclosure will entitle the lien holder to reasonable attorney's fees and other allowed costs and penalties.

It is specifically stated herein that all property held by The Bonanza Corporation, its successors and assigns for sale or resale within this subdivision is hereby totally exempt from any and all of the requirements of this PART V and no lien shall become effective on any property herein until said property is sold to a bona-fide purchaser by contract or deed.

Such standby charge, the liens securing the payment thereof, and the right and responsibility for the enforcement thereof are hereby assigned or will be assigned without recourse to the utility district upon its creation, in consideration of its furnishing or proposing to furnish such water and sewer service to such residential lot or lots. Such charge, and all liens securing the payment thereof, shall be released and discharged automatically (without further action) on any lot upon the conveyance of any lot to the initial person or persons who will reside on the property and the completion of a dwelling or residence on the property. Such completion may be evidenced by the creation and recordation of the first lien

mortgage or deed of trust on the improved property or by the execution of a release by the holder of said lien or by the Board of Directors of the said utility district, of the lien created hereunder to secure the standby charge.

PART VI

LAW ENFORCEMENT
AND STREET RIGHTS

1. TRAFFIC LAW: Notwithstanding the fact that all roads and streets in this subdivision are dedicated not unto the public, but only to the property owners in Point Aquarius Subdivision, it is hereby stipulated that the Commissioners Court will have the full authority to establish speed limits or other traffic rules or law, and penalties for violation thereof upon the streets of this development, and law enforcement officers of the County of Montgomery or of the State of Texas or any other official body having such authority, may enter upon this subdivision to enforce the speed limits as set by the Montgomery County Commissioners Court, just as though said roadways were public.

2. PUBLIC LAW: Notwithstanding the fact that all commons in this subdivision are private and dedicated only unto the property owners within the subdivision of Point Aquarius, it is hereby stipulated that any law enforcement officer, County, State or Federal is hereby authorized to enter upon the premises of the subdivision Point Aquarius for all purposes just as though the whold subdivision were a subdivision dedicated unto the public, and every law enforcement officer will have the same rights, privileges and duties within the boundaries of this subdivision as he would in any subdivision whereby the streets and other commons and facilities were dedicated to the public.

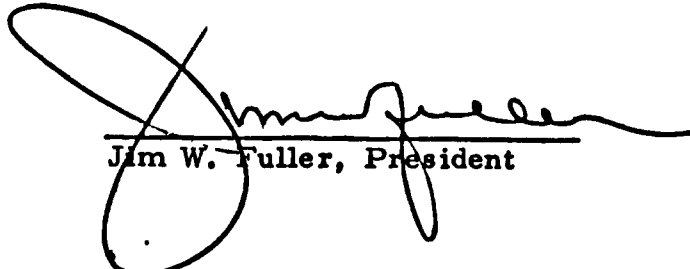
3. RIGHT OF STREET DEDICATION: Notwithstanding the fact that all streets within this subdivision are dedicated to the property owners and are not public streets and are not dedicated to the county or any other body politic, it is hereby stipulated that after five years from date should the owners of 75% of the lots in every section of the subdivision Point Aquarius so desire and execute a petition to the County Commissioners Court, petitioning such court to accept said streets as County roadways and should such court accept said streets and agree to maintain same, then said streets shall become County roadways and open unto the public and shall be maintained by the County of Montgomery and such streets shall cease to be private roadways.

EXECUTED this 29 day of JUNE A.D., 1971.

ATTEST:

THE BONANZA CORPORATION


D. L. Apostolo, Secretary


Jim W. Fuller, President

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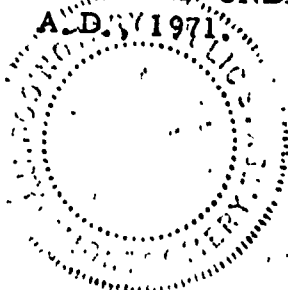
THE STATE OF TEXAS

COUNTY OF MONTGOMERY

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BEFORE ME, the undersigned authority, on this day personally appeared Jim W. Fuller, President and D. L. Apostolo, Secretary, of The Bonanza 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 considerations therein expressed, and in the capacity therein and herein set out, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29th day of June, A.D. 1971.



Jeannine Singleton
Notary Public in and for Montgomery County,
Texas

FILED FOR RECORD
AT 2 O'CLOCK P.M.

JUN 29 1972

ROY HARRIS, Clerk
County Court, Montgomery Co., Tx.
By Charles J. Patton Deputy