

COVENANTS, CONDITIONS AND RESTRICTIONS  
RELATING TO THE DEVELOPMENT AND USE OF THE PROPERTY

For purposes of these Covenants, Conditions and Restrictions, the Property shall be considered the        acres situated in the G. Mercer Survey, A-32, Walker County, Texas as shown on Exhibit A attached. Grantor does hereby acknowledge, declare and adopt the following restrictions, conditions and covenants (collectively, "Restrictions") to protect the owners of portions of the Property (hereinafter called the "Property") against such improper use as will depreciate the value of their Property; to guard against the erection thereon of poorly designed or proportioned structures and structures built of improper or unsuitable materials; to insure the highest and best development of said Property; to encourage and secure the erections of attractive improvements on the Property; to secure and maintain proper setbacks from streets and adequate free spaces between structures; and in general to provide adequately for high quality of improvements and thereby to enhance the value of investments made by purchasers of portions of the Property.

The Restrictions are set forth below and hereby impressed on the Property and shall run with the land:

1. The Property is to be used as recreational and/or residential property. Residences shall contain a minimum of 1000 square feet and be conventional construction. No manufactured home parks, or mobile home parks are permitted to be developed on the Property. The minimum slab elevation for any residence building shall be the minimum ground floor elevation requirement for compliance with F.E.M.A. Guidelines, or 18 inches above the base flood elevation as determined by F.E.M.A., whichever is more stringent. All buildings must be maintained in good appearance at all times.

2. Notwithstanding anything herein to the contrary, no portion of the Property may be used for purposes including but not limited to the following uses which shall not be permitted anywhere on the Property:

- (a) Any use that is unlawful or that is offensive by reason of odor, gas, fumes, dust, smoke, noise, pollution or vibration or that otherwise constitutes a nuisance or is hazardous by reason of excessive danger of fire or explosion;
- (b) Dumping, disposal, incineration, or reduction of garbage, sewage, dead animals, or refuse;
- (c) The construction or operation of water or sewage treatment plants or electrical substations (excluding such plants and facilities as may be operated by public utility companies or by utility districts or governmental authorities);
- (d) Smelting of iron, tin, zinc or other ores or refining of petroleum or its products;
- (e) Storage in bulk of bulk or used materials, a junkyard, a scrap metal yard, or auto salvage yard;
- (f) Industries, including, without limitation, heavy manufacturing, fabrication facilities and testing facilities;

- (g) Resale or pawn shops, flea markets, or bankruptcy, fire sale or auction business;
- (h) A tavern, bar, nightclub, discotheque or any other establishment selling alcoholic beverages for on premises consumption;
- (i) An adult bookstore or other establishment selling, renting or exhibiting pornographic materials or any sexually oriented business;
- (j) Any sexually oriented business, as that term is generally construed.

3. No used existing building or structure of any kind and no part of a used existing building or structure shall be moved onto, placed on, or permitted to remain on any portion of the Property for the purpose of storing said structure and/or unless said structure complies with other matters herein and is kept in a neat orderly fashion. No tent, shack, garage, barn or other outbuildings of any character shall be placed or erected on any lot or tract at any time to be used as temporary or permanent residence nor shall any residence of a temporary character be permitted. No recreational vehicle may be used as a residence. All new construction must be of new material and no tar paper type roof or siding materials will be used on any structure. The exterior of any wooden building must be painted or stained. All buildings and structures shall be completely underskirted with no piers or pilings exposed to view. All drainage improvements must be approved by any applicable county, state and/or federal authority.

4. No building or structure other than a fence shall be located nearer to the front Property line than one hundred (100) feet or nearer to the side Property line than fifty (50) feet or nearer to the rear Property line than fifty (50) feet. The terms "side Property line" and "rear Property line" as used in this paragraph in respect to any two or more contiguous whole and/or fractional Properties owned by the same person or persons and used as a single building site, shall therefore mean, respectively, each and/or either of the two outermost side Property lines and the rear Property line furthest from the front street line considering said contiguous whole and/or fractional Properties as one Property.

5. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except as follows, provided that no government regulations are violated: (a) dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided the same do not become an annoyance or nuisance to other owners of the Property; (b) no more than twenty (20) fowl may be kept, unless they are being raised pursuant to and as part of a 4H or FFA project not lasting over one year and are not otherwise being kept for commercial purposes and are kept in pens to the rear of the Property and no closer to any side or rear Property line than fifty (50) feet, and provided that they do not become an annoyance or nuisance to other owners of the Property; (c) other livestock, including sheep may be kept, if area is kept clean and attractive.

6. No Property shall be subdivided more than once and no more than two residences are allowed per Property whether subdivided or not.

7. No outside toilet or privy shall be erected or maintained on any Property. The materials installed in, and the means and methods of assembly of, all sanitary plumbing shall conform with the requirements of the Health Department of the State of Texas and the local authorities having jurisdiction. A septic tank system or other private sewage facility may be constructed only if it complies with the requirements of the Health Department of the State of Texas and of the local authorities having jurisdiction. This provision does not apply to "porta-can" temporary toilets on the Property so long as such "porta-can" does not remain on the property longer than fifteen (15) days after any construction project is completed or five (5) days after any special event is concluded.

8. Any residential building, residential structure, or residential improvement commenced upon any Property shall be completed as to the exterior finish and appearance within twelve (12) months from the commencement date.

9. No Property or portion of any Property shall be used as a dumping ground for rubbish or trash or any hazardous materials or waste, nor for storage of items or materials (except during construction of a building) and all Properties shall be clean and kept free of any boxes, rubbish, trash, tall grass or other debris. No refrigerators or other large appliances shall be placed outdoors and no inoperative motor vehicles or vehicles without current license and inspection sticker shall be placed on or allowed to remain on any lot. Grantor, their successors and assigns, shall have the right to enter the property where a violation exists under this paragraph and remove the incomplete structure and/or other items and/or clean the Property at the expense of the offending party plus interest at the maximum lawful rate.

10. No commercial, skeet, trap or rifle range operation involving discharging of firearms is allowed.

11. Subject to the provisions of the last sentence of this paragraph, if any person or entity, whether or not lawfully in possession of any portion of the Property, shall either (i) violate or attempt to violate any restriction or provision herein or (ii) 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 any person or entity, as defined hereinafter, possessing rights with respect to any portion of the Property, 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 (i) prevent such violation, (ii) recover damages or other dues for such violation, and (iii) recover court costs and reasonable attorney's fees incurred in such proceedings. "Person or entity", as used in the preceding sentence hereof, shall include, but shall not be limited to, all owners and purchasers of any portion of the Property, as well as heirs, devisees, assignees, legal representative 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 portion of the Property. Neither the Grantor nor any subsequent purchaser of a portion of the Property shall have any

liability of responsibility at law or in equity on account of the enforcement of, or on account of the failure to enforce, the Restrictions.

13. Invalidation of any one or more of the Restrictions by judgment of any court shall in no way affect any of the other Restrictions and provisions herein contained, which shall remain in full force and effect.

14. The parties signing this document affirm that they are authorized by the entities they represent to sign in their official capacities.

In witness thereof, the parties, affix their signatures on this \_\_\_\_ day of \_\_\_\_\_, 2007.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

STATE OF TEXAS       |  
                                  |  
COUNTY OF WALKER   |

This instrument was acknowledged before me on \_\_\_\_\_, 2007 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas