

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

Preamble

This Declaration of Covenants, Conditions, and Restrictions is made on July 25, 2001 at Palestine, Texas, by H. J. M. Trust ("Declarant") whose mailing address is Route 5, Box 5640, Palestine, Texas 75801.

Recitals

1. Declarant is the owner of all that certain real property ("the Property") located in Anderson County, Texas, described as follows: Being Lots 1-37 of the Magnolia Ferry Hills Subdivision of Anderson County, Texas, as shown on map or plat of subdivision recorded in Map Envelope 278A in the Map Records of Anderson County, Texas.
2. The Declarant has devised a general plan for the entire Property as a whole, with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development designed to protect and safeguard the Property over a long period.
3. This general plan will benefit the Property in general, the parcels and lots that constitute the Property, the Declarant, and each successive owner of an interest in the Property.
4. Therefore, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant desires to restrict the Property according to these covenants, conditions, and restrictions in furtherance of this general development plan.

NOW, THEREFORE, it is declared that all of the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions.

ARTICLE I

Definitions

Developer

- 1.01 "Developer" means Declarant and its successors and assigns.

Lot

- 1.02 "Lot" means any of the plots of land shown on the plat and subdivision map recorded in Map Envelope 278A of the Map Records of Anderson County, Texas (the "Map"), on which there is or will be built a single family dwelling.

Owner

1.03 "Owner" means the record owner or owners of the fee simple title to any Lot or portion of a Lot in the Property on which there is or will be built a detached single family dwelling. "Owner" includes contract sellers but excludes persons have only a security interest.

ARTICLE 2

Architectural Control

Approval of Plans and Specifications

2.01 The developer must review and approve in writing all of the following projects on the Property:

- (a) Construction of any building, fence, wall, or other structure.
- (b) Any exterior addition, change, or alteration in any building, fence, wall, or other structure.

Application for Approval

2.02 To obtain approval to do any of the work described in Paragraph 2.01, an Owner must submit an application to the developer showing the plans and specifications for the proposed work. Such plans and specifications shall detail the nature, shape, height, materials, of the proposed work.

Standard for Review

2.03 The developer shall review applications for proposed work in order to (1) ensure conformity of the proposal with these covenants, conditions, and restrictions. An application can be rejected for providing insufficient information. In rejecting an application, the developer should detail the reasons for rejection and suggest how the applicant could remedy the deficiencies.

Failure of Committee to Act

2.04 If the developer fails either to approve or reject an application for proposed work within 60 days after submission, then developer approval shall not be required, and the applicant shall be deemed to have fully complied with this Article.

ARTICLE 3

Exterior Maintenance

3.01 If an Owner of any lot fails to maintain the premises in a neat and orderly manner, the Developer shall have the right, through its agents and employees, to enter the Lot in order to repair, maintain, and restore the Lot, and the exterior of any buildings and other improvements located on the Lot, all at the expense of the Owner.

ARTICLE 4

Use Restrictions and Architectural Standards

Residential Use Only

4.01 All lots shall be used for single family residential purposes only. Single family use consists of use as a dwelling by two or more natural persons who are related by marriage or kinship or by not more than four (4) natural persons who are not related by marriage or kinship. However, developer, as well as any other person engaged in the construction and sale of residences on the property, shall have the right, during the construction and sales period, to use facilities as may be reasonably necessary or convenient for its business purpose of constructing and selling residences on the Property.

Type of Buildings Permitted

4.02 No building shall be erected, altered, or permitted on any lot other than one detached single family dwelling not to exceed two stories in height, with a private garage for not more than three (3) automobiles and at least one (1) automobile. However, developer, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the construction and sales period, to construct and maintain such facilities as may be reasonably necessary or convenient for its business of constructing and selling dwelling units on the property, including, but not limited to, offices and storage areas.

Design, Minimum Floor Area, and Exterior Walls

4.03 Any residence constructed on a Lot must have a ground floor area of not less than 1000 square feet, exclusive of open or screened porches, terraces, patios, driveways, carports, and garages. All roofs shall be constructed of fireproof or fire resistant materials.

Setbacks

4.04 No building shall be located on any Lot nearer to the front Lot line or nearer to the side street line than the minimum building setback lines shown on the Map. For purposes of this

covenant, eaves, steps, and open porches shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any portion of the building on any Lot to encroach upon another Lot. If two or more Lots, or portions of two or more Lots, are consolidated into a building site in conformity with Paragraph 4.05, these building setback requirements shall apply to the resulting building site as if it were one original, platted Lot.

Resubdivision or Consolidation

4.05 No Lot shall be resubdivided or split except as follows. Any person owning two or more adjoining Lots may subdivide or consolidate those Lots into building sites, with the privilege of constructing improvements, as permitted by this Declaration, on each resulting building site, provided that such subdivision or consolidation does not result in any building site having a front Lot line of less than 95 feet.

Easements

4.06 Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Map. No utility company, water district, political subdivision, or other authorized entity using these easements shall be liable for any damage done by them or their assigns, agents, employees, or servants, to shrubbery, trees, flowers, or to other property of the Owner situated in the easement.

Noxious or Offensive Activities Prohibited

4.08 No trailers, mobile homes, motor homes, manufactured homes, industrial housing, basements, tents, shacks, garages, and other outbuildings and accessory structures, shall be used on any Lot at any time as a residence, either temporarily or permanently.

Signs

4.09 No signs of any type shall be allowed on any Lot except one sign of not more than five square feet advertising the property for sale or rent. However, Developer, as well as any other person engaged in the construction and sale of residences on the Property shall have the right, during the construction and sales period, to construct and maintain signs advertising the construction and sale.

Oil Development and Mining Prohibited

4.10 No oil well drilling, development, or refining, and no mineral quarrying or mining operations of any kind shall be permitted on any Lot. No oil well, tank, tunnel. Mineral excavation, or shaft shall be permitted on any Lot. No derrick or other structure designed for use

in boring for oil, natural gas, or other minerals shall be erected, maintained, or permitted on any Lot.

Rubbish, Trash and Garbage

4.11 No Lot shall be used or maintained as a dumping ground for rubbish or trash. All garbage and other wasted shall be kept in sanitary containers.

Sewage Disposal

4.12 No individual sewage-disposal system shall be permitted on any Lot unless the system is designed, located, and constructed in accordance with the requirements, standards, and recommendations of governmental authority. Approval of the system as installed shall be obtained from that authority.

Water Supply

4.13 No individual water-supply system shall be permitted on any Lot unless the system is located, constructed, and equipped in accordance with the requirements, standard, and recommendations of governmental authority. Approval of the system as installed shall be obtained from that authority.

Animals

4.14 No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose.

Fences, Walls, Hedges, and Utility Meters

4.15 No fence, wall, hedge, or utility meter shall be placed, or permitted to remain, on any Lot nearer to the street adjoining such Lot than is permitted for the main residence on such Lot, except for decorative subdivision entry fences.

Trucks, Buses, and Trailers

4.16 No truck or bus (except a passenger van for personal use) or trailer shall be left parked in the street in front of any Lot, except for construction and repair equipment while a residence or residences are being built or repaired in the immediate vicinity.

Prohibited Activities

4.17 No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot.

ARTICLE 5

Easements

Reservation of Easements

5.01 All easements and all alleys for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Map. No shrubbery, fence, or other obstruction shall be placed in any easement or alleyway. Right of use for ingress and egress shall be available at all times over any dedicated easement or alleyway for purposes of installing, operating, maintaining, repairing, or removing any utility or any obstruction placed in such easement or alleyway that would interfere with the installation, maintenance, operation, or removal of such utility.

ARTICLE 6

General Provisions

Enforcement

6.01 The Developer or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations imposed by this Declaration. Failure to enforce any covenant or restriction shall not be deemed a waiver of the right of enforcement either with respect to the violation in question or any other violation. All waivers must be in writing and signed by the party to be bound.

Severability

6.02 Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

Covenants Running With the Land

6.03 These easements, restrictions, covenants, and conditions are for the purpose of protecting the value and desirability of the Property. Consequently, they shall run with the real property and shall be binding on all parties having any right, title, or interest in the Property in whole or in part, and their heirs, successors, and assigns. These easements, covenants, conditions,

and restrictions shall be for the benefit of the Property, each Lot, and each Lot Owner.

Duration and Amendment

6.04 The covenants, conditions, and restrictions of this Declaration shall be effective for a term of 20 years from the date this Declaration is recorded, after which period the covenants, conditions, and restrictions shall be automatically extended for successive periods of 10 years subject to termination by an instrument signed by more than 50 percent of the Owners. The covenants, conditions, and restrictions of this Declaration may be amended by an instrument signed by more than 75 percent of the Owner. Neither any amendment nor any termination shall be effective until recorded in the records of Anderson County, Texas, and all requisite governmental approvals, if any, have been obtained.

Attorneys' Fees

6.05 If any controversy, claim, or dispute arises relating to this instrument, its breach, or enforcement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees, and costs.

Liberal Interpretation

6.06 This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the Property,

This Declaration is executed this 25 day of July, 2001, at Palestine, Texas.

H. J. M. Trust

By


Howard U. Freeman, Trustee

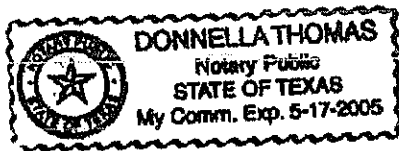
ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF ANDERSON

§
§
§

This instrument was acknowledged before me on July 25, 2001 by Howard U. Freeman, Trustee of the H. J. M. Trust.



Donnell Thomas
Notary Public, State of Texas

* FILED FOR RECORD *
Anderson County, Texas
#0005749 V 1679 P 431
07/26/2001 02:46pm