

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS THAT:
COUNTY OF COOKE §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made effective as of the date hereinafter set forth by **TEXCO FINANCIAL CORPORATION**, a Texas corporation (hereinafter referred to as "Declarant")

WITNESSETH:

WHEREAS, Declarant owns property in the: **Hiram Sadler Survey Abstract 901** and desires to burden and benefit the Property with the provisions of this Declaration; and Declarant proposes to divide and sell the Property by metes and bounds and refer to the divided portions of the Property as Tracts and it is deemed to be in the best interest of Declarant and any purchasers who may purchase a Tract in the Property, that there be established and maintained a consistent, harmonious and uniform plan for the improvement and development of the Property in a manner of the highest quality to protect the value of the Property therein.

NOW, THEREFORE, Declarant, declares that the Property is to be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. This Declaration and the easements, covenants, restrictions, conditions and other provisions hereof run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof, and their heirs, legal representatives, successors and assigns and shall inure to the benefit of each Owner and each Owner's heirs, legal representatives, successors and assigns.

ARTICLE I

DEFINITIONS

1.01 "Declarant" means and refers to **Texco Financial Corporation**, a Texas corporation, and its successors and assigns.

1.02 "Property" means and refers to those certain tracts of land described on **Exhibit A** attached hereto and incorporated herein for all purposes.

1.03 "Residence" means and refers to any improvements on a Tract which are designated and intended for regular occupancy and use as a residence by one person, by a single family, or by persons living together as a single housekeeping unit. The number of persons residing in a residence shall be limited to two per each bedroom in the residence. Household or farm employees may be housed on a Tract but shall not exceed two (2) employees in total except that an employee family unit not exceeding four (4) persons in total may be housed on a Tract. Such employees or employee family units may be housed in the main residence or in a separate residential building.

1.04 "Mortgagee" means and refers to a person or entity which has loaned or advanced money to an Owner for the purchase or improvement of a Tract in the Property and has taken a recorded lien on such property to evidence the security for such loan.

1.05 "Owner" means and refers to the record owner, whether one or more persons or entities, of a fee or undivided fee interest in any Tract, but excluding those having such interest merely as security for the performance of an obligation.

1.06 "Purchaser" means and refers to an individual or entity that purchases a Tract.

1.07 "Tract" means and refers to any portion of the Property which is designated as a Tract on **Exhibit A**, attached hereto and incorporated herein for all purposes. The term "Tract" shall also include any subsequent subdivision of a Tract as permitted by **Article 2.04**.

ARTICLE II

PERMITTED USES AND RESTRICTIONS

The Property and each Tract shall be constructed, developed, occupied and used as hereinafter provided in this document. No use shall be permitted on the Property which is not allowed under applicable public codes, ordinances and other laws either already adopted or as may be adopted by controlling public authorities. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and with any and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments or their agencies having jurisdictional control over the Property, specifically including, but not limited to, applicable zoning restrictions placed upon the Property as they exists from time to time. **IN SOME INSTANCES GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH GOVERNMENTAL REQUIREMENT AND ANY**

REQUIREMENTS OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL. COMPLIANCE WITH MANDATORY GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NON-COMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISION OF THIS DECLARATION, BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS OF THIS DECLARATION SHALL PREVAIL.

2.01 Residential/Farm Use; Septic System. The Tracts shall be used for single-family residential/farm purposes. No building shall be erected, altered, placed or permitted to remain on any Tract nearer than 150 feet from the front boundary line of FM 1201 and no residence other than one (1) single-family residence per Tract which residence may not exceed two (2) stories in height and which residence shall be constructed to minimum Federal Housing Authority standards shall be erected on any Tract. A separate residential building may be erected on a Tract for occupancy by an employee or employee's family unit as per paragraph 1.03, and the building shall be subject to the same construction standards as the principal residence except that the minimum square footage shall be 60% of the square footage required for the principal residence. No duplexes, apartments or other multi-family dwellings, structures or uses shall be permitted on any Tract. Each Owner, at Owner's sole cost and expense, shall cause an individual septic system to be constructed and installed on the Owner's Tract in accordance with applicable laws and regulations prior to occupancy of the residence on the Tract. No outside toilet or privy shall be erected or maintained on any Tract. No structure may be used as a residential dwelling on a Tract without being connected to a septic system.

2.02 Residential/Farm Use; Water Wells. Each Owner, at Owner's sole cost and expense, shall cause an individual water well to be drilled and installed on the Owner's Tract in accordance with applicable laws and regulations prior to occupancy of the residence on the tract. Owners of adjoining tracts may share water wells as agreed amongst themselves.

2.03 Garages; Storage Buildings. Each residence shall have garage suitable for parking not less than two (2) vehicles, which garage shall conform in design and materials with the residence. Barns or stables may be constructed on the Tracts. Barns and stables shall contain a minimum of 400 square feet of covered floor space. No portion of the barns or stables may be constructed on a Tract closer than 100 feet from any boundary line. Any residence, barn, stable or other structure constructed on any Tract must be located at least one hundred (100) feet from any side boundary line and three hundred (300) feet from the rear boundary line of such Tract. Storage buildings shall contain a minimum of 120 square feet of covered floor space.

2.04 Restrictions on Resubdivision. None of the Tracts shall be subdivided into smaller tracts of less than ten (10) acres each. Any Tract created by the subdivision of a Tract shall be deemed a "Tract" for purposes of the Declaration.

2.05 Driveways. All driveways shall be surfaced with a permanent wearing surface. Gravel may be used as a surface material if a proper base material is applied in preparation of the gravel driveway. Culverts for driveways shall comply with applicable regulations.

2.06 Yards. The land area surrounding the residence shall be a minimum of 25' to each side of the residence and shall be maintained as a yard, planted with grass and containing only trees, shrubs, flowers and driveways. No livestock shall be permitted in this area.

2.07 Uses Specifically Prohibited.

(a) No temporary structure shall be permitted on any Tract except that the builder or contractor may have temporary improvements (such as a storage or construction trailer) on a given Tract during construction of the residence on the Tract. No building material of any kind or character shall be placed or stored upon the Tracts until the Owner thereof is ready to commence construction of improvements, and then such materials shall be placed within the property lines of the Tract upon which the improvements are to be erected.

(b) No boat, marine craft, hovercraft, aircraft, recreational vehicle, pickup camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage between the front of the residence and FM 1201 on those Tracts abutting FM 1201. No such vehicle or equipment shall be used as a residence or office, either temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use solely for the construction, maintenance or repair of a residence on the Tract.

(c) No vehicle of any size which transports inflammatory explosive cargo, tractor trailer or truck over one ton may be kept on the Tracts at any time.

(d) Except as provided in Section (b) above, no vehicle except passenger automobiles, passenger vans, sports utility vehicles and trucks up to one ton in size that are in operating condition and have current license plates and inspection stickers and are in daily use as motor vehicles on the streets and highways of the State of Texas may be kept or situated on the Tracts.

(e) No structure of a temporary character, such as a trailer, basement, tent, shack, barn, stable, storage

building or other out-building shall be used on the Tracts at any time as a dwelling; provided, however that Declarant or any builder may maintain and occupy construction trailers or sheds during the construction period.

(f) No oil or gas drilling, oil development operation, oil refining, quarrying or mining operation of any kind shall be permitted on the Property, nor shall oil or gas wells, tanks tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure designed for using in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on a Tract.

(g) Ducks, geese, horses, cattle and alpacas may be kept on the Tracts; provided, however, the number of horses or alpacas which may be kept on a Tract, either temporarily or permanently, shall be limited to one horse or alpaca per each acre or part thereof. The number of cattle shall be limited to one to each two acres or part thereof. No Owner shall permit the number of horses, cattle and/or alpacas located on such Owner's Tract to exceed the foregoing limitations, either temporarily or permanently. Owners of land that will be opened to and combined with any Tract may combine the acreage of their adjoining lands with the acreage of their Tract and apply the above livestock ratios per acre to the Owners total combined acreage. Other than horses, cattle and alpacas, no other animals, livestock or poultry of any kind shall be raised, bred or kept on the Property. Dogs, cats or other household pets may be kept for the purpose of providing companionship for the resident family. Donkeys and mules shall be considered "horses" for purposes of construing and interpreting the terms and provisions of this Declaration. Animals, other than horses, cattle or alpacas may not be raised, bred or kept on the property except that the Declarant may approve the keeping of FFA, 4-H or school program animals for limited periods of time. It is the explicit purpose and intent of these provisions to restrict the use of the Tracts so that no person shall keep on a Tract bees, swine, sheep, goats, guinea fowls, chickens, turkeys, skunks, or other animals which may interfere with the quietude, health or safety of the Property. Pets must be restrained or confined in a humane enclosure in an area of each Tract which is not visible from the roadways located in the Property. All pets must be properly tagged for identification with evidence that all inoculation requirements have been met. No animal shall be kept on a Tract which creates a public nuisance or danger to the residents of other Tracts.

(h) No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any front wall or window of a residence. No evaporative cooler shall be installed on the front wall or window of a residence.

(i) Unless permitted by the Declarant in the manner described in Article III below, all antennas, discs or any other electronic or satellite communication equipment, including, any type of parabolic reflector or other high gain antenna systems(s) or structures, must be located within ten (10) feet of the residence on any Tract. Satellite communication dishes having a diameter not greater than twenty-four inches (24") are specifically allowed on individual Tracts.

(j) No Tract or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted which is not related to single-family residential/farming purposes. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet inoffensive activities such as tutoring or giving lessons or home-based business so long as such activities are in compliance with all applicable governmental requirements and do not materially increase the number of vehicles parked on a Tract or interfere with adjoining property owners' use and enjoyment of their residences and Tracts.

(k) Within easements on each of the Tracts, no structures, planting or materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, which may change the direction of flow within drainage channels or which may obstruct or retard the flow of water through drainage channels, except that the Declarant may approve the construction of ponds.

(l) The drying of clothes outside the residence or approved out-buildings is prohibited.

(m) No building or structures (except for barns, stables and storage buildings described previously in this document) shall be erected or constructed of exterior materials other than wood, brick, brick veneer, stone, stone veneer or stucco.

(n) No obnoxious or offensive trade shall be carried on upon any Tract, nor shall anything be done thereon which may be or become a nuisance or annoyance to the Property.

(o) Planting of wheat, rye, oats, hay, vegetables or other crops shall be allowed on any Tract.

(p) No Trees in excess of ten (10) inches in diameter shall be removed from the Tract unless necessary for the construction or improvements on the Tract and approved by the Declarant.

2.08 Commencement of Construction. The Owner of any Tract of 12 acres or less in size must commence construction of a residence on the Tract prior to constructing, a barn, stable, or other out-building on the Tract unless said structure is located more than five hundred (500) feet from FM 1201. Upon commencement of construction of a residence on a Tract, the residence shall be constructed and

completed within twelve (12) months after the date of commencement of construction of such residence. No manufactured home or mobile home shall be permitted on any Tract. All plans and specifications (including barns, stables and residences) for any structure to be constructed on a Tract must be approved in advance by the Declarant prior to any commencement of any construction thereof.

2.09 Minimum Floor Area. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls, but exclusive of porches, basements, garages, patios and detached accessory buildings, shall be not less than eighteen hundred (1,800) square feet for one story residence or not less than twenty four hundred (2,400) for one and one half and two story residences with a minimum of sixteen hundred (1,600) square feet on the first story.

2.10 Building Materials. The total exterior wall area (excluding windows, doors and gables) of each residence constructed on a Tract shall be not less than seventy-five (75%) brick, brick veneer, wood, stucco or stone. Siding or trim materials may be composed of "hardi plank" or wood. Windows, doors and gables are excluded from calculation of the total exterior wall area. Exterior building colors shall be earth tones and pastels and shall be specified on the construction plans and specifications.

2.11 Window Treatment. No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors.

2.12 Chimneys. All fireplace flues, smoke stacks and spark arrestors shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the exterior of the residence.

2.13 Fences and Walls. The location and material to be used in the construction of fences along common driveways must have specific approval from the Declarant prior to construction. No fencing shall be permitted which creates a safety hazard or creates a site-line hazard on FM 1201.

2.14 Roofs. All residences must have simulated wood shingle roofs, tile roofs, simulated tile roofs, metal or composition shingles, or standing seam metal roofs unless express approval of the use other material is obtained from the Declarant. The roof pitch shall in no case be less than 4 feet in 12 feet. No tin roofs or gravel "built-up" roofs shall be allowed.

2.15 Maintenance. Each Tract shall be kept and maintained in a neat and orderly condition, with weeds, grass and/or unsightly growth properly controlled and groomed by the Owner. No trash or refuse shall be allowed to accumulate and remain upon any Tract.

2.16 Camping/Hunting/Firearms. No camping, hunting or discharge of firearms shall be permitted on any Tract of less than 20 acres. Discharging of fireworks on a Tract is prohibited.

2.17 Entrances. Entrances from any road outside the boundaries of the Property to any Tract within the Property are expressly prohibited unless the outside property is also owned by the Owner of the Tract being accessed. Property perimeter fences may not be cut or removed by any party, except the Declarant. All ingress and egress to and from any Tract shall comply with Texas Department of Transportation requirements.

ARTICLE III

APPROVAL OF PLANS

3.01 Approval of Plans. No building may be erected, placed or altered on any Tract until the construction plans and specifications, and the plat showing the location of the structure have been approved by the Declarant. The Declarant's approval or disapproval required in these covenants must be in writing. A final inspection upon completion of construction may be required insuring compliance with plans and specifications as submitted to the Declarant. In the event the Declarant fails to approve or disapprove the plans and specifications in writing within fifteen (15) days after drawings and written specifications have been received by the Declarant, approval will be deemed to have been given.

3.02 Non-Liability of Declarant. Declarant shall not be liable to any Owner or to any other person for any loss, damage or injury unless due to the willful misconduct or bad faith of the Declarant. The Declarant does not warrant that any improvements conform to the submitted plans and specifications or that the improvements are safe or habitable. No Owner may rely on Declarant inspections with respect to the quality or condition of any improvements constructed on a Tract.

ARTICLE IV

EASEMENTS

4.01 Easements. Easements for installation and maintenance of utilities and drainage facilities or ingress/egress are reserved as described in the metes and bounds description of the Tract or shown on any recorded plat of any part of a Tract or that may exist as of the date of the Owners purchase of a Tract. No structure may be erected within such easements and no fence shall be constructed across any

such easement without the permission of the affected utility providers; provided that when an Owner owns adjoining Tracts, improvements may be constructed on the reserved utility easements on the abutting property lies, with the approval of the Declarant and no replat consolidating the adjoining Tracts should be required. By acceptance of a deed to any Tract, the Owner thereof covenants and agrees to mow weeds and grass and to keep and maintain in a neat and clean condition any easement which may traverse a portion of the Tract.

ARTICLE V

GENERAL PROVISIONS

5.01 Violation of Restrictions and Covenants. If any person or persons violates or attempts to violate any of the restrictions or covenants herein or the other provisions of this Declaration, it is lawful for any person or persons to prosecute proceedings at law or in equity against the person violating or attempting to violate any such restrictions and covenant and either prevent him or them from doing so, or to correct such violation, or to recover damages or other dues for such violation. Failure to enforce any covenant or restriction herein contained in no event is deemed a waiver of the right to do so thereafter against any person who has violated a covenant or expressed intent to violate a covenant or is in the process of violating a covenant. Invalidation of any one or any part of these restrictions by judgment or Court order in no way affects any of the other provisions or part of provisions which remain in full force and effect.

5.02 Right to Enforce. Enforcement of the covenants and restrictions herein shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants, either to restrain or to recover damages.

5.03 Severability. Invalidation of any one or more of the covenants, restrictions, conditions or charges contained herein by judgment or Court order will not affect the validity of any other covenant, restriction, condition or charge set forth herein, which remain in full force and effect for all purposes.

5.04 Waiver. Notwithstanding any of the above provisions, the Declarant is hereby given the authority to waive in writing, any restriction or covenant herein contained, when in the reasonable opinion of the Declarant, the proposed waiver will not detract from the appearance or value of other Tracts.

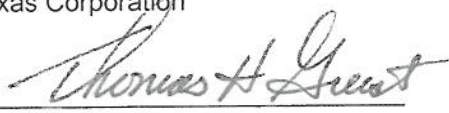
5.05 Notices. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last-known address of the person who appears as the Owner on the public records at the time of such mailing.

5.06 Disputes. Disputes or disagreements between an Owner with respect to the interpretation or application of the provisions of this Declaration shall be determined by the Declarant or through arbitration.

5.07 Supercession. These Restrictions and Covenants supersede and replace all prior Restrictions and Covenants relating to the Property.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed effective 12/31, 2009.

DECLARANT:
Texco Financial Corporation
A Texas Corporation

By: 
Thomas H. Guest

President