

**DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS**

STATE OF TEXAS

COUNTY OF BELL

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KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, ISLV Investments, L.P., hereinafter referred to as Declarant, is the owner of the following described real property situated in Bell County, Texas, which Declarant intends to develop and sell in multiple smaller tracts and which is referred to herein as the Property:

253.31 acres of land in the WILLIAM HANKINS SURVEY, Abstract No. 1082, the G. C. & S. F. COMPANY SURVEY, Abstract No. 1112, the J. T. DENSON SURVEY, Abstract No. 1141, the S. N. NORFLEET SURVEY, Abstract No. 1246, and the GEORGE W. PEACOCK SURVEY, Abstract No. 995, being describable in full by metes and bounds in Exhibit "A", and,

WHEREAS, it is the desire and intention of the Declarant that tracts within the Property shall be restricted according to a common plan as to use and permissible construction, so that the Property shall be benefited and each successive owner of the tracts shall be benefited by the preservation of the value, character and desirability of the Property and tract owners shall be protected against improper Property by other tract owners:

NOW, THEREFORE, for and in consideration of the premises, and in order to create and carry out a general and uniform plan for the use of tracts within the Property, the Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions:

1. **Scope of Restrictions:** The covenants, conditions, restrictions and easements herein set forth shall constitute COVENANTS RUNNING WITH THE LAND and shall be binding upon Declarant, its successors and assigns, and upon all persons or entities acquiring a tract or all or any portion of the Property, whether by purchase, descent, devise, gift or otherwise, and each such person or entity, by the acceptance of title to any of the Property, shall thereby agree and covenant to abide by the covenants, conditions, easements and restrictions set forth herein and to perform the covenants hereby imposed on owners of the tracts within the Property.
2. **Residential Use:** Except as provided herein, all tracts within the Property are restricted to single-family residential use. No commercial business or activity may be conducted on any tract unless a residence has been completed on such tract and the commercial activity is either conducted inside the residence or in another location which is not readily visible from any public roadway. No signage of any nature shall be permitted in connection with any commercial business or activity except that signs advertising the sale or resale of any portion of the Property are permissible. No structure other than a barn shall be erected on any tract prior to the construction of a single-family residence on such tract.
3. **Requirements Concerning Construction:** All residences shall be of a permanent construction, containing not less than 2,000 square feet of floor area, exclusive of open porches, breezeways, carports, and garages. At least 75% of the exterior walls shall consist of masonry. Each residence must have either a solid composition or metal roof with gable construction or peak front; flat-top roofs being prohibited. No residence or other building may be constructed primarily of iron, tin or other metal, except for storage buildings having less than 325 square feet of floor area which are not readily visible from any public roadway. All such construction shall be performed with good workmanship,

utilizing all new materials. No unsightly structures shall be built. Each home shall be completed within twelve months following the beginning of construction of the same.

4. Restriction Against Modular or Mobile Homes: No mobile homes or modular homes are permitted within the Property. It is provided, however, that a mobile home, modular home or similar structure may be placed temporarily on a tract for use as a construction office and/or a place for storage of materials during the period of construction of a residence, not to exceed twelve months.
5. Set-back Lines: No building or structure shall be located on any tract nearer than one hundred feet (100') to any public roadway nor nearer than fifty feet (50') to any boundary line of the tract.
6. Easements: An easement twenty feet (20') in width is reserved along all public roadways and an easement ten feet (10') in width is reserved on each side of each boundary line of each tract, such easements being for the installation and maintenance of public utilities and drainage facilities. Additional utility and drainage easements may be created by Declarant from time to time as deemed necessary by Declarant, but Declarant shall use its reasonable best efforts to locate any such additional easements in a manner which minimizes any adverse effect thereof upon any tract. All such easement areas shall at all times be open and accessible to public and quasi-public utility companies, their employees and contractors, and shall also be open to Declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under and above such locations to carry out the purposes for which the easements are created.
7. Driveway Entrances: Only one driveway entrance shall be constructed on each tract. Each entryway shall feature at least two columns constructed of stone or other material approved by Declarant and shall be neat and attractive in appearance.
8. Septic Tanks: No outside toilets shall be used, constructed or permitted. No installation of any kind for disposal of sewage shall be constructed or maintained which would result in treated or untreated sewage or septic tank drainage being drained onto or into the surface of any part of the Property or onto or into any body of water located on the Property. No means of sewage disposal may be installed, used or maintained except a septic tank, or a similar improved means of sanitary sewage disposal, which meets the requirements of and is approved by all governmental authorities having jurisdiction thereof. No structure placed upon a tract shall be used as a residence until sanitary sewage disposal facilities complying with this paragraph have been completely finished.
9. Compliance With Legal Requirements: Each tract owner shall comply with all legal requirements pertaining to the construction of improvements upon and/or to the use of such owner's tract. Without limiting the generality of the foregoing, each tract owner shall comply with rules and regulations of Bell County, The U.S. Army Corp of Engineers and other entities and agencies having jurisdiction which pertain to the obtaining of a Property permit prior to any site Property or construction, the placement of water wells and on-site wastewater disposal systems, the approval of on-site wastewater disposal systems, and/or the installation of driveways or culverts.
10. Appearance: Each tract owner shall keep his or her tract, buildings, improvements, and appurtenances in a safe, clean, neat, and wholesome condition and each owner shall remove at his or her own expense any rubbish of any character which may accumulate on his or her tract. No non-operated car or other vehicle shall be kept on any tract unless parked inside a garage. A non-operated vehicle is one which is unable to be operated for thirty (30) consecutive days or which is not permanently licensed.
11. Nuisances: No noxious, offensive, undesirable or unlawful activity shall be conducted on any tract, nor shall anything be done or permitted to be done thereon which may be or become a nuisance or annoyance to the owners of adjacent tracts or to the Property as a whole. Without limiting the generality of the foregoing, no tract may be used as the location of a junkyard or feedlot or as a site for disposal of trash, garbage, debris, rubbish or other refuse. No refuse shall be burned on any tract except in a safe incinerator. Any determination by Declarant that an activity is noxious or offensive shall be final and binding on all parties.

12. Animals: Livestock and normal household pets may be kept on a tract, except that swine are not permitted. However, no animal may be kept on a tract unless it is restricted to such tract by fences or other enclosures or by restraints and not allowed to run at large. No animals may be kept if they become offensive (to a reasonable person) by virtue of their numbers, site, odor or noise. No commercial operation in regard to turkeys or chickens may be conducted on any tract.
13. Pasture Lease: Declarant's existing pasture lease shall remain in effect with regard to each tract which is sold until such time as the tract is fenced by the tract owner. Each tract owner shall receive a pro rata portion of Declarant's pasture rental during the period of time that the owner's tract remains subject to the Declarant's pasture lease.
14. Subdivision Restricted: The subdivision of any tracts within the Property shall be strictly governed by the restrictions in the individual deeds to such tracts from JSLV Investments, L.P., unless amended as hereinafter set out in paragraph 17 below.
15. Excavation and Storage: No quarrying, blasting, gravel pits, or excavation shall be permitted. No manufacturing of or storage of dangerous chemicals, explosives and/or radioactive materials may occur on any tract.
16. Enforcement: Declarant, its successors and assigns, shall have the right, but not the obligation, to enforce observance and performance of the restrictions, easements, covenants and conditions contained 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 other legal remedies provided herein or by law, to an injunction, either prohibitive or mandatory. The owner of any tract in the Property, shall likewise have the right either to prevent a breach of any such restriction or covenant or to enforce the performance thereof. 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.
17. Amendments, Adjustments, Waivers or Variances: This Declaration of Covenants, Conditions, Easements and Restrictions may be amended from time to time by Declarant or by action of owners of seventy-five percent (75%), or more, of the property within the Property, provided such amendments are not inconsistent with the general nature of the Property and provided the same do not discriminate unreasonably against any tract or tract owner. Additionally, Declarant may grant adjustments or waivers of, or variances from, this Declaration of Covenants, Conditions, Easements and Restrictions as deemed necessary by Declarant in order to eliminate hardship and assist in the orderly development of the Property and use of tracts within the Property. Declarant may assign its rights hereunder.
18. Partial Invalidity: Invalidation of any of these covenants, conditions, easements or restrictions (by court judgment or otherwise) shall not affect, in any way, the validity of all other covenants, conditions, easements and restrictions contained herein.
19. Duration: These covenants, conditions, easements and restrictions shall run with the land and shall be binding upon and against the Property for a period of twenty (20) years from the date of recordation, after which time the same shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then owners of seventy-five percent (75%) of the Property has been recorded agreeing to change the same in whole or in part. No such agreement to change shall be effective unless made and recorded within three (3) months immediately prior the date the covenants otherwise would be automatically extended.