

WARRANTY DEED WITH VENDOR'S LIEN

Date: July 22, 2002

Grantor: MONTY D. McLANE and KAREN R. McLANE

Grantor's Mailing Address (including county):

000 14665 VOL 2019 PG 565

MONTY D. McLANE and KAREN R. McLANE
P. O. Box 9451
Midland, Texas 79708
Midland County

Grantee: ALAN K. MORGAN, as his sole and separate property

Grantee's Mailing Address (including county):

ALAN K. MORGAN
4511 Neely Ave.
Midland, Texas 79707
Midland County

Consideration: TEN AND NO/100 DOLLARS and other good and valuable consideration and the further consideration of a note of even date, that is in the principal amount of ONE HUNDRED FORTY ONE THOUSAND ONE HUNDRED NINETY EIGHT AND NO/100 DOLLARS (\$141,198.00) and is executed by Grantee, payable to the order of Grantor. It is secured by a vendor's lien retained in this deed and by a deed of trust of even date, from Grantee to MAC A. STARNES, Trustee.

Property (including any improvements):

BEING ALL OF THE SURFACE ESTATE and an undivided one half of all of the minerals and royalty owned by Grantors in a 164.75 acre tract also known as the NW/4 of Section 14, Block 40, T-1-S, T&P R.R. Co. Survey, Midland County, Texas, as shown on Exhibit "A" attached hereto and made a part hereof for all purposes, (hereinafter referred to as the "Property").

Reservations From and Exceptions to Conveyance and Warranty:

SAVE AND EXCEPT: All oil, gas and other minerals heretofore reserved and/or conveyed in deed(s) of record in Volume 683, page 27; and Volume 863, page 22, Deed Records of Midland County, Texas.
SAVE AND EXCEPT: Grantor hereby reserves one half of the interest which Grantor owns in and to all minerals and royalty interest in and under and that may be produced from the Property.

SUBJECT TO:

1. Any prior mineral reservation of record;
2. Present restrictions, if any, existing against said property;
3. Existing building and zoning ordinances, if any;
4. Easements and leases that appear of record and any easements visible upon inspection of property; and
5. Ad Valorem property taxes not yet due and payable.

THIS CONVEYANCE IS ALSO MADE SUBJECT TO:

Restrictive Covenants attached hereto and made a part hereof on Exhibit "B".

Grantor, for the consideration, receipt of which is acknowledged, and subject to the reservations from and exceptions to conveyance and warranty, grants, sells and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators and successors to warranty and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty.

The vendor's lien against and superior title to the property are retained until the note described is fully paid according to its terms, at which time this deed shall become absolute.

When the context required, singular nouns and pronouns include the plural.


MONTY D. McLANE

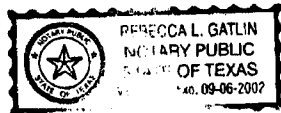
KAREN R. McLANE

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF MIDLAND §

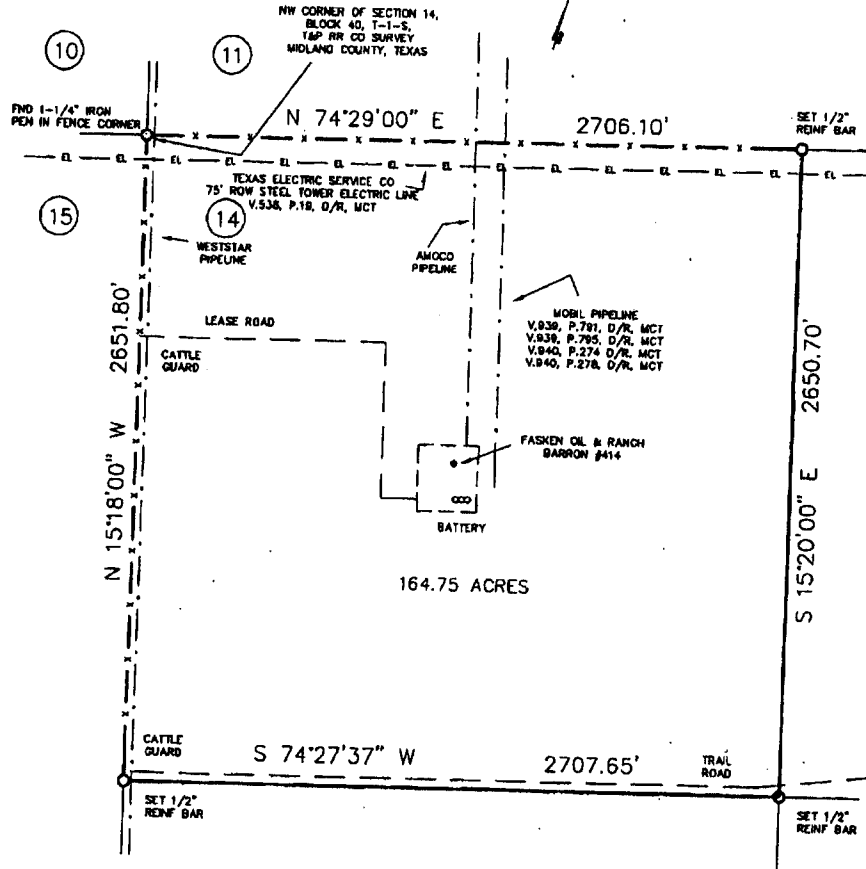
This instrument was acknowledged before me on July 24, 2002, by MONTY D. MCLANE and KAREN R. MCLANE.



Rebecca L. Gatlin DDC 14665 VOL 2019 PG 566
Notary Public, State of Texas

EXHIBIT "A"

DOC 14665 VOL 2019 PG 567



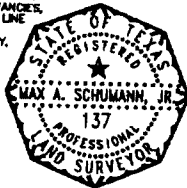
FOR FLOOD INSURANCE RATING PURPOSES: THIS PROPERTY LIES WITHIN FLOOD INSURANCE ZONE DESIGNATION "X" AS DEPICTED ON FLOOD INSURANCE RATE MAP (FIRM) NUMBER 48329-C0025C, MIDLAND COUNTY, TEXAS AND INCORPORATED AREAS EFFECTIVE DATE, SEPTEMBER 27, 1991, AS ISSUED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA).

TO THE LIENHOLDERS, MONTY & KAREN McLAIN

(OWNER) OF THE PREMISES AND TO THE ISSUING TITLE INSURANCE UNDERWRITER: THE UNDERSIGNED DOES HEREBY CERTIFY THAT THIS SURVEY WAS THIS DAY MADE ON THE GROUND OF THE PROPERTY LEGALLY DESCRIBED HEREON AND IS CORRECT AND THAT THERE ARE NO DISCREPANCIES, CONFLICTS, SHORTAGES IN AREA, BOUNDARY LINE CONFLICTS, ENCROACHMENTS, OVERLAPPING OF IMPROVEMENTS, EASEMENTS OR RIGHTS-OF-WAY, EXCEPT AS SHOWN HEREON AND THAT SAID PROPERTY HAS ACCESS TO AND FROM A DEDICATED ROADWAY.

DATED THIS 7TH DAY OF FEBRUARY, 1997

Max A. Schumann, Jr.
MAX A. SCHUMANN, JR.
PLS 137



SCHUMANN ENGINEERING CO., INC.

REGISTERED PROFESSIONAL LAND SURVEYORS
LICENSED STATE LAND SURVEYORS

REGISTERED PROFESSIONAL CIVIL ENGINEERS
TEXAS and NEW MEXICO

Civil Engineering ~ Land Surveying

408 N. PEDOS STREET - P. O. BOX 504
MIDLAND, TEXAS 79702-0504

Office (915) 684-5548
Fax (915) 684-8973

SURVEY PLAT

164.75 ACRE TRACT OF LAND

ALSO KNOWN AS THE NW/4 OF

SECTION 14, BLOCK 40, T-1-S,

T&P RR CO SURVEY,

MIDLAND COUNTY, TEXAS

SCALE: 1" = 500'

PROJECT: 62525WTA
JOB NO.: 62,526

EXHIBIT "B"

Deed restrictions to be included in the deed to Alan K. Morgan from Monty D. McLane and Karen R. McLane:

- (1) This tract is expressly restricted to be used for residential purposes. In this connection, no portion of this tract shall be used for business or commercial purposes.
- (2) Any dwelling shall contain not less than 2,500 square feet of floor space exclusive of garages and open porches and shall be of masonry construction. No building constructed off of this tract shall be moved onto or permitted to be placed on this tract. This provision is meant to exclude specifically but not be limited to mobile homes and trailer houses.
- (3) It is acknowledged that livestock shall be permitted on this tract and restricted only to the extent that no feed lot operations are allowed.
- (4) No noxious or offensive practices or activities shall be carried on upon this tract nor shall anything be done on any portion of this tract which may become a public nuisance as that term is generally defined. Noxious or offensive practices shall include but not be limited to the storage of junk vehicles (automobile or other) and or the collection and storage of other junk or the creation of any open pit for trash etc.
- (5) If any person acquiring any portion of this tract violates or attempts to violate any of the restrictive provisions described above before January 1, 2016, it shall be lawful for Grantor or any successor of Grantor in any portion of the lands currently owned by Grantor in the W/2 SE/4 of Section 14, Block 40, T-1-S T&P RR. Co. Survey, Midland County, Texas, hereinafter referred to as an "affected party", to prosecute proceedings in law or equity against the person or persons violating or attempting to violate any such restrictive provision, either to prevent such violator from so doing or to recover damages for such violation. Upon January 1, 2016, the restrictions herein placed shall be automatically extended for successive periods of ten (10) years each, unless it is agreed to change or alter the restrictions in whole or in part by a vote of the majority of the affected parties.

DOC 14665 VOL 2019 PG 369

FILED FOR RECORD IN
Midland County
Shirley Brown
COUNTY CLERK

ON: JUL 25 2002 AT 12:48P

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Recording

Document Number: 14665
Total Fees: 15.00

Receipt Number - 120186
By:
Linda Lopez, Deputy



STATE OF TEXAS
COUNTY OF MIDLAND

I hereby certify that this instrument was FILED on the date
and at the time stamped herein by me and was duly RECORDED
in the volume and Page of the named RECORDS of Midland
County, Texas, as stamped herein by me.

Shirley Brown
County clerk
Midland County, Texas

2006074757m

Declaration of Covenants, Conditions and Restrictions For

Sunridge Ranch Estates Phase III Subdivision

STATE OF TEXAS)
COUNTY OF MIDLAND)

DOC 14929 VOL 2708 PG 475

This Declaration of Covenants, Conditions and Restrictions (this "Declaration") is executed effective as of June 30, 2006, by Morgan-McLane Development, a Texas General Partnership ("Declarant").

WHEREAS, Declarant is the owner of that certain property in the County of Midland, State of Texas, more particularly described as the NE/4 of Section 14, Block 40, T-1-S, T & P RR. Co. Survey, Midland County, Texas and incorporated herein by this reference for all purposes (the "Property"); and

WHEREAS, Declarant desires the Property to be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, liens and charges, which are for the purpose of protecting the value and desirability of the Property, and which shall run with the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof;

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be held, sold and conveyed subject to the following covenants, restrictions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, and that these covenants, restrictions and easements shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each owner thereof, his heirs, grantees, distributees, successors and assigns, and to the benefit of Declarant, and its successors and assigns.

Covenants, Conditions and Restrictions:

1. Usage. The Property shall be used and occupied primarily for single family residential purposes. The owner shall not use or occupy the property or permit the same or any part thereof to be used or occupied for any purpose other than as a private single family residence for the owner or such owner's tenant and their families. As used herein, the term "single family residential purposes" shall be deemed to prohibit specifically, with without limitation, the use of the property for duplexes or apartments. The property shall not be used or occupied for any business, commercial, trade or professional purpose, including, but not limited to, the storage of equipment or other personal property used primarily for any business, commercial, trade or professional purpose; however, this prohibition shall not include hobbies, art and crafts businesses and other commercial activities of a similar nature which can be operated and maintained while at the same time maintaining the property primarily as a single family residence.
2. Minimum Lot Size. No lot shall be resubdivided unless such resubdivision is done with the consent and approval of the City of Midland and unless such resubdivision results in each resubdivided lot containing not less than three acres.
3. Building Structures. No buildings other than single family dwellings and outbuildings used in connection therewith shall be erected, placed or permitted to remain on the Property. The term "outbuildings" shall include detached garages or similar storage buildings for motor vehicles and boats, pump houses, pool houses, guest and servants' quarters, barns, stables and structures of a similar nature for the convenience and pleasure of the occupants of the main dwelling, and which are not incident to any commercial enterprise, business or profession. Notwithstanding anything herein to the contrary, if any outbuildings constructed on any lot includes living quarters and is constructed prior to the construction of the primary dwelling on such lot then said living quarters on such lot may not be lived in by the owner or anyone else for more than twelve months prior to the commencement of construction of the primary residence on

said tract. For purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set.

4. Construction Requirements. Only new construction materials shall be utilized (except that used brick may also be utilized) in constructing any structures situated on the Property, and all residential structures shall have not less than eighty percent (80%) masonry construction, or its equivalent, on exterior wall areas, except that detached outbuildings may have exterior siding of a type, design and materials commonly used for such purposes. All roofs shall be constructed with 240-pound 25-year life composition shingles or better. Notwithstanding anything to the contrary hereinabove, all outbuildings, if not constructed of the same material as the primary dwelling, shall be painted of one solid color, i.e., no stripes or alternating color patterns shall be permitted; however, building trim and roof may be of a different color than the walls of the outbuildings.

5. Size and Type of Residence. No residential structure erected on the Property shall have less than two thousand eight hundred (2,800) square feet of livable floor space, exclusive of the area of attached garages, porches, detached guest or servants' quarters or other appurtenances or appendages. In addition, all residential structures shall be conventional in architectural design and construction and shall not be constructed as an A-Frame or geodesic or similar dome design.

6. Building Locations and Setbacks. Unless otherwise provided on the plat of the subdivision of the Property as recorded in the public records, the front building setback shall be a minimum of sixty (60) feet from the front lot line; however, no residence shall be set back more than 50% of the total depth of the lot. Side building setback shall be a minimum of thirty (30) feet. Rear setback shall be a minimum of twenty (20) feet. See the subdivision plat filed in the official public records of Midland County for additional setback restrictions. For the purposes of this section 6, eaves, steps and open porches shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of a building to encroach upon or overhang any other lot. If two or more lots, or fractions thereof, are consolidated into one single building site, these building setback provisions shall be applied to such resultant building site as if it were one original, platted lot.

7. Construction Completion. All exterior construction on the primary residential structure as well as any outbuildings must be completed not later than twelve (12) months following the commencement of construction for such residential structure or outbuilding. For purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set. Construction halted for more than twelve months, or manifestly incomplete after the termination of the twelve (12) month period following the commencement of construction, or abandoned indefinitely, must be removed at the owner's expense. Such removal shall include all roofs, walls and foundations, and any remaining excavations shall be filled in and natural vegetation allowed to recover.

8. Temporary and Other Structures. Except as hereinabove provided, no structure of a temporary character, including, but not limited to, mobile homes, tents, portable buildings, manufactured buildings or any other temporary or movable structures or buildings shall be placed on the property either temporarily or permanently, and no residential building, garage, outbuilding or other structure shall be moved upon the Property from another location.

9. Utility Lines and Antennas. Electric utility companies currently have overhead utility lines running along the north, south and east side of the Property. However, all additional utility lines or extensions thereof servicing the individual lots shall be placed underground. In addition, no antennas used commercially (including but not limited to cell phone towers) shall be allowed to be erected on the Property.

10. Fences. All fences adjacent to any street shall be constructed of white plastic (PVC or similar material) or other white unpainted synthetic material resistant to weathering and designed for outdoor use, and all fences from the street fronting a residence running in the direction of the residence shall be likewise constructed at least as far from the street as the front of the residence. All other fences constructed on any lot shall be constructed of steel or other durable metal pipe having a top rail or of plastic (PVC or similar material), ornamental iron, wood, brick, stone, masonry or similar material. In no event shall chain link or barbed wire

fencing be installed as fencing on any lot herein. However, notwithstanding the foregoing, chain link or similar material may be used to construct small pens or enclosures such as dog kennels provided same is screened from public view. Solid walls, fences or hedges through which viewing is obstructed may be erected or grown between the street and the front building line at a height of not greater than four (4) feet.

11. Signs. No billboards or other advertising sign shall be erected or placed on any lot, except that any owner may display on a lot one sign of not more than five square feet to advertise the lot and any residence for sale or rent, and from time to time a political campaign sign, not exceeding two square feet in area, shall be allowed.

12. Nuisance. No noxious or offensive practices or activities shall be carried on upon any lot, nor shall anything be done on any portion of any tract which may become a public nuisance as that term is generally defined. Noxious or offensive practices shall include, but not be limited to, the storage of junk vehicles (automobiles or other) and/or the collection and storage of other junk or the creation of an open pit for trash or refuse.

13. Animals. It is acknowledged that livestock shall be permitted on any tract herein, restricted in the same manner as the City of Midland, Texas, currently restricts livestock within the city limits of Midland in its areas designated AE. However, no livestock holding pens, corrals or barns shall be constructed within 280 feet of the front boundary line of any tract or within 120 feet of the side boundary line of any tract if such side is also fronting on a County Road. The foregoing restrictions are in addition to the setback restrictions contained herein or shown on the recorded subdivision plat.

14. Garbage and Refuse Storage and Disposal. The Property shall at all times be kept in a healthful, sanitary and attractive condition. The Property shall not at any time be used or maintained as a dumping ground for garbage, trash, junk or other waste matter. All trash, garbage or waste matter shall be kept in adequate containers constructed of metal, plastic or masonry materials, with tightly-fitting lids, which shall be maintained in a clean and sanitary condition.

15. Storage of Vehicles. All trucks larger than one (1) ton, motor vehicles which are not currently licensed, motor vehicles which are not currently in a drivable condition, utility trailers, tractors, campers, motor homes, and other recreational vehicles shall not be permitted to be stored on the Property or parked on the adjacent streets, except inside outbuildings otherwise permitted herein. Such vehicles may be parked or stored on the Property for temporary periods not exceeding seventy-two hours.

16. Sewage Disposal. Any sewage or waste water produced on the Property shall be disposed of in a septic system conforming to all applicable governmental regulations and shall be disposed of in such a manner so as not to create a nuisance or any damage to any subsurface waters or surrounding property.

17. Production of Water. No water produced from any well on any lot shall ever be used for any commercial purpose, and no water produced from the Property shall be sold or given to others for any use whatsoever. All water wells must be drilled in full compliance with all governmental regulations and shall be cased from the surface to the total depth drilled. The City of Midland previously owned the water rights under the Property, and any owner's use of water from the Property for domestic purposes is limited to the rights granted by the City of Midland by its approval of the Sunridge Ranch Estates Phase III subdivision plat recorded in the official public records of Midland County.

18. Building Committee and Architectural Control. The Building Committee shall consist of two people elected to terms of one year, consisting of the calendar year from January 1 until December 31, inclusive, and until their successors are elected. Election shall be by majority vote of the lot owners in attendance in person or by proxy at the meeting called therefor. The annual election of Building Committee members shall be at a meeting of lot owners called for the purpose by the Developer or by the Building Committee, by written notice to each lot owner at least ten (10) days in advance, specifying the time and place thereof during the last three calendar months of the year before the membership term is to commence in Midland County, Texas;

provided that if the Developer or Building Committee fails or refuses to call such meeting, any lot owner may do so at any time after January 1 of such year for the election of members to serve the remainder of the year after such election. Each lot owner of record in the subdivision will be entitled to one vote for each lot owned in electing members of the Building Committee, provided that any lot that has been combined with one or more others for the building of a single residence will count as a single lot. While the Developer (Morgan-McLane Investments Inc. or its assigns) owns any one or more lots of the subdivision, it shall be entitled to five votes for each lot owned. In the event a person elected to serve on the Building Committee dies, becomes incapacitated, resigns, or otherwise refuses or ceases to serve, a replacement shall be elected in the same manner as described above. No building, structure, fence, wall, or other improvements shall be commenced, erected, constructed, placed or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the detailed plans and specifications therefor shall have been submitted to and approved in writing by the Building Committee in accordance with the following procedures:

(a) Two sets of preliminary plans and specifications shall be submitted to the Building Committee at the Developer's address or its assigns' address, or such other address as may be designated by the Building Committee, and shall include the following:

(i) A topographical plot plan showing contour grades and the location of all improvements, structures, walks, patios, driveways, swimming pools, fences and walls.

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(ii) Exterior elevations.

(iii) Exterior design, materials, colors, textures and shapes.

(iv) Landscaping plan, including walkways, fences, walls and elevation changes.

(v) Screening, if any, including size, location and method.

(vi) Utility connections.

(b) Following approval in writing of preliminary plans and specifications, two (2) sets of proposed final plans and specifications shall be submitted to the Building Committee at the address set forth above, or such other address as may be designated by the Building Committee, and shall include, in addition to all items required to be specified in the preliminary plans and specifications, the following items:

(i) A topographical plot plan showing existing and finished grades at lot corners and at corners of proposed improvements. Any lot drainage provisions shall also be included, together with cut and fill details if any appreciable change in the lot contour is contemplated.

(ii) Structural design.

(iii) Exterior illumination plans, including location and method.

(c) Improvements which shall be subject to the Building Committee review and approval process shall mean and include all buildings (including outbuildings), driveways, fences, walls, modifications in exterior shape and any proposed exterior modification, addition, alteration, construction or improvement. Plans and specifications submitted to the Building Committee shall specify, without limitation and in such form as the Building Committee may reasonably require, structural, mechanical, electrical and plumbing detail and the nature, kind, shape, height, materials to be incorporated into, and the location of the proposed improvements or alterations thereto. In the event the Building Committee fails to approve or disapprove preliminary or final plans and specifications or reject them as being inadequate within thirty days after receipt thereof, it shall be conclusively presumed that the Building Committee has approved such plans and specifications; provided, however, that the failure of the Building Committee to approve

or disapprove such plans and specifications within such thirty day period shall not permit any structure to be commenced, erected, placed, constructed or maintained on any lot in a manner inconsistent with this Declaration.

19. Duration. The covenants and restrictions of this Declaration shall run with and bind the land subject to this Declaration; and shall inure to the benefit of and be enforceable by the owners subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, from the date of this Declaration for a period ending January 1, 2020, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by persons owning a majority of the lots of the subdivision (with multiple lots combined for the construction of a single residence being treated for this purpose as a single lot) and recorded in the official public records of Midland County, Texas, which contains and sets forth an agreement to abolish this Declaration; provided, however, no such agreement to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolition.

20. Amendments. Notwithstanding anything contained herein, this Declaration may be amended and/or changed in part by the express written consent of persons owning a majority of the lots of the subdivision affected hereby, with multiple lots combined for the construction of a single residence being treated as one lot for this purpose. Any and all amendments, if any, shall be recorded in the office of the County Clerk of Midland County, Texas. However, in no event shall this Declaration be amended to allow for (1) houses less than 2800 square feet of livable floor space or (2) lot sizes to be less than at least three acres in size or (3) commercial activity to be allowed except as provided above or (4) to allow any buildings to be moved onto the premises including but not limited to mobile homes or trailer houses.

21. Enforcement. Enforcement of this Declaration shall be by a proceeding initiated by any owner, any member of the Building Committee or by Declarant, against any person or persons violating or attempting to violate any covenant or restriction contained herein, either to restrain or enjoin violation or to recover damages for the violation, or both, or to enforce any lien created by this instrument. The Building Committee, and each of its appointed members, shall have the right, but not an obligation or duty, to enforce these covenants and restrictions by a proceeding or proceedings at law or in equity. Notwithstanding any provision to the contrary in this Declaration, Declarant shall not have any duty, obligation, or responsibility to enforce any of these covenants and restrictions. Failure by any party to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees from the nonprevailing party. Further, and with respect to any litigation brought against the Building Committee, or any of its members or representatives, arising out of the action, failure to act, or performance or nonperformance of duties imposed hereby, by the Committee or its members or representatives, the Building Committee and/or its members or representatives so sued shall be entitled to recover their reasonable attorneys' fees from the person or entity bringing such action against it or them, unless the Building Committee or its members or representatives shall specifically be adjudicated liable to such claimant.

22. Imposition of Violation Fines. In the event that any person fails to cure (or fails to commence and proceed with diligence to completion the work necessary to cause to be cured) any violation of the covenants and restrictions contained herein within ten (10) days after receipt of written notice from the Building Committee designating the particular violation, the Building Committee shall have the power and authority to impose upon that person a reasonable fine (the "Violation Fine") not to exceed One Hundred Dollars (\$100.00). If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Building Committee shall have the power and authority, upon ten (10) days written notice, to impose another Violation Fine which shall not exceed One Hundred Dollars (\$100.00). There shall be no limit to the number or the aggregate amount of Violation Fines which may be levied against a person for the same violation. The Violation Fines, together with interest at the highest lawful rate per annum and any costs of collection, including attorneys' fees, shall be a continuing lien upon the lot against which such Violation Fine is made.

23. Severability. If any provision of this Declaration is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Declaration shall not be affected thereby.

24. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

25. Notices to Owners. 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 an owner on the records of Midland County, Texas at the time of such mailing.

26. Disputes. Matters of dispute or disagreement between owners with respect to interpretation or application of the provisions of this Declaration shall be determined by the Building Committee, whose reasonable determination shall be final and binding upon all owners.

27. Zoning and Private Restrictions. This Declaration shall not be construed as permitting any action prohibited by applicable zoning laws, or the laws, rules and regulations of any governmental body, or by any deed or lease. In the event of any conflict, the most restrictive provisions of such laws, rules, regulations, deeds, leases or this Declaration shall govern and control.

28. Declarant and Committee not Liable for Damages. Neither Declarant, representatives designated by Declarant to act for it under this Declaration, successors and assigns of Declarant nor members of the Building Committee shall be liable in damages to any owner, to any lessee, tenant or other occupant of any land or improvement covered by this Declaration or to anyone else in connection with the exercise or failure to exercise the powers, duties and authorities set forth in this Declaration, by reason of mistake in judgment, negligence or nonfeasance. Every person who submits plans and specifications for approval pursuant hereto agrees, by submission thereof, and every owner, lessee or tenant of any of the property subject hereto agrees, by acquiring title thereto or a leasehold interest therein, that he will not bring any action or suit against any of said persons or parties to recover any such damages.

29. No Reverter. No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

30. Gender. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular the plural, and vice versa.

31. Assignment by Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any or its privileges, exemptions, rights and duties hereunder to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

IN WITNESS WHEREOF, Declarant had caused this instrument to be executed as of the date first above written.

MORGAN-McLANE DEVELOPMENT, a
Texas General Partnership

By: M. D. McLane
Monty D. McLane, Partner

By: Alan Morgan
Alan Morgan, Partner

By: Keith Morgan
Keith Morgan, Partner

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on this the 30th day of June, 2006 by Monty D. McLane, Partner of Morgan-McLane Development, a Texas general partnership, on behalf of said partnership.



Laura McFaddin
Notary Public

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on this the 30th day of June, 2006 by Alan Morgan, Partner of Morgan-McLane Development, a Texas general partnership, on behalf of said partnership.



Laura McFaddin
Notary Public

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on this the 30th day of June, 2006 by Keith Morgan, Partner of Morgan-McLane Development, a Texas general partnership, on behalf of said partnership.



Laura McFaddin
Notary Public

DDC 14929 VOL 2708 PG 481

FILED FOR RECORD IN
Midland County
Shauna Brown
COUNTY CLERK

ON: Jul 07, 2006 AT 11:20A

as
Recording after Aug 2005

Document Number: 14929
Total Fees : 40.00

Receipt Number - 209263
By:
Vassie Montemayor, Deputy



STATE OF TEXAS
COUNTY OF MIDLAND

I hereby certify that this instrument was FILED on the date
and at the time stamped herein by me and was duly RECORDED
in the volume and Page of the named RECORDS of Midland
County, Texas, as stamped herein by me.

Shauna Brown
County Clerk
Midland County, Texas

**** **Electronically Filed Document** ****

Midland County
Cheryl Becker
County Clerk

Document Number: 2008-8997
Recorded As : ERX-RECORDING

Recorded On: April 23, 2008
Recorded At: 12:26:11 pm
Number of Pages: 9
Book-VI/Pg: Bk-OR VI-3031 Pg-1
Recording Fee: \$44.00

Parties:

Direct-
Indirect-

Receipt Number: 255788
Processed By: Raye White

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.



State of Texas
County of Midland

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly
RECORDED in the volume and page of the named RECORDS of Midland County, Texas as stamped hereon.

Cheryl Becker County Clerk
Midland County, Texas

Declaration of Covenants, Conditions and Restrictions For
Sunridge Ranch Estates Section 3

STATE OF TEXAS §

COUNTY OF MIDLAND §

This Declaration of Covenants, Conditions and Restrictions (this Declaration) is executed effective as of April 10, 2008, by Alan K. Morgan, and William H. Dodson (collectively referred to as "Declarant"),

WHEREAS, Declarant is the owner of that certain property in the County of Midland, State of Texas, more particularly described as Sunridge Ranch Estates Section 3, a subdivision of Midland County Texas according to the map or plat thereof of record in Cabinet I, Page 8, Plat Records, Midland County, Texas and as described on Exhibit A attached hereto and incorporated herein by this reference for all purposes (the "Property"); and

WHEREAS, Declarant desires the Property to be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, liens and charges, which are for the purpose of protecting the value and desirability of the Property, and which shall run with the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs successors, and assigns, and shall inure to the benefit of each owner thereof;

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be held, sold and conveyed subject to the following covenants, restrictions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, and that these covenants, restrictions and easements shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each owner thereof, his heirs, grantees, distributees, successors and assigns, and to the benefit of Declarant, and its successors and assigns.

Covenants, Conditions and Restrictions:

1. Usage. The Property shall be used and occupied primarily for single family residential purposes. The owner shall not use or occupy the property or permit the same or any part thereof to be used or occupied for any purpose other than as a private single family residence for the owner or such owner's tenant and their families. As used herein, the term "single family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of the property for duplexes or apartments. The property shall not be used or occupied for any business, commercial, trade or professional purpose, including, but not limited to, the storage of equipment or other personal property used primarily for any business, commercial, trade or professional purpose; however, this prohibition shall not include hobbies, art and crafts businesses and other commercial activities of a similar nature which can be operated and maintained while at the same time maintaining the property primarily as a single family residence.

2. Minimum Lot Size. No lot shall be resubdivided unless such resubdivision is done with the consent and approval of the City of Midland and unless such resubdivision results in each resubdivided lot containing not less than three acres.

3. Building Structures. No buildings other than single family dwellings and outbuildings used in connection therewith shall be erected, placed or permitted to

remain on the Property. The term "outbuildings" shall include detached garages or similar storage buildings for motor vehicles and boats, pump houses, pool houses, guest and servants' quarters, barns, stables and structures of a similar nature for the convenience and pleasure of the occupants of the main dwelling, and which are not incident to any commercial enterprise, business or profession.

4. Construction Requirements. Only new construction materials shall be utilized (except that used brick may also be utilized) in constructing any structures situated on the Property, and all residential structures shall have not less than eighty percent (80%) masonry construction, or its equivalent, on exterior wall areas, except that detached outbuildings may have exterior siding of a type, design and materials commonly used for such purposes. All roofs shall be constructed with 240-pound 25-year life composition shingles or better. Notwithstanding anything to the contrary hereinabove, all outbuildings, if not constructed of the same material as the primary dwelling, shall be painted of one solid color, i.e., no stripes or alternating color patterns shall be permitted; however, building trim and roof may be of a different color than the walls of the outbuildings.

5. Size and Type of Residence. No residential structure erected on the Property shall have less than two thousand eight hundred (2,800) square feet of livable floor space, exclusive of the area of attached garages, porches, detached guest or servants' quarters or other appurtenances or appendages. In addition, all residential structures shall be conventional in architectural design and construction and shall not be constructed as an A-Frame or geodesic or similar dome design.

6. Building Location and Setbacks. Unless otherwise provided on the plat of the subdivision of the Property as recorded in the public records, the front building setback shall be a minimum of sixty (60) feet from the front lot line; however, no residence shall be set back more than 50% of the total depth of the lot. Side building setback shall be a minimum of thirty (30) feet. Rear setback shall be a minimum of twenty (20) feet. See the subdivision plat filed in the official public records of Midland County for additional setback restrictions. For the purposes of this section 6, eaves, steps and open porches shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of a building to encroach upon or overhang any other lot. If two or more lots, or fractions thereof, are consolidated into one single building site, these building setback provisions shall be applied to such resultant building site as if it were one original, platted lot.

7. Construction Completion. All exterior construction on the primary residential structure as well as any outbuildings must be completed not later than twelve (12) months following the commencement of construction for such residential structure or outbuilding. For purposes hereof, the term commencement of construction shall be deemed to mean the date on which the foundation forms are set. Construction halted for more than twelve months, or manifestly incomplete after the termination of the twelve (12) month period following the commencement of construction, or abandoned indefinitely, must be removed at the owner's expense. Such removal shall include all roofs, walls and foundations, and any remaining excavations shall be filled in and natural vegetation allowed to recover.

8. Temporary and Other Structures. Except as hereinabove provided, no structure of a temporary character, including, but not limited to, mobile homes, tents, portable buildings, manufactured buildings or any other temporary or movable structures or buildings shall be placed on the property either temporarily or permanently, and no residential building, garage, outbuilding or other structure shall be moved upon the Property from another location.

9. Utility Lines and Antennas. TU Electric currently has an overhead utility line running east-west across the southern portion of the Property. However, all additional utility lines or extensions thereof servicing the individual lots shall be placed underground. In addition, no antennas used commercially (including but not limited to cell phone towers) shall be allowed to be erected on the Property. Overhead power lines to run North down the East property line of Block 4. The electric line may be constructed over Lot 1 Block 7. Possible future additional lines maybe constructed as described in this section also be constructed along the west property line of the NW corner If Lots 8 and 9, Block 4 and the fence line of the NW/4 of the Section.

10. Fences. All fences adjacent to any street shall be constructed of white plastic (PVC or similar material) or other white unpainted synthetic material resistant to weathering and designed for outdoor use, and all fences from the street fronting a residence running in the direction of the residence shall be likewise constructed at least as far from the street as the front of the residence. All other fences constructed on any lot shall be constructed of steel or other durable metal pipe having a top rail or of plastic (PVC or similar material), ornamental iron, wood, brick, stone, masonry or similar material. In no event shall chain link or barbed wire fencing be installed as fencing on any lot herein. However, notwithstanding the foregoing, chain link or similar material may be used to construct small pens or enclosures such as dog kennels provided same is screened from public view. Solid walls, fences or hedges through which viewing is obstructed maybe erected or grown between the street and the front building line at a height of not greater than four (4) feet.

11. Signs. No billboards or other advertising sign shall be erected or placed on any lot, except that any owner may display on a lot one sign of not more than five square feet to advertise the lot and any residence for sale or rent, and from time to time a political campaign sign, not exceeding two square feet in area, shall be allowed.

12. Nuisance. No noxious or offensive practices or activities shall be carried on upon any lot, nor shall anything be done on any portion of any tract which may become a public nuisance as that term is generally defined. Noxious or offensive practices shall include, but not be limited to, the storage of junk vehicles (automobiles or other) and/or the collection and storage of other junk or the creation of an open pit for trash or refuse.

13. Animals. It is acknowledged that livestock shall be permitted on any tract herein, restricted in the same manner as the City of Midland, Texas, currently restricts livestock within the city limits of Midland in its areas designated AE. However, no livestock holding pens, corrals or barns shall be constructed within 280 feet of the front boundary line of any tract or within 120 feet of the side boundary line of any tract if such side is also fronting on County Road 46 or County Road 1246. The foregoing restrictions are in addition to the setback restrictions contained herein or shown on the recorded subdivision plat. No dogs or cats are permitted to run loose and must be contained in a fenced area or indoors.

14. Garbage and Refuse Storage and Disposal. The Property shall at all times be kept in a healthy, sanitary and attractive condition. The Property shall not at anytime be used or maintained as a dumping ground for garbage, trash, junk or other waste matter. All fresh, garbage or waste matter shall be kept in adequate containers constructed of metal, plastic or masonry materials, with tightly-fitting lids, which shall be maintained in a clean and sanitary condition.

15. Storage of Vehicles. All trucks larger than one (1) ton, motor vehicles which are not currently licensed, motor vehicles which are not currently in a drivable condition, utility trailers, tractors, campers, motor homes, and other recreational vehicles shall not be permitted to be stored on the Property or parked on the adjacent streets and rights-of-way, except inside outbuildings otherwise

permitted herein. Such vehicles may be parked or stored on the Property for temporary periods not exceeding seventy-two hours.

16. Sewage Disposal. Any sewage or waste water produced on the Property shall be disposed of in a septic system conforming to all applicable governmental regulations and shall be disposed of in such a manner so as not to create a nuisance or any damage to any subsurface waters or surrounding property. In addition, it is understood and recognized that the City of Midland in approving the subdivision plat for this subdivision (Sunridge Ranch Estates Section 3) has placed additional restrictions and/or requirements regarding the type of septic system which will be allowed to be placed on any lot herein; therefore, any owner shall be required to meet said special requirements as is specified on the Sunridge Ranch Estates Section 3 subdivision plat approved by the City of Midland which is recorded in the official public records of Midland County.

17. Production of Water. No water produced from any well on any lot shall ever be used for any commercial purpose, and no water produced from the Property shall be sold or given to others for any use whatsoever. All water wells must be drilled in full compliance with all governmental regulations and shall be cased from the surface to the total depth drilled. The water rights on the northwest quarter section are intact and have never been part of the cities water rights. They will be granted to the new owner with the exception that they may not be conveyed. They must stay intact with the tract upon conveyance. Property owner may not sell water to anyone for any reason. Water production shall be only for the purpose of that tract. The City of Midland previously owned the water rights under the Property, and any owner's use of water from the Property for domestic purposes is limited to the rights granted by the City of Midland by its approval of the Sunridge Ranch Estates Phase II subdivision plat recorded in the official public records of Midland County.

18. Building Committee and Architectural Control. The Building Committee shall consist of two people elected to terms of one year, consisting of the calendar year from January 1 until December 31, inclusive, and until their successors are elected. Election shall be by majority vote of the lot owners in attendance in person or by proxy at the meeting called therefore. The annual election of Building Committee members shall be at a meeting of lot owners called for the purpose by the Developer or by the Building Committee, by written notice to each lot owner at least ten (10) days in advance, specifying the time and place thereof during the last three calendar months of the year before the membership term is to commence in Midland County, Texas; provided that if the Developer or Building Committee fails or refuses to call such meeting, any lot owner may do so at any time after January 1 of such year for the election of members to serve the remainder of the year after such election. Each lot owner of record in the subdivision will be entitled to one vote for each lot owned in electing members of the Building Committee. While the Developer (Alan K. Morgan and William H. Dodson) owns any one or more lots of the subdivision, it shall be entitled to five votes for each lot owned. In the event a person elected to serve on the Building Committee dies, becomes incapacitated, resigns, or otherwise refuses or ceases to serve, a replacement shall be elected in the same manner as described above. No building, structure, fence, wall, or other improvements shall be commenced, erected, constructed, placed or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the detailed plans and specifications therefore shall have been submitted to and approved in writing by the Building Committee in accordance with the following procedures:

- (a) Two sets of preliminary plans and specifications shall be submitted to the Building Committee: Properties owned or sold by Alan K. Morgan to #40 East Industrial Loop, Midland are known as: All of Block 4, All of Block 5, Lots 12 and 13, Block 6, Lots 1, 2, 3 and the West ½ of lot 4, Block 7,

Texas 79701, Properties owned or sold by William H. Dodson to 1410 Missouri, Midland, Texas 79701 are known as: Lots 1 thru 11, Block 6, East ½ of Lot 4, 5 thru 12, Block 7. All of Block 8 and All of Block 9. Such other address as may be designated by the Building Committee, and shall include the following:

- (i) A topographical plot plan showing contour grades and the location of all improvements, strictures, walks, patios, driveways, swimming pools, fences and walls.
- (ii) Exterior elevations.
- (iii) Exterior design, materials, colors, textures and shapes.
- (iv) Landscaping plan, including walkways, fences, walls and elevation changes.
- (v) Screening, if any, including size, location and method.
- (vi) Utility connections.
- (vii) Following approval in writing of preliminary plans and specifications, two (2) sets of proposed final plans and specifications shall be submitted to the Building Committee at the address set forth above, or such other address as may be designated by the Building Committee, and shall include, in addition to all items required to be specified in the preliminary plans and specifications, the following items:
 - a. A topographical plot plan showing existing and finished grades at lot corners and at corners of proposed improvements. Any lot drainage pavilions shall also be included, together with cut and fill details if any appreciable change in the lot contour is contemplated.
 - b. Structural design.
 - c. Exterior illumination plans, including location and method.
 - d. Improvements which shall be subject to the Building Committee review and approval process shall mean and include all buildings (including outbuildings), driveways, fences, walls, modifications in exterior shape and any proposed exterior modification, addition, alteration, construction or improvement. Plans and specifications submitted to the Building Committee shall specify, without limitation and in such form as the Building Committee may reasonably require, structural, mechanical, electrical and plumbing detail and the nature, kind, shape, height, materials to be incorporated into, and the location of the proposed improvements or alterations thereto. In the event the Building Committee fails to approve or disapprove preliminary or final plans and specifications or reject them as being inadequate within thirty days after receipt thereof, it shall be conclusively presumed that the Building Committee has approved such plans and specifications; provided, however, that the failure of the Building Committee to approve or disapprove such plans and specifications within such thirty day period shall not permit any structure to be commenced, erected, placed, constructed or maintained on any lot in a manner inconsistent with this Declaration.

19. Duration. The covenants and restrictions of this Declaration shall run with and bind the land subject to this Declaration; and shall inure to the benefit of and

be enforceable by the owners subject to this Declaration, their respective legal representatives, heirs successors, and assigns, from the date of this Declaration for a period ending January 1, 2030, after *which* time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by persons owning a majority of the lots of the subdivision and recorded in the official public records of Midland County, Texas, which contains and sets forth an agreement to abolish this Declaration; provided, however, no such agreement to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolition.

20. Amendments. Notwithstanding anything contained herein, this Declaration may be amended and/or changed in part by the express written consent of persons owning a majority of the lots of the subdivision affected hereby. Any and all amendments, if any, shall be recorded in the office of the County Clerk of Midland County, Texas.

21. Enforcement. Enforcement of this Declaration shall be by a proceeding initiated by any owner, any member of the Building Committee or by Declarant, against any person or persons violating or attempting to violate any covenant or restriction contained herein, either to restrain or enjoin violation or to recover damages for the violation, or both, or to enforce any lien created by this instrument. The Building Committee, and each of its appointed members, shall have the right, but not an obligation or duty, to enforce these covenants and restrictions by a proceeding or proceedings at law or in equity. Notwithstanding any provision to the contrary in this Declaration, Declarant shall not have any duty, obligation, or responsibility to enforce any of these covenants and restrictions. Failure by any party to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees from the non prevailing party. Further, and with respect to any litigation brought against the Building Committee, or any of its members or representatives, arising out of the action, failure to act, or performance or nonperformance of duties imposed hereby, by the Building Committee or its members or representatives, the Building Committee and/or its members or representatives so sued shall be entitled to recover their reasonable attorneys' fees from the person or entity bringing such action against it or them, unless the Building Committee or its members or representatives shall specifically be adjudicated liable to such claimant.

22. Imposition of Violation Fines. In the event that any person fails to cure (or fails to commence and proceed with diligence to completion the work necessary to cause to be cured) any violation of the covenants and restrictions contained herein within ten (10) days after receipt of written notice from the Building Committee designating the particular violation, the Building Committee shall have the power and authority to impose upon that person a reasonable time (the "Violation Fine" not to exceed One Hundred Dollars (\$100.00)). If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Building Committee shall have the power and authority, upon ten (10) days written notice, to impose another Violation Fine which shall not exceed One Hundred Dollars (\$100.00). There shall be no limit to the number or the aggregate amount of Violation Fines which may be levied against a person for the same violation. The Violation Fines, together with interest at the highest lawful rate per annum and any costs of collection, including attorneys' fees, shall be a continuing lien upon the lot against which such Violation Fine is made.

23. Severability. If any provision of this Declaration is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Declaration shall not be affected thereby.

24. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

25. Notices to Owners. 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 an owner on the records of Midland County, Texas at the time of such mailing.

26. Disputes. Matters of dispute or disagreement between owners with respect to *interpretation* or application of the provisions of this Declaration shall be determined by the Building Committee, whose reasonable determination shall be final and binding upon all owners.

27. Zoning and Private Restrictions. This Declaration shall not be construed as prohibiting any action prohibited by applicable zoning laws, or the laws, rules and regulations of any governmental body, or by any deed or lease. In the event of any conflict, the most restrictive provisions of such laws, rules, regulations, deeds, leases or this Declaration shall govern and control.

28. Declarant and Committee not Liable for Damages. Neither Declarant, representatives designated by Declarant to act for it under this Declaration, successors and assigns of Declarant nor members of the Building Committee shall be liable in damages to any owner to any lessee, tenant or other occupant of any land or improvement covered by this Declaration or to anyone else in connection with the exercise or failure to exercise the powers, duties and authorities set forth in this Declaration, by reason of mistake in judgment, negligence or nonfeasance. Every person who submits plans and specifications for approval pursuant hereto agrees, by submission thereof, and every owner, lessee or tenant of any of the property subject hereto agrees, by acquiring title thereto or a leasehold interest therein, that he will not bring any action or suit against any of said persons or parties to recover any such damages.

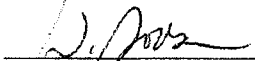
29. No Reverter. No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

30. Gender. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular the plural, and vice versa.

31. Assignment by Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any or its privileges, exemptions, rights and duties hereunder to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the date first above written,


ALAN K. MORGAN


WILLIAM H. DODSON

THE STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 23rd day of April, 2008 by
ALAN K. MORGAN

(SEAL) *Laura McFaddin*
Notary Public in and for
the State of Texas



THE STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 23rd day of April, 2008 by
WILLIAM H. DODSON.

(SEAL) *Laura McFaddin*
Notary Public in and for
the State of Texas

