

RESTRICTIVE COVENANTS AND EASEMENTS

It is mutually agreed by and between the parties hereto that the property herein described is subject to the following applicable restrictions, covenants and reservations, which shall be binding on the parties hereto and all persons claiming under them, to-wit:

1. All tracts shall be used solely for residential purposes. No activity shall be conducted on any of these tracts which is noxious or harmful by reason of emission of odor, dust, smoke, gas fumes, noise or vibration.

2. No tract may be subdivided unless written approval is given by the Seller, its assignees, successors or designees.

3. No building other than a single-family residence containing not less than 1200 square feet, exclusive of open porches, breezeways, carports and garages, shall be moved onto, erected or constructed on any residential tract and no garage may be erected except simultaneously with or subsequent to erection of residence. All building must be completed not later than six (6) months after laying of foundations. No structures of any kind may be moved onto the property, except for new or refurbished double wide manufactured homes not older than 5 years from date of manufacturer and constructed in accordance with the Manufactured Housing Standard Act, Title, 83 of U.S.C. Any manufactured home moved on the property must be approved in writing by the Seller, its assignees, successors or designees and have axles, wheels and towing devices removed. All residences must be completely enclosed from the ground level to the lower portion of the outside walls with masonry or other fabricated material, approved in writing by the Seller, its assignees, successors or designees, so as to maintain a neat, harmonious appearance and remove posts and piers from outside view within sixty (60) days after utilities are connected to each residence.

4. No improvements shall be erected or constructed on any tract nearer than fifty (50) feet to the front property line, nor nearer than twenty (20) feet to the side and rear property lines. However, fences may be erected on the property lines, if they are constructed in such a manner as not to permanently impede the free roaming of game animals or obstruct the utility easements as described in paragraphs 9 and 10 of these restrictions. All improvements, driveways, slabs, fences, etc., must be approved in writing by Seller or his designee before any construction of a residence or any manufactured home is moved onto any tract.

5. No advertising or "For Sale" signs may be erected without written approval of Seller.

6. No building or structure shall be occupied or used until the exterior thereof is completely finished with not less than two (2) coats of paint. No outside toilet shall be installed or maintained on any premises and all plumbing shall be connected with a septic system approved by State and local Department of Health. Before any work is done pertaining to the location of utilities approval of said location must be first obtained from the Seller and the local Department of Health. No removal of trees or excavation of any other materials other than for landscaping, construction of buildings, driveways, etc., will be permitted without the written permission of Seller.

7. No noxious, offensive, unlawful or immoral use shall be made of the premises.

8. A reasonable number of dogs, cats or other household pets may be kept provided that they and any/all other livestock are not kept, bred or maintained for any commercial purpose. No kennels may be kept or maintained on any tract.

RESTRICTIVE COVENANTS AND EASEMENTS continued

9. The Seller reserves to itself, its successors or assigns, a twenty foot (20') wide public utility, drainage and embankment back slope easement adjacent to all street right of way lines, a fifteen (15') utility easement along the side and rear boundary lines, and a floating forty by twenty five (40' by 25') guy wire easement as required by Medina Electric Cooperative of the tract or tracts hereby conveyed, for the purpose of installation or maintenance of public utilities, including, but not limited to gas, water, electricity, telephone, drainage and sewage and any appurtenance to the supply lines thereof, including the right to remove and/or trim trees, shrubs or plants. This reservation is for the purpose of providing for the practical installation of such utilities as and when any public or private authority or utility company may desire to serve said tracts with no obligation to Seller to supply such service.

10. All tracts are subject to easements, liens and restrictions of record and are subject to any applicable zoning rules and regulation. All minerals in, on or under the above mentioned property are excepted from the Contract and hereby reserved to the Seller. The surface of the lots in the subdivision shall not be used for exploration, drilling or development of any materials.

11. No junk, wrecking or auto storage yards shall be located on any tract. Each tract shall be maintained in a neat manner, and at no time shall there be any boat hulls, inoperable automobiles, trucks or vehicles on the premises; nor shall there be any garbage dumps, junk yards, stacks of lumber or cumulation of rubbish piles. Purchaser agrees to keep his property neat in appearance and shall be responsible to keep brush and undergrowth at a minimum. In the event Purchaser fails in this obligation, he agrees that Seller or his agent may enter the property and perform whatever work in the opinion of the Seller is necessary to render the property neat in appearance and Seller may charge Purchaser a reasonable charge for this service.

12. An assessment of \$150.00 annually shall run against each tract in said property for the use and maintenance of roads, gates, common area facilities, and operating costs according to the rules and regulations of Association. The Owners shall constitute the Association. Each Owner of a Lot, including Seller, shall automatically be a member of the Association. Association membership shall be appurtenant to ownership of a Lot. Ownership of a Lot is the sole criterion for membership in the Association. Once 90% of the Lots on the Property have been sold by Seller, the Association shall be incorporated by the Seller as a nonprofit corporation. The Association shall be managed by the Board pursuant to the procedures set forth in the Association's articles of incorporation and bylaws, subject to this Declaration. Beginning with the year in which the Association is incorporated, all owners of Lots shall pay an annual assessment of \$150.00 to the Association not later than June 30 of each year, provided however, that the Seller is exempt from the payment of such fees. The Association shall have the authority of increasing or decreasing said assessment as may be deemed advisable. Such assessment shall be and is hereby secured by a lien on each tract respectively, and shall be payable to the Association in San Antonio, Texas, or to such other persons as Seller may designate by instrument filed of record in the office of the County Clerk of Brio County, Texas on the 1st day of June of each year which assessment shall accrue upon such acceptance. Use of roads, common areas and hunting shall be at the user's own risk.

13. No hunting, whether by firearm, bow and arrow or any other weapon, shall be permitted on any Lot until the Association is incorporated, at which time hunting may be permitted, but only to the extent and under the conditions authorized by the Association, and only in accordance with the laws of the State of Texas and any applicable municipality.

14. These covenants are to run with the land and they shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

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