

COVENANTS, CONDITIONS AND RESTRICTIONS
RELATING TO THE DEVELOPMENT AND USE OF THE PROPERTY

For purposes of these Covenants, Conditions and Restrictions, the Property shall be considered as follows:

Grantor does hereby acknowledge, declare and adopt the following restrictions, conditions and covenants (collectively, "Restrictions"). The Restrictions are set forth and hereby impressed on the Property and shall run with the land.

1. The Property is to be used as recreational and/or residential property. Residences shall contain a minimum of 1,000 square feet and be conventional construction, modular, manufactured, and/or bardominium. No manufactured home parks or mobile home parks are permitted to be developed on the Property. The minimum slab elevation for any residence building shall be the minimum ground floor elevation requirement for compliance with F.E.M.A. Guidelines, or 18 inches above the base flood elevation as determined by F.E.M.A., whichever is more stringent. All buildings must be maintained in good appearance at all times.

2. Notwithstanding anything herein to the contrary, no portion of the Property may be used for purposes including but not limited to the following uses which shall not be permitted anywhere on the Property:

- (a) Any use that is unlawful or that is offensive by reason of odor, gas, fumes, dust, smoke, noise, pollution or vibration or that otherwise constitutes a nuisance or is hazardous by reason of excessive danger of fire or explosion;
- (b) Dumping, disposal, incineration, or reduction of garbage, sewage, dead animals, or refuse;
- (c) The construction or operation of water or sewage treatment plants or electrical substations (excluding such plants and facilities as may be operated by public utility companies or by utility districts or governmental authorities);
- (d) Smelting of iron, tin, zinc or other ores or refining of petroleum or its products;
- (e) Storage in bulk of bulk or used materials, a junkyard, a scrap metal yard, or auto salvage yard;
- (f) Industries/businesses, including, without limitation, heavy manufacturing, fabrication facilities and testing facilities, businesses that utilize heavy equipment, 18 wheelers, excavation;
- (g) Resale or pawn shops, flea markets, or bankruptcy, fire sale or auction business;
- (h) A tavern, bar, nightclub, discotheque or any other establishment selling alcoholic beverages for on premises consumption;
- (i) An adult bookstore or other establishment selling, renting or exhibiting pornographic materials or any sexually oriented business;
- (j) Any sexually oriented business, as that term is generally construed.

3. No used existing building or structure of any kind and no part of a used existing building or structure shall be moved onto, placed on, or permitted to remain on any

portion of the Property for the purpose of storing said structure and/or unless said structure complies with other matters herein and is kept in a neat orderly fashion. No tent, shack, garage, barn or other outbuildings of any character shall be placed or erected on the Property to be used as temporary or permanent residence nor shall any residence of a temporary character be permitted. All new construction must be of new material and no tar paper type roof or siding materials will be used on any structure. The exterior of any wooden building must be painted or stained. All buildings and structures shall be completely under skirted with no piers or pilings exposed to view. All drainage improvements must be approved by any applicable county, state and/or federal authority.

4. No building or structure other than a fence shall be located nearer to the front Property line than fifty (50) feet or nearer to the side Property line than fifty (50) feet or nearer to the rear Property line than ten (10) feet.

5. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except as follows, provided that no government regulations are violated: (a) dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided the same do not become an annoyance or nuisance neighbors; (b) no more than twenty (20) fowl may be kept, unless they are being raised pursuant to and as part of a 4H or FFA project not lasting over one year and are not otherwise being kept for commercial purposes and are kept in pens to the rear of the Property and no closer to any side or rear Property line than fifty (50) feet, and provided that they do not become an annoyance or nuisance to neighbors; (c) other livestock, including sheep may be kept, if area is kept clean and attractive.

6. The Property shall not be subdivided.

7. No outside toilet or privy shall be erected or maintained on any Property. The materials installed in, and the means and methods of assembly of, all sanitary plumbing shall conform with the requirements of the Health Department of the State of Texas and the local authorities having jurisdiction. A septic tank system or other private sewage facility may be constructed only if it complies with the requirements of the Health Department of the State of Texas and of the local authorities having jurisdiction. This provision does not apply to "porta-can" temporary toilets on the Property so long as such "porta-can" does not remain on the property longer than fifteen (15) days after any construction project is completed or five (5) days after any special event is concluded.

8. Any residential building, residential structure, or residential improvement commenced upon any Property shall be completed as to the exterior finish and appearance within twelve (12) months from the commencement date.

9. No portion of the Property shall be used as a dumping ground for rubbish or trash or any hazardous materials or waste, nor for storage of items or materials (except during construction of a building) and all Properties shall be clean and kept free of any boxes, rubbish, trash, tall grass or other debris. No refrigerators or other large appliances shall be placed outdoors and no inoperative motor vehicles or vehicles without current license and inspection sticker shall be placed on or allowed to remain on

the Property. Grantor, its successors and assigns, shall have the right to enter the Property where a violation exists under this paragraph or paragraph 3 and remove the incomplete structure and/or other items and/or clean the Property at the expense of the offending party plus interest at the maximum lawful rate.

10. No commercial, skeet, trap or rifle range operation involving discharging of firearms is allowed

11. Subject to the provisions of the last sentence of this paragraph, if any person or entity, whether or not lawfully in possession of any portion of the Property, shall either (i) violate or attempt to violate any restriction or provision herein or (ii) suffer to be violated (with respect to the real property in which such person or entity has rights other than the rights granted by this sentence) any restriction or provision herein, it shall be lawful for Grantor or its successors or assigns, to prosecute any proceedings at law or in equity against any such person or entity violating, attempting to violate and/or suffering to be violated any restriction or provision herein to (i) prevent such violation, (ii) recover damages or other dues for such violation, and (iii) recover court costs and reasonable attorney's fees incurred in such proceedings. "Person or entity", as used in the preceding sentence hereof, shall include, but shall not be limited to, all owners and purchasers of any portion of the Property, as well as heirs, devisees, assignees, legal representative and other persons or entities who acquire any of the rights (with respect to the real property hereunder) of the owner or purchaser of any portion of the Property. Grantor, its successors and assigns shall not have any liability of responsibility at law or in equity on account of the enforcement of, or on account of the failure to enforce, the Restrictions.

13. Invalidity of any one or more of the Restrictions by judgment of any court shall in no way affect any of the other Restrictions and provisions herein contained, which shall remain in full force and effect.

14. The parties signing this document affirm that they are authorized by the entities they represent to sign in their official capacities.