

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PARADISE LAKE**

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF GRIMES

WHEREAS, Developer is the majority owner of all the property (i.e. all of the lots, tracts, and parcels of land) is described in Exhibit "A" attached hereto and incorporated herein.

This Declaration, made on the date hereinafter set forth by CSCS MANAGEMENT, L.L.C. hereinafter referred to as "Developer".

W I T N E S S E T H

NOW, THEREFORE, the undersigned hereby adopts, establishes and imposes this Declaration of Covenants, Conditions and Restrictions for Paradise Lake, upon Paradise Lake, and declares the following reservations, easements, restrictions, covenants, and conditions applicable thereto, all of which for the purposes of enhancing and protecting the value, desirability and attractiveness of said Property, which Restrictions shall run with said Property and title or interest of this Declaration or the Restrictions shall be deemed to apply in any manner to any area not included in the boundaries of said Plat or survey unless specifically provided for herein. Developer also declares that this subdivision shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

SECTION 1. Any dwelling constructed on subject property must have a floor area of not less than 1,000 square feet, exclusive of garages and shall be constructed of at least standard frame construction. If such building is set on block or piers, it shall be skirted with wood, brick or stone. There will be no mobile or prefabricated homes allowed. The definition of a mobile or prefabricated home will be left to the discretion of the developer until 80% of the lots have sold or the Homeowners Association once it has been duly constituted and elected. A Lot Owner may also build a guest home subject to the restrictions enumerated herein.

SECTION 2. No structure of a temporary character, trailer, basement, tent, shack, garage or other outbuilding, shall be used on subject property at any time as a residence either temporarily or permanently, except as specifically provided herein. Storage buildings may not be utilized as permanent residence on the tract.

SECTION 3. Subject property shall not be used or maintained as a dumping ground for rubbish or trash. No garbage or other waste shall be kept, except in sanitary containers. All other equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition.

SECTION 4. Animals, livestock, emus and ostrich, other than hogs or poultry, may be kept, bred, and maintained on subject property under the following conditions:

- A. No livestock of any type shall be allowed to run loose except upon one's own premises.
- B. All horses, cattle or other livestock shall be kept enclosed by suitable fencing of subject property.
- C. No swine allowed.
- D. No chickens, turkeys or other poultry may be kept or raised on subject property except for personal consumption and/ or pets subject to other pertinent covenants set forth herein, or for 4-H or FFA school sponsored programs.
- E. Though cattle are permitted, feed lots are not permitted
- F. The premises shall be maintained in such a manner as to prevent health hazards and shall not be offensive to the neighboring tracts.
- G. No fences will extend no more than 10 feet into the lake.

SECTION 5. No abandoned or inoperative automobile, other vehicle or trailer shall be permitted to remain on subject property or in front of subject property. Personal campers, boats, tractors, trailers, recreation vehicles, etc. will be permitted provided they have a current registration. No boats or motors will be allowed with a motor of more than 10 horsepower.

SECTION 6. No commercial activity other than that of permitted livestock shall be conducted on any tract. Agricultural and Aqua cultural activities are permitted so long as such activity is in compliance with Section 4, above.

SECTION 7. No building, including but not limited to, one-family dwellings, garages, and barns shall be located closer than two hundred and fifty (250) feet from the front property line and shall be no closer than one hundred (100) feet from the side property lines and no closer than twenty (20) feet from the rear property lines. Also, for these purposes, porches, stoops, bays and covered areas are considered part of the building.

SECTION 8. Owner of a subject property shall provide for the disposal of waste material through a septic system approved by the appropriate governmental authority.

SECTION 9. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

SECTION 10. No breach of any of the conditions herein contained or re-entry by reason of such breach shall defeat or render invalid the lien of any mortgage made in good faith and for value as the subject property; provided, however, that such conditions shall be binding on any owner whose title is acquired by foreclosure, trustee's sale or otherwise.

SECTION 11. The covenants and restrictions of this declaration shall run with and bind the land, and shall bind all owners for a period of fifty (50) years from the date hereof. Thereafter these restrictions shall automatically lose effect and become null and void.

SECTION 12. No timber is to be cut on said property without the permission of the note holder in writing.

SECTION 13. No tract or tracts shall be re-subdivided smaller than 20 acres without the approval of the P.O.A. or Developer and compliance with county and state laws.

SECTION 14. All buildings shall be single-family dwellings.

SECTION 15. Homeowners Association. The developer will be responsible for enforcing these Restrictions until 80% the lots are sold in the subdivision of. Once such events occurs, developer will hand over responsibility of a duly constituted Homeowner's Association with an architectural Committee to enforce these Restrictions and make such decisions as necessary to have each lot in compliance with these Restrictions.

SECTION 16. No sign, advertisements, billboards or advertising structure of any kind may be erected or maintained on any tract without the consent of the Grantor. Grantor shall have the right to remove any such nonconforming sign, advertisement or billboard or advertising structure, which is placed on any lot without such consent and in so doing, shall not be liable, and is hereby expressly relieved from any liability for trespass or other tort in connection with, or arising from such removal.

SECTION 17. No privy, cesspool, or outdoor toilets shall be placed or maintained on any part of the property and all indoor toilets and baths shall be installed with an connected to a septic tank or sanitary sewer which must be approved by all state, county or city health authorities having jurisdiction. The drainage of septic tanks into road ditches, either directly or indirectly, is strictly prohibited.

SECTION 18. All docks to approved by developer prior to construction.

SECTION 19. There will be a \$200.00 per year per tract adjoining the lake assessment fee for restocking and maintaining lake dam.

EXECUTED THIS THE
2000

DAY OF

By:

Clay Signor, President
CSCS Management, LLC

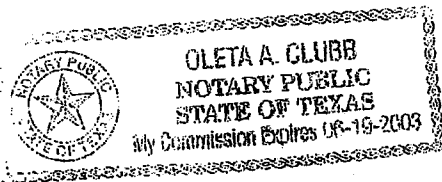
Buyer

Buyer

STATE OF TEXAS

COUNTY OF MONTGOMERY

This instrument was acknowledged before me the 9th day of November
2000, by Clay Signor and Charles Signor of CSCS Management, LLC.



[Signature]
Notary Public, in and for the State of Texas

My Commission Expires: _____