

DECLARATION OF RESTRICTIVE COVENANTS

THE STATE OF TEXAS
COUNTY OF HENDERSON

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KNOW ALL MEN BY THESE PRESENTS:

THAT Cecil A. and Dana C. Staples of Palestine, Texas together with Richard B. and Tammy S. Woodard of Plano, Texas do hereby agree to the following covenants, restrictions and conditions upon the real property located at Tract 11, Lakeside Subdivision, CR 4101, Henderson County, Texas and described in the Real Estate Sales Contract dated November 24, 2004, and upon the adjoining real property located at Tract 10, Lakeside Subdivision, CR 4101, Henderson County, Texas and currently owned by Cecil and Dana Staples.

WHEREAS Cecil A. and Dana C. Staples are the owners of the real properties described and are desirous of subjecting these properties to the covenants, restrictions and conditions set forth in this agreement, all of which is intended for the benefit of the property and for each owner thereof. And, whereas Richard B. and Tammy S. Woodard desire to purchase the real property described as Tract 11, CR 4101, and to subject this property and the adjoining property known as Tract 10, CR 4101 belonging to Cecil A. and Dana C. Staples, to these covenants, restrictions and conditions. These covenants, restrictions and conditions shall run with the land and each parcel or lot contained therein and shall apply to and shall bind all successive owners of every parcel or lot.

“Owner” shall mean and refer to the record Owner, whether one or more persons or entities of the fee title to the aforementioned properties, but not withstanding any theory of mortgage, shall not mean or refer to the Trustee or mortgagee in a mortgage or Deed of Trust but shall include any mortgagee or other person who shall acquire fee title pursuant to foreclosure or other proceeding in lieu of foreclosure.

“Properties” shall mean and refer to the real properties described as Tract 11, Lakeside Subdivision, CR 4101, located in Henderson County, Texas and Tract 10, Lakeside Subdivision, CR 4101 located in Henderson County, Texas.

NOW THEREFORE, the Parties make, declare and impose the following limitations, covenants and restrictions upon the Properties as restrictive and protective covenants, running with the land and binding upon all present and future owners of any part of such real property, and further declaring that each of the Properties is and shall be held, transferred, conveyed and occupied subject to the restrictive and protective covenants hereinafter set forth.

No other property, other than that described above, shall be subjected to this declaration, unless and until specifically made subject thereto.

PROTECTIVE COVENANTS, RESTRICTIONS, AND CONDITIONS

Section 1. General Purposes:

The foregoing described real properties are subject to the following set of restrictions, covenants and conditions to insure the best use, appropriate development, and improvements of each lot and building site; and, further, to protect the owners of building sites against improper use of the land as will deprecate, depreciate or otherwise adversely affect the value of their property; to preserve the

natural beauty of said property; and, in general, to provide the quality of improvements within the described property and surrounding properties and thereby enhance the value of improvements made by the purchasers of the properties and building sites.

Section 2. Sanitary Facilities:

All lavatories, toilets and bath facilities shall be installed indoors and shall be connected with an adequate aerobic septic system. Minimum requirements for the construction and placement of the aerobic septic systems shall be approved by the appropriate authorities of Henderson County, Texas.

Section 3. Set Back Lines:

All structures located on either property shall be set back from all property lines a minimum of fifteen (15) feet. *except for southern boundary of tract 10 where set back line will be in compliance with local law. CWD dl*

Section 4. Temporary Residences and Manufactured Homes

No structure of a temporary character shall be erected at any time to be used as a residence, either temporarily or permanently. A temporary building may be placed on the property only if such building is necessary as a construction shack.

It shall not be a violation of this provision for a camper trailer, boat, motor home or recreational vehicle to be parked on the property for hunting, fishing, boating or other recreational purposes.

No mobile or manufactured home, whether or not mounted or constructed on a foundation, shall be used on the property at any time, either temporarily or permanently.

Section 5. Animals:

Neither property, nor any part or parcel of these properties may be used as a place for keeping horses, mules, cattle or other livestock or poultry; provided, however, that occupants of each residence may keep domestic or household pets, such as cats and dogs, provided same are not kept, bred or raised for commercial purposes.

Section 6. Nuisances:

No obnoxious or offensive activity shall be carried on upon any part of the Properties, nor shall anything be done, or any condition permitted to exist thereon which may be or become an annoyance, nuisance or hazard to the health of the property owners.

Section 7. Signs:

No billboards, signs or advertising displays of any kind shall be installed, maintained or permitted to remain on the properties, except "For Sale" signs and political candidate signs shall be permitted on the Properties.

Section 8. Land Use:

No commercial activities may be conducted on the Properties, except that Owners will be permitted to have an office in their residences and to conduct professional business activities in those offices. No part of the Properties or any improvement situated thereon shall be put to any industrial, manufacturing or other use which may be offensive by reason of odor, fumes, dust, smoke, noise, vision, vibration, or which are hazardous by reason of the excessive danger of fire or explosion.

Owners shall be permitted to use part of the Properties for personal agricultural use or general residential gardening.

Section 9. Construction:

All structures and improvements are to be kept and maintained in a good and sightly condition. Reasonable precautions shall be used when erecting any structure, or making any improvement, to protect against adversely affecting the adjoining property such as damaging trees, land or causing a change in the water run-off on the Properties. If the construction of any structure, road, or other improvement on either property substantially affects the existing water run-off on the adjoining property, the Owner constructing and causing an adverse affect shall use reasonable methods to control or correct water run-off so as not to cause harm or erosion to the adjoining property.

Section 10. Boathouses and Piers:

Any disturbance of the shoreline of the lake requires prior written approval of the Neches River Authority. All docks, piers or boathouses shall not be located closer than ten (10) feet away from the extended property lines that perpendicular to the shoreline.

Section 11. Hazardous Substances:

The Properties shall not be used or maintained as a dumping ground for rubbish or trash and no garbage or other waste shall be kept except in sanitary containers. Notwithstanding the foregoing, no hazardous substance shall be brought unto, installed, used, stored, treated, disposed of or transported over the Properties, and all activities on the Properties shall, at all times, comply with Applicable Law.

Section 12. Duration and Amendment:

These restrictions, covenants, and conditions of this declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Owners of the Properties, their respective legal representatives, heirs, successors or assigns for a period of forty (40) years, after which period shall be automatically extended for successive periods of ten (10) years unless a written instrument signed by all of the then current owners of said Properties has been recorded to amend this declaration or any parts thereof.

Section 13. Enforcement:

The conditions, restrictions and covenants herein contained shall bind and inure to the benefit of, and be enforceable by the Owners, their successors, personal representatives and assigns, or by the owner or owners of any parcel of the Properties. The failure of the Owners, their successors or assigns to enforce any of the conditions, restrictions or covenants herein contained shall be in no way be deemed a waiver of rights to enforce such conditions, restrictions or covenants hereafter. Nothing herein contained shall be construed as preventing the application of any remedy given by law against a nuisance, public or private. The remedy herein provided shall be in addition to any other remedy now or hereafter provided by law.

Section 14. Severability:

Invalidation of any one condition, restriction or covenant herein contained by judgment or order of any court of competent jurisdiction, shall in no way effect the validity of remaining conditions, restrictions or covenants; and said remaining conditions, restrictions and covenants shall continue and remain in full force and effect.

DATED this 17th day of December, 2004.

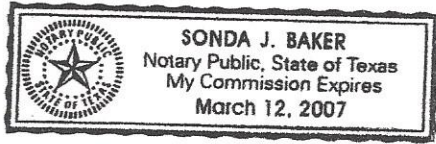
Cecil Staples
CECIL A. STAPLES

Dana C. Staples
DANA C. STAPLES

THE STATE OF TEXAS §
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COUNTY OF Anderson §

Sworn to and subscribed before me at Palistine, Texas on this 20th day of December, 2004.

Sonda Baker
Notary Public



Richard B. Woodard
RICHARD B. WOODARD

Tammy S. Woodard
TAMMY S. WOODARD

THE STATE OF TEXAS §
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COUNTY OF Henderson §

Sworn to and subscribed before me at Athens, Texas on this 28th day of November, 2004

Terrie Russell
Notary Public

