

4
Y**TIMBER LINE ESTATES - SECTION III
DEED RESTRICTIONS****ARTICLE I**

Section 1.01 "Developer" shall mean and refer to Lanabi, Inc. Trustee. and its successors and assigns.

Section 1.02 "Lot" shall mean and refer to any plot of land identified as a Lot or tract on the plat of the Subdivision. For purposes of this instrument, "Lot" shall not be deemed to include any portion of any "Reserves", "Restricted Reserves" or "Unrestricted Reserves", (defined herein as any Reserves, Restricted Reserves or Unrestricted Reserves shown on the Plat) in the Subdivision, regardless of the use made of such area.

Section 1.03 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Subdivision, including (i) contract sellers (a seller under a Contract-for-Deed), but excluding those having such interest merely as security for the performance of an obligation, (ii) Developer (except as otherwise provided herein), and (iii) Builders.

ARTICLE II**RESERVATIONS. EXCEPTIONS AND DEDICATIONS**

Section 2.01 Recorded Subdivision Map of the Property. The plat ("Plat") of the Subdivision dedicates for use as such, subject to the limitations as set forth therein, the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable to the Property. All dedications, restrictions and reservations created herein or shown on the Plat, replats or amendments of the Plat of the Subdivision recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Developer, conveying said Property or any part thereof whether specifically referred to therein or not.

Section 2.02 Easements. Developer reserves for public use the utility easements shown on the Plat or that have been or hereafter may be created by separate instrument recorded in the Real Property Records of Montgomery County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, or any other utility the Developer sees fit to install in, across and/or under the Property. Developer further expressly reserves the right to enter upon any Lot for the purpose of constructing or maintaining any natural drainage pattern, area or easement. All utility easements in the Subdivision may be used for the construction of drainage swales in order to provide for improved surface drainage of the Reserves and/or Lots. Should any utility company furnishing a service covered by

the general easement herein provided request a specific easement by separate recordable document, Developer, without the joinder of any other Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof. Any utility company serving the Subdivision and/or any Utility District serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Developer nor any utility company, water district, political Subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees and lawns or any other property of the Owner on the property covered by said easements.

Section 2.03 Title Subject to Easements. It is expressly agreed and understood that the title conveyed by Developer to any of the Lots by contract, deed, or other conveyance shall be subject to any easement affecting same for roadways or drainage, water line, gas, sewer, electric lighting, electric power, telegraph or telephone purposes and other easements hereafter granted affecting the Lots. The Owners of the respective Lots shall not be deemed to own pipes, wires, conduits or other service lines running through their Lots which are utilized for or service other Lots, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Lot. The Developer may convey title to said easements to the public or a public utility company.

Section 2.04 Drill Sites and Multi-purpose Easements. The areas designated as Drill Sites and multi-purpose Easements on the Plat are the designated drill site and multi-purpose easement locations, provided said Drill Sites and Multi-purpose Easements may be used by the Lot Owner, their families, guests and invitees upon whose Lot the Drill Site or Multi-purpose Easement is located for recreation, outdoor activities, grazing or other activities other than construction of improvements until such time as the mineral owners desire to use said area for a drill site or easement for the exploration and/or of oil, gas or other minerals. The use of these Drill Sites and Multi-purpose Easements are specifically subject to the superior right of the mineral owners to use the area as a drill site and easements for the exploration and development of oil, gas or other minerals.

Section 2.05 Roads and Streets. Subject to the terms and conditions of this Section 2.05, the roads and streets in this Subdivision, as shown on the Plat, are hereby dedicated in addition to roadways, as utility easements for the purpose of constructing, operating, maintaining or repairing a system(s) of electric lighting, electrical power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground) cable television, or any other utilities that the Developer sees fit to install (or permit to be installed) in, across and/or under the Property.

Section 2.06 Community Water and Wells. All lot owners are required to buy community water. It is available with a \$500.00 tap fee.

ARTICLE III

USE RESTRICTIONS

Section 3.01 Single Family Residential Construction. The construction of the main dwelling must begin within two (2) years of completion of any non residential buildings. The term "dwelling" does not include single or double wide manufactured or mobile homes, or any old or used houses to be moved on the Lot and said manufactured or mobile and used homes are not permitted within the Subdivision. All dwellings must have at least 1500 square feet of living area, excluding porches, and be built with new construction materials. Any building, structure or improvement commenced on any tract shall be completed as to exterior finish and appearance within twelve (12) months from the commencement date. New pre-fabricated or pre-built homes from another location may be moved onto the property with the approval of the Developer.

Section 3.02 Residential Foundation Requirements. All building foundations shall consist of either: (i) concrete slabs, or (ii) piers and beams, with the entire building being skirted with brick or materials which match the outside of the building. Provided, however, the Developer, upon the Transfer Control Date, approve a different type of foundation when circumstances such as topography of the Lot make it impractical to use one of the above foundations for all or any portion of the foundation of the building improvements constructed on the Lot. Minimum finished slab elevation for all structures shall be above the 100 year flood plain elevation, or such other level as may be established by the Commissioner's Court of Montgomery County, Texas, and other applicable governmental authorities.

Section 3.03 Use of Temporary Structures. No structure of a temporary character, whether trailer, basement, tent, shack or other outbuilding shall be maintained or used on any Lot at any time as a residence, either temporarily or permanently; provided, however, that Developer reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Subdivision as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements within the Subdivision. Approved garages or barns may be used as a temporary residence, as long as they are maintained and finished within one year. Main dwelling construction must begin within two years after start of temporary structure. Before any written approval is granted to resident for temporary housing, resident must submit request in writing along with commencement date of temporary structure.

Section 3.04 Sanitary Sewers. No outside, open or pit type toilets will be permitted in this Subdivision. All dwellings constructed in this Subdivision prior to occupancy must have a septic or sewage disposal system installed by the Owner to comply with the requirements of the appropriate governmental or regulatory agency.

Section 3.05 Prohibition of Offensive Activities. Without expanding the

permitted use of the Lots, no activity, whether for profit or not, shall be conducted on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the Subdivision. This restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. Any use of two-stroke motorcycles inside subdivision is prohibited. ATV's are allowed only on lot bought by the owner.

Section 3.06 Garbage and Trash Disposal. Garbage and trash or other refuse accumulated in this Subdivision shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence of this Subdivision is or may be created. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 3.07 Junked Motor Vehicles Prohibited. No Lot shall be used as a depository for abandoned or junked motor vehicles. An abandoned or junked motor vehicle is one without a current, valid state vehicle inspection sticker and license plate. No junk of any kind or character, or dilapidated structure or building of any kind or character, shall be kept on any Lot. Excluding such vehicles that are stored inside of a covered barn or garage that are not visibly viewed by the public.

Section 3.08 Animal Husbandry. Animals, livestock or poultry of any kind may be raised, bred or kept on any Lot provided they are not expressly prohibited herein and provided that they do not become a nuisance or threat to other Owners in the Subdivision. Permitted domestic livestock and other animals and their offspring may be sold or marketed to the public provided such commercial enterprise does not become a nuisance or threat to other Owners in the Subdivision. The Owner shall comply with generally accepted livestock raising and breeding practices. In no event shall any owner keep, raise or breed or allow to be kept, raised or bred, on his lot or tract, any pigs, swine, peacocks, snakes or other reptiles. Excluding swine or animals raised for any 4H FFA or livestock show project.

Section 3.09 Mineral Development. Except within the areas designated as Drill Sites on the Plat, and easements related thereto, no commercial oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot, and, no derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. Provided, however, that this provision shall not prevent the leasing of the Subdivision or any portion thereof, for oil, gas and mineral purposes and the development of same, it being contemplated that the portion or portions of the Subdivision may be developed

from adjacent lands by directional drilling operations or from the Drill Sites designated on the Plat.

Section 3.10 Drainage. Natural established drainage patterns of streets, Lots or roadway ditches will not be impaired by any person or persons and Developer may enter upon any Lot to maintain such natural drainage areas. Driveway culverts will be of sufficient size to afford proper drainage of ditches without backing water up into ditch or diverting flow.

Section 3.11 Lot Maintenance. All Lots, at Owner's sole cost and expense, shall be kept at all times in a neat, attractive, healthful and sanitary condition, and the Owner or occupant of all Lots shall keep all weeds and grass in cleared open yard areas on said Lot cut and shall in no event use any Lot for storage of materials or equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon.

Section 3.12 Exterior Maintenance of Building. In the event the owner of any building in the Subdivision should allow such building to fall into disrepair and become in need of paint, repair or restoration of any nature and become unattractive and not in keeping with the neighborhood, the Developer will give such owner written notice of such conditions.

Section 3.13 Hazardous Substances. No Lot shall 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. All incinerators or other equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition. Notwithstanding the foregoing, no Hazardous Substance shall be brought onto, installed, used, stored, treated, disposed of or transported over the Lots or the Subdivision, and all activities on the Lots shall, at all times, comply with Applicable Law. The term "Hazardous Substance" shall mean any substance which, as of the date hereof, or from time to time hereafter, shall be listed as "hazardous" or "toxic" under the regulations implementing The Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. SS9601 et seq., The Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. SS6901 et seq., or listed as such in any applicable state or local law or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under applicable law. The term "Applicable Law" shall include, but shall not be limited to, CERCLA, RCRA, The Federal Water Pollution Control Act, 33 U.S.C. SS1251 et seq., and any other local, state and/or federal laws or regulations that govern the existence, cleanup and/or remedy of contamination on property, the protection of the environment from spill deposited or otherwise in place contamination, the control of hazardous waste or the use, generation, transport, treatment, removal or recovery of hazardous substances, including building materials.

ARTICLE IV

VARIANCE OF RESTRICTIONS

Section 4.01 Variance. The Developer, upon the Transfer Control Date, may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Developer, when circumstances such as topography, natural obstructions, Lot configuration, Lot size, hardship, aesthetic or environmental considerations may require a variance. The Developer reserve the right to grant variances as to building set-back lines, minimum square footage of the residence, fences, and other items. Such variances must be evidenced in writing and shall become effective when signed by the Developer. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned and the Plat.

ARTICLE V

GENERAL PROVISIONS

Section 5.01 Term. The provisions hereof shall run with all property in the Subdivision and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by not less than two-thirds (2/3rds) of the then Owners (including the Developer) of the Lots has been recorded agreeing to cancel, amend or change, in whole or in part, this Declaration.

Section 5.02 Amendments by the Developer. The Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, oversight, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or his mortgagee. Additionally, Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner of other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of permitting the Owners to enjoy the benefits from technological advances, such as security,

communications or energy-related devices or equipment which did not exist or were not in common use in residential Subdivisions at the time this Declaration was adopted. Likewise, the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of prohibiting the use of any device or apparatus developed and/or available for residential use following the date of this Declaration if the use of such device or apparatus will adversely affect the property values within the Subdivision.

Section 5.03 Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

Section 5.04 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

Section 5.05 Successors and Assigns. The provisions hereof shall be binding upon and inure to the benefit of the Owners, and the Developer, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

Section 5.06 Effect of Violations on Mortgages. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien, or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

Section 5.07 Terminology. All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein", "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear. All references in this Declaration to Exhibits shall refer to the Exhibits attached hereto.

Section 5.08 Developer's Rights and Prerogatives. Prior to the Control Transfer Date, the Developer may file a statement in the Real Property Records of Montgomery County, Texas, which expressly provides for the Developer's (ii) discontinuance of the exercise of any right or prerogative provided for in this Declaration to be exercised by the Developer or (i) assignment to any third party owning property in the Subdivision or Annexable Area, of one or more of Developer's specific rights and prerogatives provided in this Declaration to be exercised by Developer. The assignee designated by

Developer to exercise one or more of Developer's rights or prerogatives hereunder shall be entitled to exercise such right or prerogative until the earlier to occur of the (i) Control Transfer Date or (ii) date that said assignee files a statement in the Real Property Records of Montgomery County, Texas, which expressly provides for said assignee's discontinuance of the exercise of said right or prerogative. From and after the date that the Developer discontinues its exercise of any right or prerogative hereunder and/or assigns its right to exercise one or more of its rights or prerogatives to an assignee, the Developer shall not incur any liability to any Owner, or any other party by reason of the Developer's discontinuance or assignment of the exercise of said right(s) or prerogative(s).

Section 5.09 Electric Utility Service. Prior to beginning any construction on a Lot, each Lot owner, at his expense, shall be required to install electric service lines from the transformer or source of feed to the meter location on said Lot. Further, each Lot owner may expect to pay a charge for connection to such electric utility service, and the owner is obligated to contact local power company to determine such charge and make arrangements for the installation of said service lines and connection to the electrical distribution system. Owner shall also be responsible for all charges for all utility service furnished to Owner's Lot.

EXECUTED this 10th day of February 2004.

LANABI, INC.:

Jack Ford
By: Jack Ford/Authorized Agent

ACKNOWLEDGEMENT

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

Before me, a notary public, on this day personally appeared JACK FORD, Authorized Agent, for Lanabi, Inc., a Texas Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this 10th day of February 2004.

Mary F. Runnels
Notary Public in and for the State of Texas

After recording return to:

Lanabi, Inc.
P.O. Box 3085
Conroe, Texas 77305



FILED FOR RECORD

2004 FEB 11 PM 1:45

Mark Turball
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas.

FEB 11 2004



Mark Turball
County Clerk
Montgomery County, Texas

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All black-outs, additions and changes were present at the time the instrument was filed and recorded.