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Longhorn

**RESTRICTIVE COVENANTS
FOR LONGHORN RANCH SUBDIVISION
A PART OF LAKE FORK RANCHES ADDITION**

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DATE: 1-13, 2006

OWNER: EVERGREEN PARTNERSHIP, a Texas general partnership

OWNER'S MAILING ADDRESS: 148 Pinewood Cove, Holly Lake Ranch, Texas 75755

LENDER: BANK TEXAS, NATIONAL ASSOCIATION

LENDER'S ADDRESS (including county): 412 E. Goode Street, P.O. Box 1675, Quitman, Wood County, Texas 75783

PROPERTY (including any improvements): Longhorn Ranch Subdivision of Lake Fork Ranches Addition, according to the plat thereof recorded in Volume _____, Page _____, Plat Records, Wood County, Texas, a part of the called 370.182 acre tract of land, in the James Berry Survey, A-63, the Harvey Hall Survey, A-264, the L.C. Morgan Survey, A-774, the W.H. Morgan Survey, A-414, the Raymond Sunigas Survey, A-527, the Jesse Walker Survey, A-607, Wood County, Texas, described in that certain warranty deed dated April 25, 2003, recorded in Volume 1914, Page 66, Real Property Records, Wood County, Texas, Herbert E. Moon, et al., to William T. McKenzie, Trustee.

Owner is the owner of the Property. Lender has one or more liens on the Property.

Owner is the owner of at least two thirds (2/3rd) of the property subject to the Restrictive Covenants for Lake Fork Ranches Addition recorded in Volume 1962, Page 753, Real Property Records, Wood County, Texas. These restrictions for Longhorn Ranch vary in certain minor respects from the Restrictive Covenants for Lake Fork Ranches Addition, and are executed and recorded by Owner pursuant to the authority granted by paragraph 19 of the Restrictive Covenants for Lake Fork Ranches Addition.

For the purpose of carrying out a general plan of development and maintenance of the Lake Fork Ranches Addition, Owner does hereby impose the following restrictions, covenants, liens, and conditions on the Property and each portion of the Property hereafter sold by Owner (hereinafter referred to as a "Tract"), and all improvements constructed on the Property and any Tract and on any adjacent lands owned by the Sabine River Authority of Texas ("SRA") of which the owner of a Lot has the use pursuant to a lease, a limited use permit, or other agreement with SRA.

These restrictive covenants are intended to provide controls within the Lake Fork Ranches community to encourage a quiet and attractive "ranch feeling". Owner believes all of the "not allowed" items are things that protect quality of life and preserve beauty. As the years go by, changes can be made as provided in Paragraph 20. The Architectural Control Committee ("the ACC") will assist Tract owners in the planning process to foster compatibility of improvements and uses of the land with those of other Tract owners.

Each contract or deed which may be hereafter executed with regard to any part of the Property shall be held conclusively to have been executed, delivered and accepted subject to the following, whether the same are or are not set out in full or by reference in said contract or deed.

1. USE. The Property shall be used solely for single family residential purposes. No commercial activity shall be conducted or permitted on any Tract, except "home office/telecommuting" or other such non-public activities of the resident. Notwithstanding the foregoing, Owner and owner's agents may place, maintain and use trailers or temporary structures on the Property incidental to the initial construction of improvements by Owner or the initial sale of Tracts by Owner. Such trailers or structures shall be promptly removed on completion of all such initial construction and all such initial sales.

2. RESUBDIVISION. No Tract may be resubdivided except that individual Tracts may be resubdivided between abutting owners and thereafter each owner's resulting Tract shall be considered as one Tract for all purposes, except that no resubdivision may result in a Tract less than one and one-half acres in size. The abutting owners desiring to resubdivide their Tracts shall immediately cause a plat of the resubdivided Tracts showing the area of each to be prepared by a Registered Public Land Surveyor and recorded in the Real Property Records of Wood County, Texas, in conjunction with related necessary or appropriate conveyancing instruments.

3. STRUCTURES.

(a) Only one single family residence may be constructed on any Tract. "Single family residence" means a building or structure designed, built, and maintained for private, residential purposes by a single family.

(b) No residence shall be constructed or permitted to remain on any Tract which is adjacent to the SRA Lake Fork Project ("Lake Fork") unless such residence has a minimum of 2000 square feet of living area. No residence shall be constructed or permitted to remain on any Tract which is not adjacent to the SRA Lake Fork Project unless such residence has a minimum of 1600 square feet of living area or such larger minimum living area as may be specified by Owner in the deed to the first purchaser of the Tract. A guest house of at least a 1000 square feet can be built simultaneously with or after the main house if it is attached to the main house by covered walk. Plans for all construction activity (including clearing) must be submitted to the ACC for approval before start of construction. Each home must have an earth tone blend of exterior construction materials, such as stone, brick, wood and "hardy plank". At least 25% of the street elevation must be masonry, unless otherwise approved by the ACC. Roofs must be earth toned, with no white or bright colors.

(c) The improvements to each Tract must include a two or more car enclosed garage. The design and placement of the garage door is subject to the approval of the ACC. Front entry garages are permitted subject to the approval of the ACC.

(d) All exterior lights shall be located and maintained so as not to be directed toward adjacent Tracts and shall be of a subdued nature. Mercury vapor, halogen and other types of bright area lighting are prohibited. Subdued driveway and entrance lights are permitted.

(e) No mechanical equipment including evaporative coolers, air conditioning equipment, heating equipment or ducts shall be allowed on roofs. All mechanical equipment, evaporative coolers, air conditioning equipment, meters, wiring, trash receptacles and related apparatuses shall be concealed from

view from streets and other Tracts. Solar collectors or panels and satellite dishes smaller than 36 inches in diameter are permitted on roofs if not visible from any street adjacent to the Tract or from any other Tract.

(f) All structures which extend into Lake Fork Reservoir shall meet the following requirements:

(1) The construction of any such structure shall be in accordance with the requirements of the Sabine River Authority of Texas ("the SRA") requirements.

(2) No part of such structures shall be closer to any permit side property line than ten (10) feet.

(g) No part of any building shall be located nearer than fifteen (15) feet to a boundary line of a Tract not owned by the same owner, except to the extent the owners of adjoining Tracts agree to the contrary in a writing recorded in the Real Property Records, Wood County, Texas.

(h) No structure shall be occupied or used for residential or storage purposes (other than for the storage of building materials to be used in the construction and completion thereof) until the exterior thereof shall have been completed.

(i) Each residence, once commenced, must be completed within nine (9) months from the date of commencement. No structure ancillary to the residence (except one dock or pier) shall be commenced except upon the completion of or simultaneously with the construction of the residence.

(j) Each Tract shall have a driveway, which shall be completed within thirty (30) days after the residence on the Tract is completed. All driveways shall be surfaced with concrete, asphalt, iron ore, or some other permanent, all weather material. No driveway shall be constructed within fifteen (15) feet of a common boundary line of two Tracts except to the extent the owners of adjoining Tracts agree to the contrary in a writing recorded in the Real Property Records, Wood County, Texas.

(k) No manufactured housing, trailer, mobile home, tent, shack, camper, or structure of a temporary character shall, at any time, ever be used as a permanent or temporary residence on any Tract, or moved onto or permitted to remain on any Tract, except during construction of permanent structures. No camping shall be permitted within Lake Fork Ranches.

(l) Fences and out buildings must have a "ranch" feel and be approved by the ACC. No chain link fences shall be allowed.

(m) All electrical service, cable and telephone service lines and any similar or other lines installed on a Tract shall be placed underground, and no outside electrical, cable, telephone or other type lines shall be placed overhead.

(n) All out-buildings (other than docks and piers) must be consistent in appearance and exterior materials with the residence constructed on the respective Tract.

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11. WEEDS AND TRASH. The owner of each Tract shall keep the same clean and free of trash and weeds. All Tracts must be mowed at least once a month in the growing season.

12. SEWERAGE. No building or structure shall be occupied as a residence unless all plumbing fixtures, dishwashers and toilets are connected to an adequate sewerage disposal system. All lavatories, toilets and bath facilities shall be installed indoors and shall be connected with adequate grease traps, septic tanks, and lateral lines constructed to comply with the specifications of State and local health authorities and SRA, and no "outside" or surface toilets shall be permitted under any circumstances.

13. UTILITY EASEMENTS. An easement is expressly reserved in, on, over, under and through a twenty (20) foot strip of each Tract adjacent to all roads in Lake Fork Ranches for the purpose of installing, repairing and maintaining electric power, water, cable, sewerage, gas, telephone and similar utility facilities and services. The easements reserved and dedicated under the terms and provisions hereof shall be for the general benefit of Lake Fork Ranches and any other land owned or acquired by Owner in the vicinity thereof, and shall also inure to the benefit and may be used by any public or private utility company entering into and upon said property for the purposes aforesaid, without the necessity of any further grant of such easement rights to such utility companies. No buildings or structures of any character except driveways may be erected or allowed to remain on any utility easements.

14. DRAINAGE STRUCTURES. Drainage structures under private driveways shall have net drainage opening areas of sufficient size to permit the free flow of water without backwater.

15. STANDBY PROPERTY OWNER ASSOCIATION.

(a) At any time the Property Owner Association contemplated by these restrictions does not exist the owners of not less than two-thirds of the land included in the Property may join together to incorporate and organize a Texas non-profit corporation to serve as the Property Owner Association for Lake Fork Ranches.

(b) Upon the incorporation and organization of the Property Owner Association, every Tract owner in Lake Fork Ranches and Owner if Owner still owns any part of the Property shall be a member of the Property Owner Association, and shall have the number of votes equal to the number of acres of the Property owned by the respective owner on all matters upon which members of the Property Owner Association are entitled to vote.

(c) The primary purpose of the Property Owner Association shall be the enforcement of these restrictive covenants and activities incidental thereto.

(d) The Association may from time to time levy assessments against the Tracts on a per acre basis for the purpose of raising funds to pay the costs and expenses incident to incorporation, organization, operation and dissolution of the Property Owner Association and the enforcement of these restrictions, including but not limited to litigation expenses, court costs and attorney fees. The judgment of the Property Owner Association in the assessment and expenditure of such funds shall be final so long as such judgment is exercised in good faith.

(e) In the event the Property Owner Association recovers money in connection with an action to enforce these restrictions or otherwise becomes the owner of funds which are, in the opinion of the board of directors of the Property Owner Association, in excess of the funds necessary to fund the incorporation, organization, operation and dissolution of the Property Owner Association and the enforcement of these restrictions, including reasonable reserves for future expenses, the Property Owner Association may use such excess funds for improvements for the common benefit of all Tract owners.

(f) By the acceptance of title to any Tract, each Tract owner for himself and his heirs and assigns agrees that assessments by the Property Owner Association are secured by the vendor's lien upon his Tract. Such lien shall be superior to any homestead rights of the Tract owner. Such lien is subordinate and inferior only to:

- (1) the lien for ad valorem taxes;
- (2) liens securing purchase money loans for the Tract;
- (3) liens securing indebtedness incurred to pay for improvements to the Tract; and
- (4) extensions and renewals of the above liens.

(g) The acreage of each owner for purposes of the number of votes owners have on matters upon which members of the Property Owner Association are entitled to vote shall, in the case of Tract owners, be the number of acres stated in the deed from the Owner to the first purchaser of the Tract. Owner shall, for the purposes of this paragraph, be deemed to be the owner of all of the Property not sold to a Tract owner. For purposes of this paragraph, the total number of acres in the Property shall be deemed to be three hundred seventy (370). Fractional acres are entitled to fractional votes.

16. **COVENANTS RUNNING WITH THE LAND.** All of the restrictions, covenants and conditions herein provided for and adopted shall apply to each and every Tract, and shall be covenants running with the land. The owner of any tract in Lake Fork Ranches, and the Association have the right to enforce observance and performance of the restrictions and covenants contained and provided for herein, and the right to all legal remedies for the breach thereof, including without limitation, to an injunction either prohibitive or mandatory, to prevent or to correct a breach of any restrictions or covenants or to enforce the performance thereof

17. **PARTIAL INVALIDITY.** Invalidation of any of these covenants, restrictions or conditions by court judgment or otherwise, shall not affect, in any way, the validity of any of the other covenants, restrictions or conditions, all of which shall remain in full force and effect. Acquiescence in any violation shall not be deemed a waiver of the right to enforce against the violator or others the conditions so violated or any other conditions; and Developer shall have the right to enter the property of the violator and correct the violation, or to require that the same be corrected.

18. **HEADINGS.** All sections and paragraph headings used herein are for convenience only and shall have no effect in construing any of the restrictions, covenants or conditions herein contained.

**RESTRICTIVE COVENANTS
FOR LAKE FORK RANCHES ADDITION**

DATE: September 18, 2003

OWNER: EVERGREEN PARTNERSHIP, a Texas general partnership

OWNER'S MAILING ADDRESS: 148 Pinewood Cove, Holly Lake Ranch, Texas 75755

LENDER: THE FIRST NATIONAL BANK OF QUITMAN

LENDER'S ADDRESS (including county): 412 E. Goode Street, P.O. Box 1675, Quitman, Wood County, Texas 75783

PROPERTY (including any improvements): 370.182 acres of land, more or less, in the James Berry Survey, A-63, the Harvey Hall Survey, A-264, the L.C. Morgan Survey, A-774, the W.H. Morgan Survey, A-414, the Raymond Sunigas Survey, A-527, the Jesse Walker Survey, A-607, Wood County, Texas, more particularly described in that certain warranty deed dated April 25, 2003, recorded in Volume 1914, Page 66, Real Property Records, Wood County, Texas, Herbert E. Moon, et al., to William T. McKenzie, Trustee
Owner is the owner of the Property. Lender has a lien on the Property.

For the purpose of carrying out a general plan of development and maintenance of the Property, Owner does hereby impose the following restrictions, covenants, liens, and conditions on the Property and each portion of the Property hereafter sold by Owner (hereinafter referred to as a "Tract"), and all improvements constructed on the Property and any Tract and on any adjacent lands owned by the Sabine River Authority of Texas ("SRA") of which the owner of a Lot has the use pursuant to a lease, a limited use permit, or other agreement with SRA.

These restrictive covenants are intended to provide controls within the Lake Fork Ranches community to encourage a quiet and attractive "ranch feeling". Owner believes all of the "not allowed" items are things that protect quality of life and preserve beauty. As the years go by, changes can be made as provided in Paragraph 20. The Architectural Control Committee ("the ACC") will assist Tract owners in the planning process to foster compatibility of improvements and uses of the land with those of other Tract owners.

Each contract or deed which may be hereafter executed with regard to any part of the Property shall be held conclusively to have been executed, delivered and accepted subject to the following, whether the same are or are not set out in full or by reference in said contract or deed.

1. **USE.** The Property shall be used solely for single family residential purposes. No commercial activity shall be conducted or permitted on any Tract, except "home office/telecommuting" or other such non-public activities of the resident. Notwithstanding the foregoing, Owner and owner's agents may place, maintain and use trailers or temporary structures on the Property incidental to the initial construction of improvements by Owner or the initial sale of Tracts by Owner. Such trailers or structures shall be promptly removed on completion of all such initial construction and all such initial sales.

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2. RESUBDIVISION. No Tract may be resubdivided except that individual Tracts may be resubdivided between abutting owners and thereafter each owner's resulting Tract shall be considered as one Tract for all purposes, except that no resubdivision may result in a Tract less than one and one-half acres in size. The abutting owners desiring to resubdivide their Tracts shall immediately cause a plat of the resubdivided Tracts showing the area of each to be prepared by a Registered Public Land Surveyor and recorded in the Real Property Records of Wood County, Texas, in conjunction with related necessary or appropriate conveyancing instruments.

3. STRUCTURES.

(a) Only one single family residence may be constructed on any Tract. "Single family residence" means a building or structure designed, built, and maintained for private, residential purposes by a single family.

(b) No residence shall be constructed or permitted to remain on any Tract which is adjacent to the SRA Lake Fork Project ("Lake Fork") unless such residence has a minimum of 2000 square feet of living area. No residence shall be constructed or permitted to remain on any Tract which is not adjacent to the SRA Lake Fork Project unless such residence has a minimum of 1600 square feet of living area or such larger minimum living area as may be specified by Owner in the deed to the first purchaser of the Tract. A guest house of at least a 1000 square feet can be built simultaneously with or after the main house if it is attached to the main house by covered walk. Plans for all construction activity (including clearing) must be submitted to the ACC for approval before start of construction. Each home must have an earth tone blend of exterior construction materials, such as stone, brick, wood and "hardie plank". At least 25% of the street elevation must be masonry, unless otherwise approved by the ACC. Roofs must be earth toned, with no white or bright colors.

(c) The improvements to each Tract must include a two or more car enclosed garage. The design and placement of the garage door is subject to the approval of the ACC, with the goal of minimizing the view of the garage door from Lake Fork or any road adjacent to the respective tract.

(d) All exterior lights shall be located and maintained so as not to be directed toward adjacent Tracts and shall be of a subdued nature. Mercury vapor, halogen and other types of bright area lighting are prohibited. Subdued driveway and entrance lights are permitted.

(e) No mechanical equipment including evaporative coolers, air conditioning equipment, heating equipment or ducts shall be allowed on roofs. All mechanical equipment, evaporative coolers, air conditioning equipment, meters, wiring, trash receptacles and related apparatuses shall be concealed from view from streets and other Tracts. Solar collectors or panels and satellite dishes smaller than 36 inches in diameter are permitted on roofs if not visible from any street adjacent to the Tract or from any other Tract.

- (f) All structures which extend into Lake Fork Reservoir shall meet the following requirements:
- (1) The construction of any such structure shall be in accordance with the requirements of the Sabine River Authority of Texas ("the SRA") requirements.
 - (2) No part of such structures shall be closer to any permit side property line than ten (10) feet.
- (g) No part of any building shall be located nearer than thirty (30) feet to a boundary line of a Tract not owned by the same owner, except to the extent the owners of adjoining Tracts agree to the contrary in a writing recorded in the Real Property Records, Wood County, Texas.
- (h) No structure shall be occupied or used for residential or storage purposes (other than for the storage of building materials to be used in the construction and completion thereof) until the exterior thereof shall have been completed.
- (i) Each residence, once commenced, must be completed within nine (9) months from the date of commencement. No structure ancillary to the residence (except one dock or pier) shall be commenced except upon the completion of or simultaneously with the construction of the residence.
- (j) Each Tract shall have a driveway, which shall be completed within thirty (30) days after the residence on the Tract is completed. All driveways shall be surfaced with concrete, asphalt, iron ore, or some other permanent, all weather material. No driveway shall be constructed within thirty (30) feet of a common boundary line of two Tracts except to the extent the owners of adjoining Tracts agree to the contrary in a writing recorded in the Real Property Records, Wood County, Texas.
- (k) No manufactured housing, trailer, mobile home, tent, shack, camper, or structure of a temporary character shall, at any time, ever be used as a permanent or temporary residence on any Tract, or moved onto or permitted to remain on any Tract, except during construction of permanent structures. No camping shall be permitted within Lake Fork Ranches.
- (l) Fences and out buildings must have a "ranch" feel and be approved by the ACC. No chain link fences shall be allowed.
- (m) All electrical service, cable and telephone service lines and any similar or other lines installed on a Tract shall be placed underground, and no outside electrical, cable, telephone or other type lines shall be placed overhead.
- (n) All out-buildings (other than docks and piers) must be consistent in appearance and exterior materials with the residence constructed on the respective Tract
- (o) Gas powered golf carts are allowed. All terrain vehicles (e.g., four wheelers) are allowed only for utility purposes such as landscape maintenance or clearing. Golf carts and ATVs may not be operated at speeds exceeding 10 miles per hour. Dirt bike type motorcycles are not allowed, on street or off.

(p) Hunting is not permitted.

(q) Owner may construct additional lakes within the Property (hereinafter referred to as "Interior Lakes"). Owners of Tracts adjacent to an Interior Lake may, subject to approval of the ACC, have a boat dock or pier on the Interior Lake. No security lights shall be allowed on a boat dock or pier on the Interior Lakes. No boat houses are allowed on the Interior Lakes.

(r) Use of Interior Lakes is restricted to the owners of Tracts adjacent to the respective lake. Only small flat bottom boats with electric trolling motors shall be allowed on Interior Lakes. Users of Interior Lakes shall abide by catch and release signs posted on the Interior Lakes by Owner.

4. SIGNS. No signs or any other advertising structures of any nature shall be placed on any Tract except a single "For Sale" sign or "For Rent" sign not larger than six square feet in area, except that Owner or Owner's designee may place signs in Lake Fork Ranches for the purpose of developing, selling, and improving Tracts.

5. NUISANCES. No noxious or offensive activity shall be carried on or maintained on any Tract, nor shall anything be done or permitted to be done thereon which may be or become a nuisance.

6. FIREARMS. The use or discharge of firearms on Lake Fork Ranches is prohibited.

7. GARBAGE AND TRASH DISPOSAL. No Tract shall be used or maintained as a dumping ground for garbage. Trash, garbage or other rubbish generated on a Tract shall be kept only in tightly, sanitary containers. Each Tract owner shall be responsible for disposing of all of his trash, garbage and rubbish. Burning of trash, garbage or rubbish within Lake Fork Ranches is prohibited.

8. ANIMALS. No horses, cows, poultry, pigs, hogs, swine, or livestock of any kind may be kept on any Tract, except that on Tracts not less than five (5) acres in size which are not adjacent to Lake Fork or one of the Interior Lakes, the Tract Owner may maintain one or two horses. Dogs must remain under the Tract owner's immediate supervision and control at all times. Dogs and other pets must not be nuisances to others. Excessive barking shall be considered a nuisance to others.

9. BOATS/RECREATIONAL VEHICLES. No trailer, van, camper, or recreational vehicle shall be used as a dwelling while located within Lake Fork Ranches, except that temporary visitors arriving in such vehicles will be permitted to occupy them up to three (3) consecutive days, but not more than five (5) days in any two consecutive calendar months.

10. VEHICLE STORAGE. Boats and recreational vehicles owned by a Tract owner shall be stored in totally enclosed storage buildings. No boat, trailer, or other machinery or equipment or inoperable, dismantled or disassembled motor vehicle, boat, trailer, or other machinery or equipment shall be permitted in any driveway or yard in Lake Fork Ranches.

11. WEEDS AND TRASH. The owner of each Tract shall keep the same clean and free of trash and weeds. All Tracts must be mowed at least once a month in the growing season.

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12. **SEWERAGE.** No building or structure shall be occupied as a residence unless all plumbing fixtures, dishwashers and toilets are connected to an adequate sewerage disposal system. All lavatories, toilets and bath facilities shall be installed indoors and shall be connected with adequate grease traps, septic tanks, and lateral lines constructed to comply with the specifications of State and local health authorities and SRA, and no "outside" or surface toilets shall be permitted under any circumstances.

13. **UTILITY EASEMENTS.** An easement is expressly reserved in, on, over, under and through a twenty (20) foot strip of each Tract adjacent to all roads in Lake Fork Ranches for the purpose of installing, repairing and maintaining electric power, water, cable, sewerage, gas, telephone and similar utility facilities and services. The easements reserved and dedicated under the terms and provisions hereof shall be for the general benefit of Lake Fork Ranches and any other land owned or acquired by Owner in the vicinity thereof, and shall also inure to the benefit and may be used by any public or private utility company entering into and upon said property for the purposes aforesaid, without the necessity of any further grant of such easement rights to such utility companies. No buildings or structures of any character except driveways may be erected or allowed to remain on any utility easements.

14. **DRAINAGE STRUCTURES.** Drainage structures under private driveways shall have net drainage opening areas of sufficient size to permit the free flow of water without backwater.

15. **STANDBY PROPERTY OWNER ASSOCIATION.**

(a) At any time the Property Owner Association contemplated by these restrictions does not exist, the owners of not less than two-thirds of the land included in the Property may join together to incorporate and organize a Texas non-profit corporation to serve as the Property Owner Association for Lake Fork Ranches.

(b) Upon the incorporation and organization of the Property Owner Association, every Tract owner in Lake Fork Ranches and Owner if Owner still owns any part of the Property shall be a member of the Property Owner Association, and shall have the number of votes equal to the number of acres of the Property owned by the respective owner on all matters upon which members of the Property Owner Association are entitled to vote.

(c) The primary purpose of the Property Owner Association shall be the enforcement of these restrictive covenants and activities incidental thereto.

(d) The Association may from time to time levy assessments against the Tracts on a per acre basis for the purpose of raising funds to pay the costs and expenses incident to incorporation, organization, operation and dissolution of the Property Owner Association and the enforcement of these restrictions, including but not limited to litigation expenses, court costs and attorney fees. The judgment of the Property Owner Association in the assessment and expenditure of such funds shall be final so long as such judgment is exercised in good faith.

(e) In the event the Property Owner Association recovers money in connection with an action to enforce these restrictions or otherwise becomes the owner of funds which are, in the opinion of the board of directors of the Property Owner Association, in excess of the funds necessary to fund the incorporation, organization, operation and dissolution of the Property Owner Association and the

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enforcement of these restrictions, including reasonable reserves for future expenses, the Property Owner Association may use such excess funds for improvements for the common benefit of all Tract owners.

(f) By the acceptance of title to any Tract, each Tract owner for himself and his heirs and assigns agrees that assessments by the Property Owner Association are secured by the vendor's lien upon his Tract. Such lien shall be superior to any homestead rights of the Tract owner. Such lien is subordinate and inferior only to:

- (1) the lien for ad valorem taxes;
- (2) liens securing purchase money loans for the Tract;
- (3) liens securing indebtedness incurred to pay for improvements to the Tract; and
- (4) extensions and renewals of the above liens.

(g) The acreage of each owner for purposes of the number of votes owners have on matters upon which members of the Property Owner Association are entitled to vote shall, in the case of Tract owners, be the number of acres stated in the deed from the Owner to the first purchaser of the Tract. Owner shall, for the purposes of this paragraph, be deemed to be the owner of all of the Property not sold to a Tract owner. For purposes of this paragraph, the total number of acres in the Property shall be deemed to be three hundred seventy (370). Fractional acres are entitled to fractional votes.

16. COVENANTS RUNNING WITH THE LAND. All of the restrictions, covenants and conditions herein provided for and adopted shall apply to each and every Tract, and shall be covenants running with the land. The owner of any Tract and the Association have the right to enforce observance and performance of the restrictions and covenants contained and provided for herein, and the right to all legal remedies for the breach thereof, including without limitation, to an injunction either prohibitive or mandatory, to prevent or to correct a breach of any restrictions or covenants or to enforce the performance thereof.

17. PARTIAL INVALIDITY. Invalidation of any of these covenants, restrictions or conditions by court judgment or otherwise, shall not affect, in any way, the validity of any of the other covenants, restrictions or conditions, all of which shall remain in full force and effect. Acquiescence in any violation shall not be deemed a waiver of the right to enforce against the violator or others the conditions so violated or any other conditions; and Developer shall have the right to enter the property of the violator and correct the violation, or to require that the same be corrected.

18. HEADINGS. All sections and paragraph headings used herein are for convenience only and shall have no effect in construing any of the restrictions, covenants or conditions herein contained.

19. DURATION: These restrictions, covenants and conditions be binding upon all owners of Tracts and all persons claiming under them for a period of twenty-five (25) years from the date hereof, and for successive periods of ten (10) years thereafter unless an instrument signed by owners of at least two thirds (2/3rd) of the Property has been recorded agreeing to a change in such restrictions, covenants and conditions, in

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which case the changes shall be effective from the date of such recording. The acreage owned by a Tract owner for purposes of this paragraph shall be the number of acres stated in the deed from the Owner to the first purchaser of the Tract, and the total number of acres in the Property shall be deemed to be three hundred seventy (370). Owner shall, for the purposes of this paragraph, be deemed to be the owner of all of the Property not sold to a Tract owner.

20. THE ACC: The ACC shall control and supervise the construction, renovation, landscaping and maintenance activities of the Tract owners with respect to their Tracts and the improvements thereon. The ACC shall initially consist of three (3) members, two of whom shall be appointed by Owner and need not be Tract owners. The third member of the ACC shall be the owner of a Tract who is the first purchaser of a Tract from Owner. In the event of the death or resignation of a member of the ACC while Owner still owns more than fifty percent (5) of the Property, Owner shall appoint a replacement. If the Tract owner member dies or resigns, Owner shall appoint another Tract owner as his or her replacement. The initial appointees and their successors shall hold office until Owner no longer owns a majority of Lots. At such time as Owner no longer owns more than fifty percent (5) of the Property, the Tract owner member of the ACC or his successor shall appoint two Tract owners to replace the other two Owner appointed members of the ACC. Thereafter, vacancies on the ACC shall be filled by the remaining then serving members of the ACC, except that, at any time the Property Owner Association contemplated by these restrictions exists, the board of directors of the Property Owner Association may remove and replace members of the ACC and fill vacancies on the ACC.

Lender by its signature below joins in this instrument solely to indicate its consent to the imposition of the restrictions, covenants and conditions on the Property and its agreement that a foreclosure of Lender's liens securing indebtedness of Owner to Lender will not extinguish them as to any part of the Property sold pursuant to such foreclosure. Lender joins in this instrument solely for the purposes stated and for no other purposes, and expressly disclaims any representation or warranty, express or implied, as to the development or sale of any part of the Property.

When the context requires, singular nouns and pronouns include the plural.

OWNER:

EVERGREEN PARTNERSHIP, a Texas general partnership

By: The William T. McKenzie Trust created under the will of Margaret T. McKenzie, Deceased, Partner

By: 
WILLIAM T. MCKENZIE, Investment Trustee

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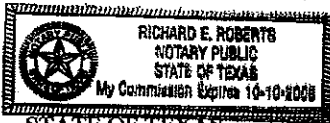
LENDER:

THE FIRST NATIONAL BANK OF
QUITMAN

By: Troy M. Robinson
Troy M. Robinson, President

STATE OF TEXAS
COUNTY OF WOOD

This instrument was acknowledged before me on September 18, 2003, by
WILLIAM T. MCKENZIE as Investment Trustee of the William T. McKenzie Trust
created under the will of Margaret T. McKenzie, Deceased, partner on behalf of
EVERGREEN PARTNERSHIP, a Texas general partnership.



Richard E. Roberts
Notary Public, State of Texas

COUNTY OF WOOD

This instrument was acknowledged before me on September 18, 2003, by
TROY M. ROBINSON, President of THE FIRST NATIONAL BANK OF QUITMAN, a
national banking association, on behalf of said association.



Sandra Tanzy
Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

Evergreen Partnership
Route 1, Box 826
Holly Lake Ranch, Texas 75755

STATE OF TEXAS COUNTY OF WOOD
I hereby certify that this instrument was
filed on the date and time stamped herein by me
and was duly recorded in the volume and page
of the main records of:
Wood County
as stamped herein by me.
Nov 07, 2003

Honorable Brenda Taylor, County Clerk
Wood County

Filed for Record in:
Wood County
On: Nov 07, 2003 at 02:58P
As a
Recording
Document Number: 00011197
Amount: 23.00
Receipt Number - 98517
By:
Shirley Stovall