

EXHIBIT

SUNNYHILL ADDITION DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS TRACT 1 LOTS 6,7,8,18C,7A,18B .541 Ac.

WHEREAS, David R. Diduch Sr. & Kathryn C. Diduch, hereinafter called the Declarant, is the owner of all that certain real property located in Cherokee County Texas and being Tract 1 which includes lots 6,7,8,18C,7A,18B and Tract 2 which includes lots 9,19,11B,18D,18G.

WHEREAS, the declarant will convey the above described property subject to certain protective covenants, conditions and restrictions as hereinafter set forth.

NOW, THEREFORE, it is hereby declared that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and shall be binding on all parties having any right, title, or interest in or to the above described property or any part thereof, and their heirs, successors, and assigns, and which covenants, conditions, and restrictions shall inure to the benefit of each owner thereof.

ARTICLE ONE, DEFINITIONS

- 1.01 "Owner" shall refer to the record owner, whether one or more persons or entities of the fee simple title to any portion of the above described property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- 1.02 "Declarant" shall refer to David R. Diduch Sr. & Kathryn C. Diduch, its successors and assigns.
- 1.03 "Tract" shall refer to each group of lots as referenced above located in Sunnyhill Addition, Cherokee County, Texas.

ARTICLE TWO, EXTERIOR MAINTENANCE

Owner of a Tract shall maintain the premises in a clean, neat, sanitary and orderly manner.

ARTICLE THREE, USE RESTRICTIONS

Types of buildings permitted Construction Completion

All tracts shall be used for residential purposes only, and no building shall be erected, altered, placed or permitted to remain on any Tract other than one single family dwelling not to exceed two (2) stories in height plus any workshops, private garages, barns and other necessary outbuildings (all such outbuildings not to exceed thirty (30) feet in height).

The front exterior wall of any residence situated on any tract shall consist of not less than 60% brick, stone, or any other similar construction: provided, however, that all construction shall be of materials designed and manufactured for exterior use on site built residence structures of average or better quality.

All houses must have a eight(8) twelve (12) pitch or more.

Minimum Floor Area and Exterior Walls

Any single story residence must have a living area of eighteen hundred (1800) sq. ft., exclusive of open or screened porches, terraces, patios, driveways, carports and garages. Any two (2) story residence must have a living area of two thousand (2000) sq. ft. exclusive of open or screened porches, terraces, patios, driveways, carports and garages.

Water Runoff

Nothing shall be erected, placed, maintained, done or permitted to remain on any tract which interferes with surface runoff in such a manner as to cause such water runoff to be diverted across any other Tract or which causes flooding, erosion to any other tract or to any street or ditch.

Rubbish, Trash and Garbage

The property 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 or composed or buried in a sanitary manner. No trash burning will be permitted on the above Tracts.

Construction Completion

Exterior and interior construction of all structures must be completed within twelve (12) months.

Fencing

No barbed wire, hog wire, chain link, chicken wire, goat wire or similar type of fence shall be erected. All fencing should be of a decorative nature, such as wood, polymer, masonry, or decorative iron.

Manufacturing and Commercial Activity

No manufacturing or commercial enterprise or enterprises of any kind for profit shall be maintained on or in front of any Tract nor shall the property in any way be used for other than strictly residential purposes.

Construction Completion

Exterior and interior construction of all structures must be completed within

This restriction shall not be construed as preventing the practice, by a person actually residing on a Tract, of architecture, accountancy, engineering, computer programming counseling, individualized teaching or tutoring, general or specialized consulting, or of similar or analogous professions or skills; provided, however, that no sales of goods of any kind shall be permitted to be made on any Tract except sales which are only occasional and which are merely incidental to the residential or other permitted use of the property (a non-commercial garage sale, for example) and further provided, that not more than one non-resident employee may be employed on any Tract at any one time; and, further provided, that nothing herein shall prohibit an artist or craftsman actually residing on a Tract from producing art or craft objects which are removed from the property before the sale.

Animals

No livestock, livestock feed lot, hog or pig farm, slaughter or packing house, poultry house or dog kennel shall be erected, operated, or maintained on the property for any purpose. Nothing herein shall prevent the raising of household pets for personal use.

- A. No more than three (3) dogs may be raised, bred, kept or maintained on any Tract.
- B. No more than three (3) cats may be raised, bred, kept or maintained on any Tract.
- C. No lions, tigers, panthers, bears, or similar animals may be raised, bred, kept or maintained on any Tract.
- D. No animals of any kind shall be raised, bred, kept or maintained on any Tract in such a manner as to cause a safety or health risk or hazard to humans or other animals, livestock or poultry or in such a manner as to cause a noise, odor or other nuisance.

Prohibited Use and Items

No structure of a temporary character, trailer, motor home, "single wide, double wide" mobile home, basement, tent, shack, or other outbuilding shall be used on the property as a residence, except a guest house or garage with a separate living area may be used as a temporary residence while new home construction is underway. For purposes of this provision, temporary residence shall mean a period of residence not longer than eighteen (18) months. After new home construction is completed, the separate living area in such cottage or garage will be considered a guest house only. For purposes of this provision, temporary occupancy shall mean a period of occupancy not longer than thirty (30) days including any periods of vacancy which commence after the start of the period of occupancy and which are shorter than ten (10) days in length.

No house trailers, modular homes, mobile homes, doublewide homes, or similar manufactured residence structure, shall be erected, parked, or otherwise situated on any Tract for any reason.

Prohibited Use and Items

No structure of a temporary character, trailer, motor home, "single wide, double wide" mobile home, basement, tent, shack, or other outbuilding shall be used on the property as a residence, except a guest house or garage with a separate living area may be used as a temporary residence while new home construction is underway.

No used structure shall be moved on any Tract without the express written consent of the declarant.

No wrecked, junked, broken down or inoperable automobile, truck, bus, motorcycle or other motor vehicle, boat, trailer, or any part thereof, shall be placed or be permitted to remain on or in front of any Tract so as to be visible from any street or highway or from any adjacent Tract or lake.

Resubdivision

No Tract may be subdivided, Minimum tract size is .5 Ac. as per State and UNRWA Rules and Regulations regarding Septic Systems.

Setbacks

No building shall be located on any of the Tracts nearer to the front line than thirty (30) feet. However, minor variations of the minimum setback line shall be permitted to allow for preservation and utilization of existing trees and views. No building shall be located nearer than 15 feet to an interior Tract line. For the purposes of this covenant, eaves, steps and open porches shall not be considered as part of a building, provided, however, that this shall not be construed to permit any portion of a building on a Tract to encroach upon any other Tract, provided, however that this provision shall not apply to interior Tract boundary lines between contiguous Tracts having a common owner.

Easements

Each owner covenants to provide and hereby grants easements and rights-of way for existing utility lines and roadways (twenty five feet, county road), whether of record or not; easements and rights-of ways shown on the platt of Sunny Hill Addition, Cherokee County; other easements and rights-of ways, if any, shown in the records of the County Clerk of Cherokee County, Texas; and easements for installation and maintenance of utilities and drainage facilities.

County Road

Twenty five (25) foot county road easement which does not allow any parking or obstruction in any way within the twenty five (25) foot easement.

No building shall be located on any of the Tracts nearer to the front line than thirty (30) feet. However, minor variations of the minimum setback line shall be permitted to allow for preservation and utilization of existing trees and views. No building shall be located nearer than 15 feet to an interior Tract line. For the purposes of this covenant, eaves, steps and open porches shall not be considered as part of a building, provided, however, that this shall not be construed to permit any portion of a building on a Tract to encroach upon any other Tract, provided, however that this provision shall not apply to interior Tract boundary lines between contiguous Tracts having a common owner.

Each owner covenants to provide and hereby grants easements and rights-of way for existing utility lines and roadways (twenty five feet, county road); whether of record or not; easements and rights-of ways shown on the platt of Sunny Hill Addition, Cherokee County; other easements and rights-of ways, if any, shown in the records of the