ODECLARATION OF COVEANTS, CONDITIONS,

EAEMENT AND RESTRICTIONS

THE STATE OF TEXAS

COUNTY OF JACKSON

THIS DECLARATION is made on the date hereinafter set forth by MERCER FAMILY LIMITED PARTNERSHIP, LTD., NO. 2 hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of that certain property in Jackson County, Texas described as NAVIDAD RIVER ESTATES, Phase One and Phase Two (the "Property"):

WHEREAS, it is the desire of Declarant to place certain restrictions, covenants, easements, conditions, stipulations and reservations upon and against the Property, in order to establish a uniform plan for the development, improvement and sale of such property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of any portion of the Property;

NOW THEREFORE, Declarant hereby declares, adopts, establishes and imposes upon the Property the following reservations, restrictions, covenants and conditions applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, and all such reservations, easements, restrictions, covenants and conditions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein, or in any part thereof, their heirs, successors or assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

- Section 1. "Owner" shall mean and refer to the record owner, whether one of more persons or entities, of a fee simple title to any portion of the Property and/or of any Tract, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.
- Section 2. "Property" shall mean and refer to that certain real property described as NAVIDAD RIVER ESTATES, Phase One and Phase Two, subdivisions in Jackson County, Texas.
- Section 3. "Tract" shall mean and refer to any portion of the Property subsequently subdivided by Declarant by lot or by a meets and bounds description.
- Section 4. "Declarant" shall mean and refer to MERCER FAMILY LIMITED PARTNERSHIP, LTD. NO. 2, acting by and through John Dale Mercer, Sr., General Partner its successors and assigns.

ARTICLE II

USE RESTRICTIONS

Section 1. Use Restrictions:

- A) Lots or Tracts of the Property shall be used only for residential or agricultural purposes except a residence may be used as a business location for an inhome business if that business would be permissable within a residentially zoned area of the City of Edna, Texas. No use of a Lot or Tract is allowed that may be considered an annoyance or nuisance to an adjoining Lot or Tract owner. No Lot or Tract shall be used for commercial purposes except for the raising of livestock.
- B) No Lot or Tract of the Property may be subdivided into smaller tracts for separate ownership or for multiple residences under a single ownership.
- C) No mobile home, manufactured home or modular home shall be placed on a Lot or Tract of the Property. No travel trailer or recreational vehicle shall be placed on a Lot or Tract to be used as a temporary or permanent residence.
- D) No hogs or pigs will be allowed except for 4-H and County Youth Fair Projects. Rabbits, poultry, quail or other birds must be kept in cages. Poultry raised for personal use shall be limited to a maximum of 25 birds that are kept in an appropriate cage or fenced area. Any animal that a majority of Lot or Tract owners deem a health problem or nuisance shall be removed. Each Lot or Tract owner must practice good grazing methods and not allow their Lot or Tract to be over grazed.
- E) No Lot of Tract or portion thereof shall be utilized as a dumping ground. Except during construction of a structure, no dumpsters will be allowed on a Lot or Tract. Other than on the day of trash pick-up, no trach containers will be permitted to remain on the public road right-of-way.
- F) Residential structures must be constructed of new materials and have not less than 1100 square feet of living area, not counting porches and garages. All residential structures must have a concrete slab on grade foundation. All residences, barns, sheds or other out-buildings shall be constructed of new materials and with good workmanship. No more than three barns or out-buildings, not counting a well building, shall be constructed on a Lot or Tract.
- G) No residence, barn or other out-building shall be constructed closer than 75 feet from an adjoining property line or 100 feet from a road right-of-way line.
- H) All water wells and septic systems shall comply with current Jackson County and Texas Commission on Environmental Quality standards.
- Domestic household pets and reasonable livestock or animals typically associated with a rural residential lifestyle in Jackson County, consistent with the ordinary meaning and interpretation of such words, may be kept or maintained on any Lot or Tract. Dog or cat kennels, commercial animal feed

- lots and commercial swine or poultry operations or houses are strictly prohibited.
- J) No activity, whether for profit or not, shall be carried out on any Lot or Tract unless that activity is related to rural residential purposes or as otherwise allowed herein.
- K) Any car, boat, trailer or other vehicle that is parked or located on a Lot or Tract must be operational and properly licensed under the laws of the State of Texas. Any car, boat, trailer or other vehicle not so licensed shall be stored in a barn, shed or other out-building, out of the public's view.
- L) The owner of a Lot or Tract that includes a drainage conveyance that is common with an adjoining Lot or Tract shall be jointly liable and responsible, with the owner of the adjoining Lot or Tract, for maintenance of the drainage conveyance. This specifically includes the removal of major obstructions to the flow of water (ie., downed trees) in the drainage conveyance.

Section 2.

Enforcement of Deed Restrictions: the restrictions set forth herein shall be binding upon the Owner or Owners of the Property or any Lot or Tract being a part thereof, their successors and assigns, and all parties claiming by, through or under and all subsequent Owners of any portion of the Property or Lots or Tracts thereof, each of whom shall be obligated and bound to observe such restrictions, covenants, easements and conditions; provided however, that no such person or persons shall be liable except for breaches committed during his or their ownership of said Property, Lot of Tract. The Owner of any Lot of Tract shall have the right to enforce observance and performance of the terms and condition of the restrictions, easements, covenants and conditions herein stated, and in order to prevent a breach or to enforce observance or performance of same shall have the right, in addition to all other legal remedies, to file an appropriate lawsuit in the District Cout in and for Jackson County, Texas, in law or in equity, or both, against the person, entity or persons or entities allegedly violating or attempting to violate, or failing to honor, any one or more of these covenants or restrictions, in order to enforce the letter or spirit of these restrictions and covenants, and the party found to be at fault shall be liable for all legal fees, court, other costs and damages, including but not limited to, reasonable attorney's fees, incurred in connection with the enforcement of these restrictions.

MERCER FAMILY LIMITED PARTNERSHIP, LTD., NO. 2

John D. Mercer, Managing Partner