

RESTRICTIVE COVENANT AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF WASHINGTON §

The undersigned owners of properties in Chappell Hills, a subdivision, as shown by the map or plat thereof recorded in Volume 3, Pages 11 and 12 of the Map Records in Cabinet 92A of the Plat Records of Washington County, Texas; in Chappell Hills Section II, a subdivision, as shown by the map or plat thereof recorded in Volume 3 at Pages 19-21 of the Map Records and Cabinet 96A of the Plat Records of Washington County, Texas; in Chappell Hills, Section III, a subdivision, as shown by the map or plat thereof recorded in Volume 3, Pages 47-49 of the Map Records in Cabinet 110A of the Plat Records of Washington County, Texas; and in Chappell Hills, Section IV, a subdivision, as shown by a map or plat recorded in Volume 4 at Pages 33-37 of the Map Records in Cabinet 138A of the Plat Records of Washington County, Texas, deeming it mutually beneficial to the use, occupancy and value of the properties comprising said subdivisions to impose and reinstate a common plan and scheme of Restrictive Covenants applicable to such properties, so that there be a uniform plan for the improvement and development thereof and, to that end, the undersigned owners desire to and do hereby mutually covenant and agree to impress and impose upon the above-described properties, a universal and mutual scheme of restrictive covenants, each of which covenants shall run with the land and shall bind the undersigned owners and all persons hereafter owning or claiming any interest in the above-described properties or any of them, for the period hereafter specified such covenants constituting reciprocal negative easements upon each of the subject properties which may be bound by the agreement of the undersigned, acting individually, or as a majority of the owners of properties in the above-mentioned subdivision or any of them, which restrictive covenants shall inure to the benefit of and be enforceable by each of the undersigned, and any other owner of properties in the above subdivisions which are bound by these covenants, their respective heirs, executors, administrators and assigns.

NOW, THEREFORE, to effect such ends, and in consideration of the mutual covenants, agreements, restrictions and reciprocal negative easements herein set forth, the undersigned respectively agree, one with the other, as follows:

I.

DEFINITIONS

1.01 Owners. "Owner" or "Owners" as used herein shall refer to:

(a) The undersigned record owners of any estate, interest or title in and to any portion of the subject property, being all those set out in Exhibit "A" hereof, and all other owners of subject property that are bound by the Restrictive Covenants herein set forth.

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(b) Any owner of any estate, interest or title to any subject property who shall later join in the execution of these covenants by later instrument, either adopting, ratifying, confirming, taking subject to or accepting the mutual and universal scheme of restrictive covenants created herein and imposing same upon properties owned by such party, including but not limited to any document which constitutes a counterpart of this restrictive covenant agreement, or incorporates this restrictive covenant agreement by reference.

(c) All persons claiming any right, title or interest in a subject property by, through or under an owner who has joined in execution of this instrument, or who has ratified or adopted such restrictions by later instrument, as aforesaid, and the heirs, assigns, executors, administrators and successors of such an owner.

1.02 Subject Property. "Subject Property" as used herein refers to all platted lots or parcels located in CHAPPELL HILLS SUBDIVISION, Section I, II and III, or IV as shown by the maps or plats of such subdivision of record at Map Cabinet 92A, 96A, 110A, and 138A, Map or Plat Records, Washington County, Texas (the "Plats") and including any subdivision, modification, partition or redesignation of a Subject Property.

1.03 Subdivision. "Subdivision" as used herein refers to the aggregate of all of the Subject Property, meaning the entirety of Sections I, II, III and IV of the Chappell Hills Subdivision.

1.04 To whatever extent, if any, the Deed Restrictions applicable to Section IV of the Subdivision (originally filed in Map Cabinet 138A and 139B of the Plat Records of Washington County, Texas) are in force and effect, the same are hereby modified, amended and fully replaced and supplanted by this Agreement.

II.

RESIDENTIAL USE ONLY

2.01 Residential Purposes. Except as hereinafter expressly provided in paragraph 5.01 and 5.02 hereof, every Subject Property located within the Subdivision shall be used for single family residential purposes only, and no building or structure shall be erected, altered, or placed on any Subject Property other than one detached single family dwelling not to exceed two stories in height, a private garage for automobiles and equipment of the occupant, and outbuildings suitable for use in connection with a residence in a rural environment.

The term "Residential Purposes" and/or "Residence" as used in this Paragraph shall not be construed to permit barns, tents, campers, hospitals, trailers, offices, mobile homes, duplex houses, apartment houses, or manufactured housing to be used as a residence. Any residence structure moved into the Subdivision which otherwise complies with the terms hereof shall be affixed to a Subject Property, completed and made habitable within six months of the date it is moved into the Subdivision.

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2.02 One Residence. Only one residence shall be constructed or permitted to exist on each Subject Property. However, it shall be permissible for outbuildings located on a Subject Property to be occupied by domestic servants employed upon that Subject Property. Any person owning two or more adjoining platted lots may consolidate such lots into a building site, with the privilege of constructing improvements thereon in accordance with the terms hereof.

2.03 Temporary Structures. Except as expressly authorized by Paragraph 2.02 hereof, no structure of a temporary character, including any trailer, mobile home, basement, tent, shack, or other outbuilding shall be used on any Subject Property at any time as a residence, either temporarily or permanently.

2.04 Square Footage Minimum. No residence shall be constructed on any Subject Property or building site in the Subdivision which has a living area of less than 1,450 square feet, excluding porches, garages, patios, and the like.

2.05 Sewage. All residences constructed in the Subdivision shall have inside toilets and inside plumbing attached to septic tanks, or other sewage or waste disposal systems approved by an appropriate governmental entity prior to connection thereto. There shall be no cesspools in the Subdivision and no drainage of sewage waste of any type into ditches, lakes, or roads.

2.06 Set-Back Lines. Subject to the right to consolidate two or more adjoining platted lots as provided in paragraph 2.02 hereof, no buildings shall be located nearer than fifty feet from the property line of a Subject Property fronting a street or road or nearer than twenty feet from any adjacent property line.

2.07 Water Supply Systems. No water supply systems shall be permitted on any Subject Property unless the system is located, constructed, and equipped in accordance with the requirements and recommendations of all applicable governmental entities and public health authorities. Approval of the water supply system as installed shall be obtained from the appropriate authority prior to use. The provisions of this paragraph shall not operate to prohibit properly permitted private water wells.

III.

RESUBDIVISION

3.01 Resubdivision. No owner of a Subject Property shall be entitled to resubdivide same into lots or parcels containing an area of less than one (1) acre; and each such lot, except lots within present Lot Nos. 24, 28A and 105, as subdivided, must have road frontage on a road shown on the Plats. Each lot so subdivided shall be a Subject Property under the terms hereof.

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IV.

NOXIOUS ACTIVITIES

4.01 Noxious, Illegal or Offensive Activities. No activities which violate any rule, regulation or law of any governing body having jurisdiction shall be permitted on any Subject Property, nor shall anything be done or maintained thereon which may be or may become a nuisance. Each Owner or occupant of a Subject Property shall keep the Subject Property clean and free of trash, automobile and machinery salvage, and shall maintain improvements in a reasonably good state of repair.

V.

BUSINESS USAGE

5.01 Lots Subject to Business Usage. Only Lot Nos. 1, 2, 3, 4, 23, 40, 41, 50 and 82 of the Subdivision as shown on the hereinbefore-cited plats of record in the Map and Plat Records of Washington County may be used for Business Purposes. Personal gardening and farming, and the raising of beef or dairy cattle, horses, poultry, swine and other domestic livestock normally associated with personal use and animal husbandry or dairy activities shall not constitute a "Business Purpose" so as to restrict such activities to the above-enumerated lots, said activities being expressly permitted on any tract in the Subdivision. No campers, tents, trailers or mobile homes shall be permitted on the above-enumerated Business Purpose lots, nor used thereon in connection with any permitted Business Purpose. Manufactured units shall not be permitted on the above enumerated Business Purpose lots except for personal storage.

5.02 Permitted Usage. Business activities which exist on the effective date hereof may continue. No noxious, offensive, or illegal trade or usage for business purposes shall ever be made of any Subject Property, nor shall any improvements for business purposes be constructed on any Subject Property except those Lots enumerated in Paragraph 5.01 above.

VI.

GENERAL USAGE RESTRICTIONS

6.01 Firearms. No firearms may be discharged around or on any lake, park, or road in the Subdivision.

6.02 Dams. No dam, earth and fill, or obstruction of any kind shall be constructed or permitted to remain on any creek, water course, or drainage course of a height greater than three (3) feet above the natural grade without prior written consent of Owners of Property downstream of the dam and within the Subject Property.

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6.03 Obstruction of Streets. No building material of any kind or character shall be placed in the streets, it being expressly understood and agreed that all building materials to be used in the construction of buildings in the Subdivision shall be placed within the property lines of the Subject Property on which the delivery is made.

6.04 Signs. No signs, billboards, posters, or other advertising devices of any kind shall ever be erected on any Subject Property in the Subdivision except a "For Sale" sign which shall be dignified and in keeping with the attractiveness of the Subdivision and shall be kept well painted and maintained. This provision shall not apply to Lots which may be used for Business Purposes, nor shall the same operate to prohibit the display of small signs evidencing support for a political candidate for a reasonable period of time prior to an election.

6.05 Dumping. No trash, ashes, garbage, or other refuse may be thrown or dumped on any Subject Property in the Subdivision. No Subject Property 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 equipment for the storage and exposure of such material shall be kept in a clean and sanitary condition.

6.06 Mowing. Grass and weeds on each Subject Property must be kept mowed at regular intervals or as may be necessary to maintain the same in a neat and attractive manner.

6.07 Land Near Parks and Water Courses. No building shall be placed nor shall any material or refuse be placed or stored on any Subject Property within twenty feet of the property line of any park or the edge of any open water course, except that clean fill may be placed nearer if the natural water course is not altered or blocked by the fill.

6.08 Oil Development - and Mining. Insofar as the Owners have the authority and right to do so, no oil or gas well drilling, development operations, pipe lines, refining, boring, or mining operations of any kind shall be permitted on the surface of any Subject Property, nor shall oil or gas wells, tanks, tunnels, mineral excavations, or shafts, be permitted on the surface of any Subject Property, including any derrick or other structure designed for use in boring for oil, natural gas, or other minerals.

VII.

EASEMENTS

7.01 Utility Easements. Easements for constructing, maintaining, and repairing a system for light and power, telephone, and telegraph service to the Subdivision and the inhabitants thereof, for the purposes incident to the development and use of said Subdivision as a suburban community are reserved as shown in the hereinbefore-cite plats filed in the Map and Plat Records of Washington County, Texas. Easements shall be twenty feet in

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width, extending ten feet on each side of the property lines between certain adjoining tracts as shown on the said plat and twenty feet within any Subject Property line where same is parallel or fronts a road or street, whether said road or street is within or outside the Subdivision.

7.02 All easements, accessways, parks and rights of way shown on the Plats (or any of them) or otherwise are hereby reserved and confirmed for the use and benefit of the Owners, their heirs, successors and assigns.

VIII

ENFORCEMENT, AMENDMENT, AND TERMINATION

8.01 Enforcement. All Owners of a Subject Property within the Subdivision each have the right and power (but not the duty) to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, and reservations now or hereafter imposed by the provisions of this Restrictive Covenant Agreement. Failure to enforce or to seek enforcement of any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

8.02 Binding Nature. The grants, rights, covenants, conditions, and restrictions contained in this Restrictive Covenant Agreement shall run with and bind the land, and shall inure to the benefit of, and be binding upon the Owners of each Subject Property and their respective legal representatives, heirs, successors, and assigns.

EACH UNDERSIGNED OWNER AGREES THAT THESE RESTRICTIONS SHALL BE EFFECTIVE AND BINDING UPON OWNER'S PROPERTY IN THE SUBDIVISION NOTWITHSTANDING THE FAILURE OF THE OWNER(S) OF ANY OTHER PROPERTY IN THE SUBDIVISION TO JOIN IN OR EXECUTE THE SAME.

8.03 Term. Unless amended as provided herein, this Restrictive Covenant Agreement shall be effective for a term of thirty (30) years from the date that this Restrictive Covenant Agreement is placed of record in the Property Records of Washington County, Texas, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each unless amended or terminated as hereinafter set forth.

8.04 Amendment/Termination. This Restrictive Covenant Agreement may be amended or terminated at any time by an instrument signed and acknowledged by the Owners of not less than seventy percent (70%) of the lots and parcels of land comprising the Subject Properties at the time of filing such instrument with the County Clerk of Washington County, Texas. No amendment or termination hereof shall be effective, however, until recorded in the Official Records of Washington County, Texas or until the approval of any governmental regulatory body which is required has been obtained. Any

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such amendment or termination shall make specific reference to this Restrictive Covenant Agreement.

8.05 Severability. The invalidation of any one of these covenants or restrictions by a judgment or a court order shall in no way affect any of the other provisions hereof and all of the other provisions shall remain in full force and effect.

8.06 Multiple CounterParts. This Restrictive Covenant Agreement may be executed in multiple counterparts, which shall all constitute original documents, as if all signatories had executed a single document.

IN WITNESS WHEREOF, the Owners have acknowledged, consented, agreed to, and ratified the foregoing Restrictive Covenant Agreement by their signatures contained in Exhibit "A" hereof.

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SUBJECT PROPERTY:

Lot _____, Section _____, CHAPPELL HILLS SUBDIVISION, a subdivision located and being situated in Washington County, Texas, as more fully shown by map or plat of said subdivision of record at Volume _____, Page _____, Map Records of Washington County, Texas, and in Plat Cabinet File No. _____, Plat Records of Washington County, Texas.

INTEREST OF OWNERS:

All of the right, title, and interest owned by the undersigned in the Subdivision, including without limitation, all right, title and interest in the Subject Property and otherwise as described in _____ from _____ to _____, dated _____, and filed of record at Volume _____, Page _____, _____ Records of Washington County, Texas.

OWNERS:

WITNESS OUR HANDS this _____ day of _____, 1995.

OWNERS:

STATE OF TEXAS §
 §
COUNTY OF _____ §

THIS INSTRUMENT was acknowledged before me on the _____ day of _____, 1995, by _____.

11/18/95

Notary Public, State of Texas

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