

RESTRICTIONS TO THE USE OF PROPERTY

For purposes of these Restrictions, the Property shall be considered Bluewater Subdivision, Block 2, Lot 1, Polk County, Texas. Grantor does hereby acknowledge, declare and adopt the following restrictions, to protect the owners of portions of the Property (hereinafter called the "Property") against such use as will depreciate the value of their Property; to guard against the erection thereon of poorly designed or proportioned structures and structures built of improper or unsuitable materials; to insure the highest and best development of said Property; to secure and maintain proper setbacks from streets and adequate free spaces between structures; and in general to enhance the value of investments made by purchasers of portions of the Property.

The Restrictions are set forth below and hereby impressed on the Property and shall run with the land:

1. The Property is to be used as recreational, agricultural, and/or residential property with a minimum 1,000 square foot new construction residential dwelling. Modular and/or manufactured homes are allowed, no more than 5 years old, but no more than two primary residence can be constructed on the property. All buildings must be maintained in good appearance at all times.
2. No portion of the Property may be used for the following uses:
 - (a) Any use that is unlawful or that is offensive by reason of odor, gas, fumes, dust, smoke, noise, pollution or vibration or that otherwise constitutes a nuisance or is hazardous by reason of excessive danger of fire or explosion;
 - (b) Dumping, disposal, incineration, or reduction of garbage, sewage, dead animals, or refuse; Burning of trash is allowed in compliance with Polk County.
 - (c) Smelting of iron, tin, zinc or other ores refining of petroleum or its products;
 - (d) Storage in bulk of used materials, a junkyard, a scrap metal yard, or auto salvage yard;
 - (e) Industries, including, without limitation, heavy manufacturing, fabrication facilities and testing facilities;
 - (f) Resale or pawn shops, flea markets, or bankruptcy, fire sale or auction business;
 - (g) A tavern, bar, nightclub, discotheque or any other establishment selling alcoholic beverages for on premises consumption;
 - (h) An adult bookstore or other establishment selling, renting or exhibiting pornographic materials or any sexually oriented business;
 - (i) Any sexually oriented business, as the term is generally construed.
 - (j) Parking and/or storage of large vehicles, such as tractor/trailers and 18-wheelers.
3. No used existing building or structure of any kind and no part of a used existing building or structure shall be moved onto the Property for the purpose of storing said structure. No tent, shack, garage, barn or other outbuildings of any character shall be placed or erected on any tract at any time to be used as temporary or permanent

residence. All new construction must be of new material and no tarpaper roof or siding materials will be used as an exterior covering on any structure. All buildings and structures shall be completely under skirted with no piers or pilings exposed to view.

4. No building or structure other than a fence shall be located nearer to the Property line than twenty-five (25) feet.

5. Animals, livestock or poultry are allowed, provided that no government regulations are violated: (a) dogs, cats, or other household pets may be kept, provided that they are not kept or bred in a commercial quantity; (b) no more than fifty (50) fowl may be kept.

6. No outside toilet or privy shall be erected or maintained on any Property. The materials installed in, and all sanitary plumbing shall conform with the requirements of the Health Department of the State of Texas and the local authorities having jurisdiction. This provision does not apply to "porta-can" temporary toilets on the Property so long as such "porta-can" does not remain on the property longer than sixty (60) days after any construction project is completed.

7. Any residential building, residential structure, or residential improvement commenced upon any Property shall be completed as to the exterior finish and appearance within twelve (12) months from the commencement date.

8. No Property or portion of any Property shall be used as a dumping ground for rubbish or trash or any hazardous materials, or waste, nor for storage of items or materials (except during construction of a building) and all Properties shall be clean and kept free of any boxes, rubbish, trash, or other debris. No refrigerators or other large appliances shall be placed outdoors and no inoperative motor vehicles without current license and inspection sticker shall be placed on or allowed to remain on any lot.

9. No commercial, skeet, trap, or rifle range operation involving discharging of firearms is allowed.

10. Subject to the provisions of the last sentence of this paragraph, if any person or entity, whether or not lawfully in possession of any portion of the Property, shall either (i) violate or attempt to violate any restriction or provision herein or (ii) suffer to be violated (with respect to the real property in which such person or entity has rights other than the rights granted by this sentence) any restriction or provision herein, it shall be lawful for any person or entity, as defined hereinafter, possessing rights with respect to any portion of the Property, to prosecute any proceedings at law or in equity against any such person or entity violating, attempting to violate and/or suffering to be violated any restriction or provision herein to (i) prevent such violation, (ii) recover damages or other dues for such violation, and (iii) recover court costs and reasonable attorney's fees incurred in such proceedings. "Person or entity", as used in the preceding sentence hereof, shall include, but shall not be limited to, all owners and purchasers of any portion of the Property, as well as heirs, devisees, assignees, legal representative and other

persons or entities who acquire any of the rights (with respect to the real property hereunder) of the owner or purchaser of any portion of the property. Neither the Grantor nor any subsequent purchaser of a portion of the Property shall have any liability of responsibility at law or in equity on account of the enforcement of, or on account of the failure to enforce, the Restrictions.

11. Invalidation of any one or more of the Restrictions by judgment of any court shall in no way affect any of the other Restrictions and provisions herein contained, which shall remain in full force and effect.

12. The parties signing this document affirm that they are authorized by the entities they represent to sign in their official capacities.

Buyer

Seller