DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HIGHLAND HILLS RANCH

This DECLARATION OF COVENANTS, CONDITIONS and RESTRICTIONS (the "Declaration"), is made and effective as of the 31st of May, 2005, by James Dean Ranch Developments, Ltd (the "Declarant") and supersedes and replaces any prior covenants:

WITNESSETH:

Declarant is the owner of a certain tract of real property located in Jim Wells County, Texas (the "Declarant's Tract"), and hereby makes and publishes the following conditions and restrictions which shall apply to and become a part of all contracts of sale, deeds and other legal instruments to any and all lots, tracts or blocks contained in Declarant's Tract. These conditions and restrictions shall extend to and include the heirs, assigns, devises, lessees and holders of every kind of real property interest in Declarant's Tract.

This instrument shall be placed on record in the office of the County Clerk of Jim Wells County, Texas. All primary and subsequent purchasers and owners of any lot, tract, block or interest in Declarant's Tract are hereby placed on notice of the full contents of this Declaration just as completely as if this entire instrument were included in their contracts, deeds or other instruments of title.

NAME OF SUBDIVISION

USE OF LAND

A. ZONING AND USE.

Any use of land in Highland Hills Ranch shall be used exclusively for Single-Family Dwellings. As used herein, the term "Single-Family Dwelling" shall mean a dwelling designed and arranged exclusively for the use and occupancy of one family, and does not include mobile homes, trailers, recreational vehicles and the like.

- B. DWELLING QUALITY, SIZE, MATERIALS, AND APPROVAL BY ARCHITECTURAL CONTROL COMMITTEE.
- I. No main building shall be erected, altered, or permitted to remain on any lot other than one detached single-family dwelling used for residential purposes. No building shall exceed two and one-half (2-1/2) stories in height (two stories with loft). Each main building shall contain garage or carport facilities for not less than two (2) automobiles. The floor area of each dwelling shall not be less than Twelve Hundred (1200) square feet, exclusive of open porches (including screened-in porches), patios, and garages. On two-story or two and one-half (2-1/2) story dwellings, the ground floor area shall not be less than fourteen hundred (800) square feet.
- 2. All materials must be new materials or substantially the same or better than that which can be produced on the date construction of the improvements commenced. No secondhand or used materials shall be utilized in the construction of improvements on any lot within Declarant's Tract, nor shall any existing dwelling he moved onto any lot. After construction of any improvement is begun, it must be completed within two hundred and seventy (270) calendar days.

3. No building or any other structure or improvement shall be erected, placed or altered on any lot until the final construction plans, specifications, and site plans have been approved by the Architectural Control Committee (hereinafter referred to as "Committee). All plans must disclose the quality of the materials, display harmony of external design with existing structures (including color), and designate the location of all buildings with their finish grade elevation. Final plans and specifications shall be submitted in duplicate to the Committee. Once approved by the Committee, one complete set of such plans and specifications will be retained by the Committee and the other complete set will be marked "Approved' and returned to the Owner. Any modification or change to the approved set of plans and specifications must again be submitted to the Committee for its review and approval. The Committee's approval or disapproval shall be in writing. In the event the Committee, or its designated representative fails to approve or disapprove such plans and specifications within thirty (30) days after submission, and if no suit to enjoin the construction is commenced prior to the completion of such construction, then approval is presumed. The Committee's approval expires after one year if construction has not commenced, and a re-submission for approval must be made.

BUILDING, GARAGE AND FENCE LOCATIONS.

- I. No building shall he located on any lot nearer to any front line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. No building shall be located farther away from the front lot line than the Committee reasonably determines to be in harmony with existing buildings in the immediate vicinity, and the main building on each lot shall be constructed to face the street upon which such lot fronts. Unless the plat shows a variance or the owner obtains the Committee's approval, no main building shall be located nearer than twenty-five (25) feet from any interior lot line.
- 2. Any garage or outbuilding of any kind detached from the main building shall be located on the rear one-third of the lot, shall not exceed two (2) stories in height, shall be located with reference to the side lot line referenced above and shall not be constructed upon any portion of the easement along the rear or side property line of such lot.
- 3. No fence, wall, hedge or shrub which obstructs sight line at elevation shall be placed or permitted to remain on any corner lot area within the triangular area formed by the streets right-of-way lines and a line connecting them at points twenty-five (25) feet from the intersection of the street right-of-way lines, or in the case of a rounded corner, from the intersection of the street right-of-way lines extended to intersect. The same sight line limitations shall apply on any building site within ten (10) feet from the intersection of a street right-of-way line with the edge of a driveway payment. No trees shall be permitted to remain within the above sight line of each intersection unless the foliage line is maintained at sufficient height to prevent the obstruction of the above sight line.

D. LOT AREA AND FUTURE IMPROVEMENTS

- All lots shall be two acres or greater. No lot maybe re-platted for the purpose of erecting a single-family dwelling.
 - 2. All lots must be purchased with the intent of constructing a residential home.

E. EXTERIOR WALLS AND ROOFS

The exterior walls of each dwelling must be natural stone veneer, brick veneer, stucco, or Hardi siding or its equivalent nd must be approved by the Committee prior to the start of construction. This exterior wall provision shall apply to the main structure as well as any outbuildings. In addition, the Committee must approve the construction of any unusual buildings, such as greenhouses, etc. Paint colors of exterior walls shall be the normal and customary colors used in home building, and shall be subject to review by the Committee. The roofs of each dwelling shall not be flat, built-up gravel or otherwise. Roofing material shall be composition shingles (240 pound weight or more), metal, or tile. The pitch of the roof of each main building and all outbuildings, either attached or detached, shall be a minimum of 4:12.

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F. FOUNDATIONS AND DRIVEWAYS

I. On all main buildings and outbuildings, all foundations must be concrete, and must be fully enclosed at the perimeter, exclusive of verandahs, decks, patios, porches and/or gazebos approved by the Committee. Pier and beam foundations are permitted if approved by the Committee, the perimeter is fully enclosed, and all piers are installed and inspected by the design engineer of subject property. All foundations must be designed by a registered professional engineer who regularly practices structural or foundation engineering.

2. Driveways shall be constructed of concrete, brick payers, asphalt-type product, or a similar material,

and shall be approved in advance by the Committee.

G. FENCES OR WALLS

1. All fences and walls proposed to be constructed must be approved in writing, prior to construction, by the Committee. All fences must be of new wood, masonry or similar materials and shall be no higher than seven (7) feet. Metal or PVC pipe may be used as approved by the Committee. Any fence forward of the front wall of the main structure shall have a maximum height of five (5) feet.

$\mbox{H.} \quad \mbox{TEMPORARY STRUCTURES FOR STORAGE; VEHICLES; TELEVISION, RADIO ANTENNAE OR SATELLITE DISH; AMENITIES$

- 1. No structure of a temporary character, trailer, tent, garage, storage building or other outbuilding (excluding guest's or servant's quarters) shall be used on any lot at any time as a residence; provided however, that Declarant or assigns reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the subject property as in its sole discretion may deem necessary or convenient while selling lots, selling or constructing residences, and constructing other improvements upon the subject property. Such facilities may include, but not necessarily be limited to sales, information and construction offices, storage areas, model units, signs and portable toilet facilities.
- 2. No boat trailers, boats, travel trailers, inoperative automobiles, campers, vehicles of any kind, or any similar vehicle are to be stored in the public street right-of-way or on the lot anywhere forward of the front wall of the main structure. Permanent or semi-permanent storage of such items and vehicles must be approved by the Committee and reasonably screened from public view, either within the garage or behind a fence which encloses the rest of the lot. Semi-permanent is defined as a twelve (12) consecutive hour period of time.
- 3. Radio and television antennae shall be installed in the attics of the residences when possible and practical. No radio, television aerial wires, antennas, or satellite dishes shall be maintained on any portion of any lot forward of the front wail of the main structure; nor shall any antennae (free standing or otherwise) of any type or style be permitted to extend more than ten (10) feet above the roof of the main residential structure on said lot without prior approval of Committee.
- 4. Any amenity, such as a pool, spa or tennis court must comply with the Jim Wells County ordinances and requirements and must be fenced in accordance with Paragraph G herein. Lights for any amenity, if approved by the Committee, shall be installed as directed by the Committee

I. SIGNS

No sign of any kind shall be displayed to the public view on any lot, except one professional sign not more than five (5) square feet advertising the property for sale or rent. This restriction shall not apply to signs used by the developer during the construction and sales period. Further, builders, while a residence is under construction may display their usual identification signs provided the total sign area does not exceed ten (10) square feet.

J. OIL AND MINING OPERATIONS

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be

permitted upon or in any lot, nor shall oil wells, tanks, tunnels, minerals excavations or shafts be permitted upon or in any lot. No derrick designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

K. PETS AND OTHER ANIMALS

- 1. No animals may be kept or bred for commercial or business purposes, and may not be kept in any quantities which would create an annoyance or nuisance to the neighborhood. Pets shall not be allowed to run at large within Declarant's Tract.
- 2. Animals for 4-H/FFA projects are allowed; however, to keep animals under this provision, families must have at least one or more children enrolled in local 4-H or FFA programs for that particular year. These animals may be kept under the following conditions, provided they are located and kept in a manner satisfactory to the Committee:
- a. Animals must be fenced to prevent their running loose and all fowl must be kept in completely enclosed pens, reasonably located with respect to and for adjacent property owners;
 - Under no circumstances shall pigs or hogs be allowed at any time without the express written consent of the restrictions committee;
 - c. The number of animals shall be kept to a reasonable minimum;
 - d. Owners must ensure animals do not become a nuisance for adjacent property owners;
- e. Animals may be kept only for the period of time necessary to participate in the local/regional shows.
- f. Construction of all outbuildings, pens and fences must be of new materials and have prior approval of the Committee.

L. GARBAGE AND REFUSE DISPOSAL

- 1. Garbage shall not be kept except in sanitary containers and such containers shall be kept in a clean and sanitary condition. Regular trash pick-up (at least once a week) must be provided by the owner or occupant. No trash or garbage cans, except on regular trash or garbage days, shall at any time be permitted to remain on the street or forward of the front wall of the main structure so that same may be seen by a person using the street in Declarant's Tract.
- 2. No lot shall be used or maintained as a dumping ground for rubbish, trash or garbage or any such like. Other waste shall not be kept except in sanitary containers. All equipment for the storage and/or disposal of such material shall be kept in a clean and sanitary condition.

M. NUISANCES

No noxious or offensive activity shall be carried on upon any lot, nor anything be done thereon which may be or may become an annoyance or nuisance to the neighbor-hood. This provision does not preclude the normal sales activities to market lots or homes.

N. LOT MAINTENANCE

I. The owners or occupants of lots shall keep all weeds and grass cut so that the lots (whether vacant or having improvements) are, at all times, in a sanitary, healthful and attractive condition. Owners shall not use any lot for storage of materials and equipment, except for normal residential requirements or incident to construction of improvements thereon as herein permitted. Outside burning activity is not permitted (except as permitted by law).

The drying of clothes in public view is prohibited and the owners or occupants of any lots at the intersection of streets or where the rear yard or portion of the lot is visible to public view shall construct and maintain a suitable enclosure to screen the following from public view: the drying of clothes, yard equipment, wood piles and/or storage piles which are incident to the normal residential requirements of a typical family, and anything else that, in the opinion of the Committee, is unattractive or objectionable to the neighborhood.

- The owners of the abutting lot shall also keep the area between the pavement and the lot line free of weeds, rubbish, trash and waste, and shall keep all the grass cut.
- 3. If any lot owner fails to maintain their lot as required above, the Declarant or the Committee, as the case may be, is authorized to have such lot cleaned and maintained in order to comply with these provisions, and shall be entitled to reimbursement by the lot owner of reasonable expenses so incurred.
- All brush and tree destruction must be followed immediately with prompt removal of the debris (including dirt, trees and brush).

EASEMENTS

- 1. Easements for installation and maintenance of utilities and draining facilities are reserved as shown on the recorded plat. Within these easements, no structure, parking of vehicles, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the casements. The easements, including drainage easements, area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.
- 2. Such easements are deemed appropriate and/or necessary for the purpose of installing, using, repairing and maintaining public utilities, including water lines, electrical cables, telephone cables, gas lines, television cables and/or equipment necessary for the performance of any public or quasi-public utility service and function, with the right of access thereto for the purpose of further construction, maintenance, operation and repairs. The owners or operators of such utilities shall have the right to remove any obstruction on said easement right-of-way, which in its reasonable opinion may interfere with the installation, repair, maintenance or operation of its circuits, lines, cables, pipes, ditches, structures or equipment. Such easements shall be for the general benefit of Declarant's Tract and the property owners thereof and are reserved and created in favor of any and all utility companies entering into and upon Declarant's Tract, except that nothing set out above shall prohibit the use of such easement rights-of-way by abutting owners for the construction of fences, walks or drives, provided no permanent structures are built thereon and provided no damages shall accrue to Jim Wells County, nor any utility company or other entity because of the removal and non-replacement of all or any portion of such improvements for the purpose of satisfactorily constructing, operating, maintaining and/or repairing utilities in such easements or rights-of-way
- 3. Neither Declarant nor any entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees or servants to pavement, fences, shrubbery, trees, or flowers or any other property of the owner of the land covered by said easements. It is expressly agreed and understood that the title conveyed by Declarant of any of the subject property shall be subject to any easement of record affecting same.

P. ARCHITECIURAL CONTROL COMMITFEE

1. The Architectural Control Committee shall be initially composed of James H. Dean. A majority of the Committee may designate a representation to act for it. The Committee may elect at any time to organize itself as a nonprofit corporation under the name of the "Highland Hills Ranch Homeowners Association" or some similar name and adopt articles of incorporation and bylaws consistent with the provisions of these restrictions. No member of the Committee or its designated representatives shall be entitled to any compensation for services performed pursuant to these restrictions. All actions of the Committee in approving or disapproving matters under these restrictions shall be in writing. Failure to submit plans and specifications to the Committee will void all time requirements regarding approval or disapproval by the Committee. The Committee assumes no liability for noncompliance with these restrictions, and the Committee may, within its total discretion, grant variances from these

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restrictions or elect to take no action concerning the enforcement of these restrictions. The Committee shall disband and cease to exist upon the termination of these restrictions.

- Members of the Committee shall serve three-year terms or until their successors are duly elected and qualified. Election of successor members of the Committee shall not be made by the Declarant until such time as Twenty-five (25) of the Forty-two (42) lots in Declarant's Tract are conveyed to others or after nine months have elapsed from the date the plat is accepted by Jim Wells County, whichever is later. The maximum elapsed time allowed for this provision shall be eighteen months. After such time, successor members of the Committee shall be elected by the lot owners of Declarant's Tract subject to these restrictions on the basis of one vote per lot. Declarant will continue to have one vote per lot for any lots which have not been conveyed to others. The election may be conducted by the Committee at any meeting of the lot owners for which notice has been given by mail at least fifteen (15) days prior to the date of the meeting or such election may be conducted by mail ballot. At any such election, a quorum shall be established upon the casting of ballots by not less than Fourteen (14) lot owners or 33% of the lot owners comprising Declarant's Tract subject to these restrictions, whichever is greater. The person or persons receiving the highest number of votes from the ballots cast shall be elected to the Committee, and each lot owner shall be entitled to vote for as many persons as there are vacancies on the Committee. At any meeting of the lot owners, written proxies may be given by lot owners for persons to cast votes on their behalf. Any notice or ballot distributed by the Committee shall be deemed served when hand delivered or mailed by first class mail, postage prepaid, to the last known address of each lot owner on the records of the Committee. The results of any such election shall be recorded in the Minutes of the Committee, and an instrument designating the new membership of the Committee signed and acknowledged by the secretary may be filed of record in Jim Wells County, Texas.
- Should the Committee elect not to incorporate, then in such event the Committee members shall appoint a Chairman from the members. The Chairman shall call and preside over all meetings.
- 4. The Committee shall have the right and authority to waive, modify, alter, change or approve any covenant, term, condition or restriction where, in the opinion of the Committee, such change is necessary or required for the advantage and best appearance of Declarant's Tract. This right and authority of the Committee to grant such variances shall be exercised by the Committee without notice or consent of the affected property owners, as long as there are no more than three property owners affected. However, any variance granted to Owners shall not change or revise any provision or restrictions contained herein.

DURATION OF RESTRICTIONS

- 1. The covenants contained in this Declaration are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty-five (35) years from the date this Declaration is recorded, after which the covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part. The violations of any such restrictions, covenants and conditions shall not operate to invalidate any mortgage, deed of trust, or other liens acquired or held in good faith against the property.
- 2. These Deed Restrictions may be amended upon the affirmative consent of the greater of Twenty-seven (27) lot owners or sixty-five percent (65%) of the lot owners after four (4) years from the date of filing and shall be subject to amendment by Declarant without joinder for four (4) years after filing hereof if said amendment by Declarant serves for the reasonable improvement of Declarant's Tract or does not materially affect the lot owners. No amendment shall be effective until recorded in Jim Wells County Clerks Office.

ENFORCEMENT

The restrictions herein set forth shall be binding upon Declarant. It's successors and assigns, and all parties claiming by, through or under it and all subsequent owners of property in Declarant's Tract, each of whom shall be obligated and bound to observe the terms of this instrument; provided, however, that no such person shall be liable except with respect to breaches committed during his or their ownership of said property. Violation of any term or

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provision of this instrument shall not operate to invalidate any mortgage. Declarant, Committee, or the owners of any lot or lots in Declarant's Tracts shall have the right to enforce observance or performance of the provisions of this Declaration at law or in equity.

SEVERABILITY

Invalidation of any one of these covenants by judgment or court order shall not in any way affect any of the other terms, covenants, or provisions set forth herein, which shall remain in full force and effect,

DEDICATION

This instrument of dedication relates to and affects the property as shown on the Flat filed of record and referenced herein, and shall affect no other property.

EXECUTED this 31st day of May, 2005.

By: Name: James H. Dean Title: General Partner

THE STATE OF TEXAS

COUNTY OF JIM WELLS

This instrument was acknowledged before me on May 31 st, 2005, by James H. Dean, an individual, in his capacity as General Partner of James Dean Ranch Developments, Ltd., a Texas Limited Partnership.

RUBEN SANDOVAL: County Clerk
JIM WELLS County

May 31,2005

COUNTY OF JIM WELLS filed on the date and time stamped hereon by we and was duly recorded in the volume and page of the named records of:

JIM WELLS County
as stamped hereon by we.

Receipt Number - 7

Dozument Number:

On: May 31,2005 at 11:04A

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