

**RESTRICTIONS AND COVENANTS ON AND FOR GREEN TREE NORTH
(Amended September 1997)**

Midland West Corporation, a Texas Corporation, (referred to herein as "Developer") as the owner of all that certain real property which is described in Exhibit "A" hereto, known as Green Tree North (referred to herein as the "Subdivision"), according to the map or plat thereof, being filed and recorded in the Deed-Plat Records of Midland County, Texas.

In order to insure the development of Green Tree North as a development of desirable character, to assure uniformity and harmony in such development, and to carry out a general plan of development for the use, convenience and benefit for each and every owner claiming any interest therein, Developer desires to implement the following restrictions, conditions and use limitations and does hereby adopt and establish the following covenants, conditions and restrictions.

1. DESIGNATION OF LOTS

As used herein, the phrase "Office Lots" shall mean and refer to Lot 21, Block 7, Lot 1, Block 6, and Lot 22, Block 6; "Multi-Family Lots" shall mean and refer to Lots 2 and 13 of Block 1, Lots 16, 17 and 18, Block 2; Lots 2 and 21 of Block 6; "Single-Family" Lots shall mean and refer to all of the remaining lots and blocks within the Subdivision. Should any "Office Lots" be used for residential purposes, said lot shall no longer be considered an "Office Lot" but rather a "Multi-Family Lot" for the purposes of these covenants, conditions and restrictions.

2. SCOPE OF RESTRICTIONS

The covenants, conditions and restrictions hereinafter set forth shall constitute covenants running with the land and shall be binding upon all present and future owners of lands within the Subdivision, excepting only the Office Lots of the Subdivision, and any person acquiring title to any lot subject hereto, shall thereby agree and covenant to abide by and perform to the covenants, conditions and restrictions set forth herein, but in the absence of any express agreement, the same shall be implied by the acceptance of any conveyance of lands located within the Subdivision, except lands within the Office Lots of the Subdivision. These covenants, conditions and restrictions shall be applicable to all of the Subdivision, except as otherwise expressly provided herein.

3. USE OF PREMISES

All of the Single-Family Lots shall be used only for single-family residential dwellings.

Garages and other customary and usual accessory structures may be attached or detached from residential dwellings; provided however, all garages shall be of sufficient size to accommodate the parking and storing of not less than two automobiles. No boats, trucks, trailers, campers, automobiles or any other type of vehicle shall be stored on any lots or drives, except in closed garages or storage facilities protected from the view of the public or other residents of the Subdivision. There shall be no open carports.

4. STRUCTURES

No dwelling shall be erected or permitted to remain on any Single-family Lot having a ground floor area of less than 1,800 square feet (when measured to the exterior walls), exclusive of attached garages or similar appendages.

Any person desiring to commence the construction, reconstruction, remodeling, addition to, or alteration of any building, swimming pool, wall, fence, or other structure, shall submit to the office of Developer, for transmittal to the Committee, two (2) complete sets of plans and specifications for said improvements showing the erection or alteration desired, and no such structure or improvement of any kind shall be erected, altered, placed or maintained on any lot unless and until the final plans, elevations, and specifications therefor have received written approval as herein provided. Such plans shall include plot plans showing the location on any lot or property of the wall, fence, or other structure proposed to be constructed, placed, altered, or maintained, together with the proposed color scheme for roofs and exteriors thereof. The Committee shall approve or disapprove the plans, specifications and details within thirty (30) days from its receipt thereof. One set of said plans and specifications and details, with the approval or disapproval endorsed thereof, shall be returned to the person submitting the same. The Committee shall have the right to disapprove any plans, specifications or details submitted if (i) such plans, specifications and details are not in accordance with all of the provisions of these restrictions and covenants; (ii) the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lot or with the adjacent buildings or structures; (iii) the plans and specifications submitted are incomplete; (iv) the Committee does not agree with the proposed location of such structure or improvements on the lot or property, regardless of the fact that such proposed location may comply with applicable zoning regulations, building codes, or restrictions otherwise applicable, including the restrictions expressed in Paragraph 6 hereof; (v) the Committee deems the plans, specifications, or details or any part thereof to be contrary to the spirit or intent of these covenants and restrictions, or contrary to the interest, welfare or rights of all or any part of the real property subject hereto, or the owners thereof, or any of the adjacent property owners, all in the sole and uncontrolled discretion of the Committee. The decisions of the Committee shall be final and binding. Neither the undersigned nor any architect or agent of the undersigned or any member of the Committee shall be responsible in any way for any defect in any plans or specifications submitted, revised or approved in accordance with the foregoing, nor for any structural or other defects in any work done according to such plans or such specifications. No buildings or improvements of any kind constructed or placed upon said lots thereafter shall be moved without the prior written approval of the Committee.

At the time that plans and specifications for any new house are submitted, the applicant shall deposit with the Green Tree Homeowners Association \$150.00. Should the applicants plans be rejected this deposit shall be promptly returned. In the event the plans are approved the \$150.00 shall be retained by the Association and used toward subdivision clean up and trash removal for the subdivision.

Each Single-Family Lot in the subdivision shall have at least one exterior light in the front yard or on the front of the structure so as to illuminate the front yard. This light shall be either connected to an electronic device so as to operate from dusk until dawn or be on continually. This light may be gas or electric and shall be

maintained by the homeowner so as to operate properly. All expenses connected with the installation, operation and maintenance shall be the responsibility of the individual homeowner and not the Homeowners Association.

5. ANTENNAS AND AERIALS

The exterior attachment or mounting of all aerial masts, radio and television antennae to any structure or on the surface of any lands located in the Subdivision is prohibited. Installation of small satellite dishes, of a diameter of not larger than 1 meter, is permitted if the location of the installation is inconspicuous. The interior mounting of such objects is allowed without any consent or approval by the Committee.

6. ROOF CONSTRUCTION

No roofing materials shall be used within the Subdivision without prior written approval of the Committee. No structure in the Subdivision may have built-up crushed rock or any material which is metallic in appearance without the prior written approval of the Committee. The Committee may approve wood-shake shingles of a grade approved by the City Code of the City of Midland, concrete or pre-cast tile, simulated shake, or heavy weight, dimensional, Class A fiberglass laminate wood look-alike composition shingles with a minimum 30-year guarantee and a minimum weight of 300 lbs. per square. Any such fiberglass laminate must be of a dark color, have the general appearance of wood, and the installation must include a manufactured pre-fab matching heavy ridge.

All plans submitted to the Committee, including plans for re-roofing any structure within the Subdivision, shall include detailed roofing specifications, and approval of such shall be at the sole discretion of the Committee, in accordance with Section 4 of these Restriction and Covenants.

7. SET BACK LINES

With the sole exception of the Office Lots, Multi-Family Lots, and fences constructed on rear lot property lines and side lot property lines to within twenty-five (25) feet of the front property line, no structure shall be placed on any lot nearer than twenty-five (25) feet to any front property line, nor nearer than ten (10) feet to any side property line, unless otherwise approved by the Committee, and no structure shall be placed on any lot nearer than twenty (20) feet to any lot line abutting the golf course or lake, nor nearer than ten (10) feet to any rear lot line on any other lot unless otherwise approved by the Committee.

8. SIGNS

No sign or signs of any type shall be displayed to the public view on any residential lot except (i) school activity participation signs; (ii) that any builder during the applicable initial construction, and sales period, may utilize one professional sign (of not more than twenty-four (24) square feet in size) per lot for advertising and sales purposes; (iii) thereafter, a dignified "for sale" or "for rent" sign (of not more than nine (9) square feet in size) may be utilized by the owner of the respective residential lot.

9. FENCES

No fence, wall, or hedge type fence or wall shall be nearer to any front street than the building set-back line described herein. On lots abutting the golf course or lake, no interior fence, wall or hedge type fence or wall shall be built nearer to the rear lot line abutting the golf course and lake than the building set-back line described herein. No fence, wall or hedge type fence or wall shall exceed eight (8) feet in height. All fences shall adhere to the following specifications:

- 1. All fences along the property line abutting the golf course and the lake shall be an open wrought iron style. All fences or barriers within twenty(20) feet of the golf course shall be an open wrought iron style. All fences or barriers within forty-eight(48) feet of the property line abutting the lake shall be an open wrought iron style, with the exception in cases where the rear side of lake lot house is inside of forty-eight(48) feet from the property line abutting the lake, a solid fence may be installed up to the point even with the most rear side of the house.**
- 2. All fences on lots abutting the golf course or the lake shall be built with brick columns spaced no less frequently than sixteen(16) feet on centers.**
- 3. All fences facing streets, water drainage easements, and golf cart paths shall be built with brick columns at their corners, and columns shall be spaced no less frequently than sixteen(16) feet on centers. Those fences that will have wood fencing between the brick columns, shall have the finished wood side of the fence facing the streets, water drainage easements, and golf cart paths.**
- 4. All fences must be maintained or rebuilt with like materials unless otherwise approved by the Committee.**
- 5. The Green Tree North Homeowners Board shall have the authority to set fencing requirements for newly developed areas within the Subdivision, and grant exceptions to the above specifications.**

10. TEMPORARY STRUCTURES

No trailer, mobile home, tent, shack, garage, barn or other outbuilding or structure of a temporary character shall at any time, ever be used as a residence, temporary or permanent; nor shall any structure of a temporary character ever be used in any way or moved onto or permitted to remain on any lot, except upon lots during the construction of permanent structures thereon.

11. GARBAGE AND TRASH DISPOSAL

No lot may be used as a dumping ground for rubbish. All trash, garbage, grass clippings, leaves and other waste must be sealed in plastic bags or contained in a sanitary container. Each owner of a lot or building site shall keep his land free at all times of trash, garbage, and debris. No such material shall be burned. Collection and handling of garbage and trash for all lots except Office Lots shall be by the Green Tree North Homeowners Association (Association), as hereinafter provided. The City of Midland shall not be responsible for trash collection.

12. GRASS AND WEEDS

The owner of each lot shall keep grass, weeds and vegetation (except as part of a landscaping plan) trimmed or cut so that the same shall remain in a neat and attractive condition.

13. ANIMALS AND NUISANCES

No horses, cows, poultry, or livestock of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for commercial purposes. No noxious or offensive activity shall be carried on or maintained on any lot in the Subdivision, nor shall anything be done or permitted to be done thereon which may be or become a nuisance in the neighborhood.

14. CONSTRUCTION

If any individual or entity owning one or more lots within the Subdivision, excepting only the Office Lots and Multi-Family Lots, and such owner fails to commence construction of one approved residential dwelling on each such lot within the following time periods: (i) in the case of an Original Owner, as defined herein, not later than two (2) years following the date on which said owner acquired title to the lot or lots, respectively; or (ii) in the case of one other than the Original Owner, not later than thirty (30) months following the date on which the Original Owner acquired title to the lot or lots, respectively; Developer shall have the first option to purchase the lot or lots upon which construction has not been timely begun, at a price equal to the price paid for such lot by the Original Owner thereof. If Developer intends to exercise such option, Developer shall furnish written notice of the exercise of the same to the owner of such lot or lots, within thirty (30) days following the expiration of the applicable construction period. Within a reasonable time after the exercise of such option, the owner of such lot or lots shall convey good and marketable title to the same, free of all liens, and encumbrances, to Developer, and Developer shall pay the owner thereof the price specified. Failure by Developer to exercise the option provided for herein as to any particular lot, within the time period provided for herein, will constitute a waiver of such option as to that lot only, and not as to any other lot within the Subdivision whether owned by the particular owner or otherwise. For purposes of this paragraph, "Original Owner" means the individual or entity that acquired title to such lot or lots directly from Developer.

15. PUBLIC PARKWAYS

The Green Tree North Homeowners Association shall maintain or cause to be maintained, at the expense of the Association, all public and private parkways within the Subdivision, including the area within the Tesco Easement, created by a certain Instrument recorded at Volume 535, page 622 of the Deed of Records of Midland County, Texas. Public parkways include, without limitation all medians and areas located between rear fences and street curbs. Private parkways include without limitation, the areas shown as common area A, B, C, and D on the recorded plat of the Subdivision.

16. EASEMENTS

Perpetual easements are reserved over and across the lots in the Subdivision for the purpose of installing; repairing and maintaining, or conveying to proper parties so that they may install, repair, and maintain electric power, water, sewage, gas, telephone, and similar utility facilities and services, for all the lots and properties in the Subdivision as follows: All easements shown on the recorded

plat above described are incorporated as part of these restrictions, and access may be had at all reasonable times thereto for maintenance, repair and replacement purposes, without the lot-owner being entitled to any compensation or redress by reason of the fact that such maintenance, repair, or replacement work has proceeded. The easements reserved and dedicated under the terms and provisions hereof shall be for the general benefit of the Subdivision and any other land owned or acquired by the Developer in the vicinity thereof, and also inure to the benefit of and may be used by the public or private utility company entering in and upon said property for the purposes aforesaid, without the necessity of any further grant of such easement rights to such utility companies. In addition the city of Midland shall have a perpetual easement over and across every lot in the Subdivision for the purpose of police and fire protection and other emergency services. Golfers playing golf on the golf course shall have the right to retrieve their golf balls from any lot. Each owner shall hold Developer harmless from liability on any claim arising out of the players on the golf course hitting golf balls onto, or retrieving golf balls from his lot. Neither the City of Midland, Texas, nor the Developer using the easements provided for herein shall ever be liable for any damage to shrubbery, trees, flowers, or property of any kind on the land within the boundaries of said easements.

17. ARCHITECTURAL CONTROL COMMITTEE

An Architectural Control Committee shall be appointed, annually (each June), by the Board. It shall be the purpose of such Committee, in reviewing plans, specifications and plot plans, to insure for all owners, harmony of external and structural design and quality with existing structures. When the Committee considers granting exceptions to these Restrictions and Covenants, it shall seek guidance from the Board.

18. WATER DEVELOPMENT

No water drilling or development operations of any kind shall be permitted upon or in any part of the land included in the Subdivision, unless otherwise approved by the Committee. All water and all sewage facilities provided by the City of Midland shall be in service and connected to each structure prior to the occupancy thereof. No on-site septic systems shall be permitted.

19. DEFAULT

If the owner of any lot or building site fails to abide by any of the foregoing restrictions, stipulations, obligations, or provisions, and if such failure or default continues uncured for ten (10) days after written notice thereof is mailed to the owner of the lot or building site at his last known address, the Association, or its agent or agents, may go upon such lot or building site and correct the default, and the Association shall not be guilty of any manner of trespass or liable to the landowner in any respect as a result thereof, and the landowner shall be obligated to reimburse said Association for all expenses incurred by and in performing such work, and the amount to be reimbursed shall bear interest at the highest lawful rate from date such work is performed or caused to be performed by the Association until the Association is reimbursed by the landowner therefore, and shall be secured by a lien against the lot or building site in the same manner as the Assessments provided for.

20. UTILITIES

Except as to special street lighting and other aerial facilities which may be required by the City of Midland or may be required by the franchise of any utility company, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed in the Subdivision whether upon individual lots, easements, streets, or rights of way of any type, whether by utility company or any other person or entity, including (but not limited to) any person owning or acquiring any part of the Subdivision, and all utility service facilities, including (but not limited to) water, sewer, gas, electricity and telephone, shall be buried underground, under alleys, streets, or utility easements to any structure located on any part of the Subdivision.

21. THE GREEN TREE NORTH HOMEOWNERS ASSOCIATION

The Developer will incorporate under the laws of the State of Texas, as a not for profit corporation, The Green Tree North Homeowners Association, Inc., or in its discretion, an unincorporated association, named The Green Tree North Homeowners Association, either of which are hereinafter to be referred to as "The Association". Each owner, including Developer, of a lot in the Subdivision, except owners of the Office Lots, shall be a member of the Association, so long as he shall be such an owner, and such membership shall automatically terminate when such ownership ceases. Membership shall be appurtenant to and may not be separate from the ownership of a lot in the Subdivision, and the ownership of a lot in the Subdivision shall be the sole qualification for membership. Upon the transfer of ownership of a lot, howsoever achieved, the new owner shall, concurrently with such transfer, become a member of the Association, and shall not be necessary that any instrument provide for transfer of membership in the Association. Evidence of transfer of a lot in the Subdivision shall be furnished to the Association in the form of a certified copy of the recorded conveyance of a lot by the current owner thereof, as reflected upon the books and records of the Association. If there are one or more owners of the lots, then such owners shall designate one of their numbers as the member of the Association, which designation shall be made in writing to the Board of Directors of the Association. After an owner is so designated the Board may reply on such designation, until written notice revoking said appointment is received by the Board. In the absence of such designation, the co-owners of any particular lot shall not be entitled to any vote, fractional or otherwise, in the Association.

22. VOTING RIGHTS OF MEMBERS

The members of the Association shall have the following voting rights:

A. Initial Voting Rights: The Association shall initially have three (3) classes of voting membership, with the voting rights hereinafter indicated:

1. Class A Members: Class A Members shall be all owners of Single-- family Lots, other than Developer, and each such lot shall entitle the owners thereof to one vote and one membership in the Association:

2. Class B Member: Class B Members shall be all owners of Multi-Family Lots, other than Developer, and each lot shall entitle the owners thereof to the number of votes shown in Exhibit "B", hereto, opposite the description of each Multi-Family

Lot.

3. Class C Member: The Class C Member shall be Developer, who shall be entitled to two votes for each Single-Family Lot owned by Developer and twice the number of votes shown in Exhibit "B" for each Multi-Family Lot owned by Developer.

B. Permanent Voting Rights: On 12/31/85, or at such time as the total votes of Class A and Class B Members exceed the total votes of Class C Member, whichever shall first occur, the Association shall cease to have three (3) classes of membership, and shall thereafter have but two (2) classes, that being Class A and Class B, and each member shall have one vote for each lot in which such member holds the interest required for membership, except as to the Multi-Family Lots, each of such lots having the number of votes per lot specified in Exhibit "B" hereto for each of such lots.

23. ASSESSMENTS

The Association shall have the power to levy an annual maintenance charge and assessment against the owner of each lot in the Subdivision, including the owners of Multi-Family Lots, as in hereinafter set forth. The Association shall be generally responsible for, and shall be empowered to provide for, the health, safety and welfare of its members; the repair, maintenance, preservation, upkeep and protection of all public parkways and common areas in the Subdivision.

24.1 BOARD OF DIRECTORS

The affairs of the Association shall be governed by a Board of Directors composed of at least three, but not more than nine persons, to be selected by its members following the incorporation thereof, and annually thereafter, as the same may be provided for in the Bylaws of each Association.

24.2 MEETINGS OF THE BOARD OF DIRECTORS

The Boards of Directors of each Association shall meet as set forth in the Bylaws of each Association.

25. EASEMENT OF ENJOYMENT

Every owner of a Lot shall have a common right and easement of enjoyment in and to the Common Area, appurtenant to and to pass with the title to such owner's lot, subject to the following :

A. The right of the Association to improve the Common Area, and to supervise and oversee the repair, maintenance, upkeep preservation and protection of the same. With the concurrence of at least two-thirds of the members of the Association, the Association may mortgage or place a Deed of Trust or Lien against the Common Area, in order to borrow money to provide for the improvement, and the improvement only, of the same.

B. The right of the Association to charge reasonable fees for the use of any facilities, excluding roadways, parkways, or access drives, located upon the Common Area.

C. The right of the Association to make, publish and enforce rules and regulations

governing the use and enjoyment of the Common Area.

D. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, utility, or municipality, for such purposes and subject to such terms and conditions as may be agreed to by at least two-thirds of the members of the Association.

E. The right of the Association to suspend the right and easement of enjoyment of any lot-owner for any period during which any assessment made by the Association remains unpaid.

26. TITLE TO THE COMMON AREA

The Common Area shall be conveyed by the Developer to the Association no later than the date the Association ceases to have the classes of membership provided for hereinabove, and may be conveyed to the Association at such earlier time as the Developer deems proper. At the time of transfer, Common Areas shall be free and clear of all encumbrances.

27.1 MAINTENANCE CHARGES

After five (5) lots in the Subdivision have been improved and occupied, the improved lots and building sites and, all other lots in the Subdivision, are hereby subjected to an annual maintenance charge, which shall be an assessment against said lots and building sites, and the owners thereof, for the purpose of creating a fund to be expended by the Association in the interest of the members of the Association and the Subdivision as a whole. The Board of Directors of the Association shall adopt an annual maintenance budget on or before June 1, of each calendar year, for the coming fiscal year. The amount of the annual maintenance charge for each individual lot in the Subdivision shall be determined by dividing the annual maintenance budget by the number of lots in the Subdivision (including the Multi-Family lots), and the resulting amount shall be the amount assessed for that particular year against such lot, as its portion of the annual maintenance charge. The initial maintenance charge shall be established by the Board of Directors at its first regular meeting. The Board of Directors shall have the power to raise the maintenance charge by an amount not to exceed fifteen (15) percent of the then existing maintenance charge during any fiscal year or from one fiscal year to the next. Any increase in excess of fifteen (15) percent shall be effective only after approval by more than fifty (50) percent of the voting members of the Association.

27.2 PAYMENT OF ANNUAL MAINTENANCE CHARGE

The Association shall give notice to each lot owner in the Subdivision of the amount of the annual maintenance budget, and of the amount of the annual maintenance charge for each particular lot in the Subdivision, as soon as possible after the annual maintenance budget is adopted by the Association. The annual maintenance charge so assessed against each particular lot shall be paid by the owner thereof on or before thirty (30) days after the notice of same if forwarded to such owner, or to his last known address on the books and records of the Association.

27.3? FACTORS IN SETTING ANNUAL MAINTENANCE BUDGET

At such time as the Association meets to establish the annual maintenance budget, it shall determine and take into account all unused funds from prior annual maintenance budgets and assessments then on hand, and shall reduce the current years assessment by an equal to the accumulated unused funds.

28. THE MULTI-FAMILY LOTS

The Multi-Family Lots shall except as otherwise provided herein, be subject to each and every restriction, obligation, assessment, duty, responsibility provided herein, and shall be entitled to each of the rights and privileges described herein. However, any owner of any of the Multi-Family Lots, shall be entitled to adopt and place of records such other and further restrictions and covenants, and shall be entitled to secure any other or further assessments against any owner thereof, provided that any further covenants and restrictions shall be consistent with those provided herein, and that any such lien is in all respects subordinate and inferior to the lien prescribed herein for assessments.

29. AMENDMENT

These Restrictions and Covenants may be amended from time to time, until the 31st day of December, 1982, without consent, permission, joinder, or approval of any other person or persons subject only to review by the City of Midland hereinafter provided for, without regard to whether Developer owns any lot or lots in the Subdivision. Thereafter, these restrictions and Covenants may be amended only by the vote of seventy-five (75) percent of the owners of the lots of the Subdivision, except owners of the Office Lots, who shall be entitled to no vote therein, with each owner of lots other than Office Lots having the vote such owner has in the Association, as provided herein.

Notwithstanding the foregoing, any amendments or revisions to the Restrictive Covenants are to be submitted to the City of Midland for review and approval according to the Subdivision review process before such amendments or revisions are recorded in the Office of the County Clerk of Midland County, Texas, and before such shall become operative and binding upon the lots and building sites in Green Tree North and the owners thereof.

30. COVENANT VIOLATION TIME LIMIT FOR STRUCTURES

In the event no suit is brought to enjoin or recover damages on account of any alleged violation of these Restrictive Covenants within one (1) year of the completion of the construction of or installation of the portion of the structure thereof which is alleged to be in violation of these Restrictive Covenants, for all purposes it shall be deemed that the structure was approved by the Architectural Control Committee, and the Restrictive Covenants herein contained shall have been deemed to have been fully complied with.

EXHIBIT "B"

Each Class B Member shall be entitled to one half (1/2) of one vote for each lot owned or in the case of Condominium type ownership each unit owned.

EXHIBIT "C"

Each Assessment shall be levied against the owners of each Multi-Family Lot at a rate equal to fifty (50) percent of the rate charged each Single-Family Lot.