

for parks, or other common usage, and each of them are to be used for single family residential purposes only. No building or structure intended for or adapted to business purposes, shall be erected, placed, permitted, or maintained on such premises, or any part thereof. It is provided, however, that there is reserved unto the reversionary owner the right to use one or more lots for the purpose of the continued development and sale of lots until the 4.7364 acre tract described hereinbelow is fully developed. This covenant shall be construed as prohibiting the engaging in or practice of any commerce, industry, business, trade or profession on any lot, tract or parcel of land within the subdivision. The restrictions on use herein contained shall be cumulative of, and in addition to, such restrictions on usage as may from time to time be applicable under and pursuant to the statutes rules, regulations, and ordinances of the City of Denison, Texas, or any other governmental authority having jurisdiction on the premises.

2. Appurtenant Structures. Utility lines, radio and television antennas, all clothes lines, garbage cans, equipment, wood piles, or storage piles shall be enclosed to conceal them from the view of neighboring lots, roads or streets. Plans for all enclosures of this nature must be approved by the reversionary owner or architectural control committee (hereinafter defined) prior to construction. All electrical service and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead. No exposed or exterior radio or television transmitting or receiving antennas shall be erected, placed or maintained on any part of such premises, but this restriction may be waived by the reversionary owner or the architectural control committee (as hereinafter defined). Any waiver of these restrictions shall not constitute a waiver as to other lots or lines or antennas.

3. Nuisances. No lot shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such lot to appear in an unclear or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of the surrounding property.

4. Temporary Structures; Mobile Homes; Campers. No outbuildings, garage, shed, tent, trailer, mobile home or camper, or temporary building of any kind shall be erected, constructed, permitted, or maintained prior to the commencement of the erection of a residence, as is permitted hereby, and none of same shall ever be used for permanent or temporary residence purposes; provided, however, that this paragraph shall not be deemed or construed to prevent the use of a temporary construction shed during the period of actual construction of any structure on such property, nor the use of a adequate sanitary toilet facilities for workmen which shall be provided during such construction.

After the completion of construction, no trailer, mobile home, camper, or other habitable mobile or portable vehicle of any nature shall be kept or stored on any part of the property except within a closed garage. No trucks of any nature shall be parked overnight on any lot except in an enclosed garage.

5. Signs. No sign of any character shall be displayed or placed upon any part of the property except "for sale" signs, referring only to the premises on which displayed, with the written permission of the reversionary owner or the Association having first been obtained. Provided, nothing herein shall be construed to prevent the reversionary owner from erecting, placing, or maintaining sign structures and offices as may be deemed necessary by him for the operation of the subdivision

or to promote the sale of property in, and the development of the subdivision.

6. Animals. No animals, birds or fowl shall be kept or maintained on any lot or part thereof, except dogs and cats, both a breed or breeds commonly recognized to be domesticated, gold fish or or other aquatic animals commonly kept at all times in an aquarium, and pet birds kept at all times in indoor cages, all of which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupant but not for any commercial use or purposes. Nothing herein shall be construed as permitting the keeping of any animal, fish or reptile which, by its inherent nature or propensity, or which by its particular nature, is likely to be vicious, noxious, injurious or otherwise a nuisance.

7. Vegetation. No weeds, underbrush or other unsightly growth shall be permitted to grow or remain on any part of the property and no unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon.

8. Homeowners Association; Membership. The reversionary owner has formed or caused to be formed, under and pursuant to the laws of the State of Texas, a non-profit corporation known as "VILLAGE GREEN HOMEOWNERS ASSOCIATION", for the purpose of owning, managing, controlling, operating, and maintaining all parks, sidewalks, alleyways, exterior landscaping and other common areas together with the common facilities and improvements thereon as well as residential building exterior within the Subdivision. (Reference hereby being made to the Charter of said corporation for a full and complete description of said purposes). Subject to, and in accordance with, the provisions of the Charter and Bylaws of said Association with respect to ownership of a single lot by more than one owner, each and every lot owner, in accepting a deed or contract for any lot in the subdivision, agrees to and shall become a member of and be subject to the obligations of membership set forth in the Charter, Bylaws

and rules of said corporation, as the same exist or may from time to time be lawfully amended or enacted.

The reversionary owner, for each lot owner with the subdivision, hereby covenants, and each owner of any lot in the subdivision by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Village Green Homeowners Association, its successors or assigns: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided until the reversionary owner grants and conveys to the said Village Green Homeowners Association, its successors, or assigns, the right to enforce this declaration of conveyance, conditions and restrictions and conveys to the said Village Green Homeowners Association, its successors or assigns, all his right, title and interest in and to the street, alleyways, utility easements, part and other common areas within the Subdivision, the assessment herein provided shall be paid to the reversionary owner.

(A) Assessments; Lien. Such assessments shall be deemed to be a continuing purchase money obligation. A vendor's lien shall be reserved in each deed to any lot in the subdivision to secure payment of said assessment. In order to provide for the speedy and effectual enforcement of said lien, each owner shall execute a deed of trust on each of his lot or lots within the subdivision on the form prescribed from time to time by the said Association.

The owner or owners of each lot in the subdivision shall also be personally liable for any assessment, whether or not the same constitutes a valid lien upon said realty and improvements and irrespective of whether the obligation to pay same constitutes a covenant running with the land.

(B) Assessments; Purpose. Assessments may be made for any purpose permitted by the Charter or by the Bylaws of the

Homeowners Association, as the same exist or from time to time may be lawfully amended.

(C) Assessments; Manner of Determination. Subject to the provisions, limitations and restrictions herein contained, the Board of Directors of the Association shall, at the annual Board of Directors meeting, or at any special meeting called for such purpose, establish, from time to time, the assessment charges for each lot in the subdivision. The amount of such assessment may be different for each class of membership in the said Association, but shall be the same for each lot owned within a class of membership in the said Association. The first annual assessment shall be set at the organizational meeting of the Board of Directors. Such first assessment shall be paid, in toto, by the reversionary owner, subject to proration as provided in paragraph 8 (E) hereof.

(D) Assessments; Limitations. The maximum annual assessment for the first year shall be established by the Board of Directors of the said Homeowners Association in an amount not to exceed SIX HUNDRED AND NO/100 DOLLARS (\$600.00) per lot plus a pro rata portion of the annual premium on the master insurance policy hereinafter described. Such proration shall be in the same proportion as the insurable value of each improved lot bears to the total insurable value of all property in the subdivision, including that owned by the reversionary owner or said Association. Special assessments for the acquisition of capital equipment or improvements, or for the improvement of existing capital facilities, shall not be levied except upon majority vote of all members of the said Homeowners Association. Special assessments for operating expenses of the said Homeowners Association may be levied only if the Board of Directors shall first determine that the funds available and to be available until the next annual meeting are insufficient to meet the expenses of operating the said Association until the next annual meeting, including a reasonable sum for emergency and unforeseen expenditures. No special assessment levied by the Board of Directors shall

exceed fifty percent (50%) of the current annual operating expense assessment unless approved by a majority of all members of the said Association shall agree.

(E) Assessments; Proration; Payment. When any lot is transferred by the reversionary owner to a third person, the annual assessment shall be prorated between the reversionary owner and said third person, as of the date of closing of such transaction. All assessments shall be due and payable according to the terms of the resolution of the Board of Directors establishing same. Past due assessments shall bear interest at the maximum lawful contract rate from the date that the same are due until paid. If it becomes necessary to collect said assessments through any legal proceeding, the obligor shall pay, in addition to the amount of the assessment, interest, court costs, the reasonable fees and expenses incurred in the collection of same, including attorney's fees. Upon transfer of any lot, the reversionary owner or the Homeowners Association may require the Purchaser to pay 1/6 of the annual assessment in advance.

(F) Assessments; Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to any mortgage or deed of trust as provided in paragraph 11 of this Declaration of Covenants, Conditions and Restrictions. The sale or transfer of any lot pursuant to a mortgage or deed of trust foreclosure, or any judicial foreclosure in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Provided, however, no sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

(G) Homeowners Association; Exterior Maintenance; Insurance. In addition to maintenance upon the common areas, the Homeowners Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior

improvements, except rear yard landscaping, gardens, atriums, patios and other rear yard improvements enclosed in areas owned or controlled by property owner. Provided further, that such exterior maintenance shall not include glass surfaces.

The Developer, his agents, employees and subcontractors, the Association, its officers, agents, employees and subcontractors, and any other person, firm or corporation liable to perform repairs and/or maintenance in accordance with the preceding paragraph shall be permitted and are hereby granted an irrevocable license to come upon any premises, improvements or portions thereof at reasonable times for the purpose of inspecting any property which they, or any of them, are required to maintain or repair. They, or any of them, or any third person acting under their authority pursuant hereto shall have the right to excavate or remove all or any portion of any improvements or erect any temporary structure or temporarily locate any equipment for the purpose of maintaining or repairing any property required to be repaired or maintained hereunder. Such rights shall not be limited to the lot on which such repairs or maintenance are to be performed; but shall also be exercisable upon any adjacent lot or lots or any other lot reasonably necessary to effectuate such repairs or maintenance. Provided, however, the Developer or the Association, or any other person, firm or corporation liable to make such repairs or maintenance shall, at his or its sole expense, repair or restore as promptly as practicable any premises or improvements excavated, removed or damaged in the course of making such repairs or performing such maintenance to their condition immediately preceding such excavation, removal or damage.

Neither the Developer, the Association, its directors, officers, agents or employees shall be liable for any incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof, or in the maintenance or repair of the master television antenna system.

In the event that the need for maintenance and repair is caused through the willful or negligent act of the owner, his family, or guests or invitees, the cost of such maintenance or repairs, to the extent that the costs of such maintenance and repairs is not covered by insurance as hereinafter provided, shall be added to or become a part of the assessment to which said lot is subject.

The Homeowners Association shall insure on behalf of each member all exterior improvements owned by such member within the subdivision for which the responsibility of maintenance rests upon the Homeowners Association under a Texas standard form policy of fire and extended coverage insurance issued by a solvent, reputable insurance company licensed to do business in the State of Texas and having a rating of "A+" for the maximum insurable value of said property under a master policy insuring all such property in the subdivision, including that owned by the Homeowners Association. The Association shall be named in said policy as the insured, together with the owner or owners of the property and any lien holders. Said policy shall also contain a clause by the terms of which said policy cannot be cancelled except upon thirty (30) days written notice to the Association. The Association will furnish evidence that such insurance is in force, satisfactory to the member and any lien holder, from time to time as requested in writing by the member or any lien holder.

Nothing herein shall preclude any member of the Association from obtaining a similar policy of fire and extended coverage insurance on any property owned by him. Provided, however, except insofar as such policy shall insure the personal property of the member or his family or guests, or shall provide public liability coverage, or provide reimbursement or coverage for expenses incurred for shelter or lodging while the insured premises are being repaired or restored, such policy shall contain a loss payable clause in favor of the Association so that the Association will receive the full proceeds payable under such policy as well as the master policy referred to in the preceding paragraph despite any

"excess insurance", "proportionate", "prorata" or "other insurance" clause contained in such master policy or any policy procured by the member.

Each member shall pay as a part of and in addition to the assessment provided for in this paragraph 8, a pro rata portion of the annual premium of said master insurance policy. Such proration shall be in the same proportion as the insurable value of all improvements owned by such member bears to the total insurable value of all property in the subdivision including that owned by the Association.

By becoming a member of the Association, the member appoints the Association as its agent and attorney-in-fact for the member and all other insureds, to receive, receipt for, and collect any and all proceeds payable under such insurance policies on account of damage to or destruction of the insured premises. Pursuant to this authority, the Association may, in good faith, compromise with the insurance carrier any disputed claim and execute such releases, acquittances and discharges as may be necessary to effect such compromise, or litigate to collect said proceeds on behalf of itself and the other insureds.

To the extent that any insurance proceeds are received by it, the Association will, at its expense, repair or replace any damaged or destroyed improvement to their same condition existing just prior to the damage or destruction for which the proceeds are received. Such repair or replacement shall be commenced and completed within a reasonable time in a good and workmanlike manner using suitable materials. The Association shall not be liable for any delay in the completion of any repairs or improvements due to causes beyond its reasonable control or the reasonable control of its subcontractors. By way of illustration but not limitation, the Association shall not be liable for delay occasioned by weather, shortage or unavailability of

materials, strikes or labor shortage or other contractual obligations of the same type. In any event, the sole liability of the Association for delay shall be the reasonable rental value of the premises for the number of days delay beyond a reasonable period of time. Reasonable rental value shall be what the same or similar premises located in Denison, Texas, would rent for on a one (1) year lease beginning at the commencement of the unreasonable delay.

By becoming a member of the association, the member, together with his spouse, grant to the Association an express mechanic's and materialmen's lien in the amount by which the reasonable cost (including extras, if any, agreed upon by and between the Association and the member) of repairing or replacing the premises damaged or destroyed exceeds the insurance proceeds realized by the Association. As a condition precedent to the obligation of the Association to repair or replace any damaged or destroyed premises, the owner thereof, together with his spouse, if any, agrees to ratify and confirm the express mechanic's and materialmen's lien herein provided for by a separate instrument, in the form and manner required by law.

9. Approval of Building Plans. No building shall be erected upon any individual lot within the subdivision unless the same shall conform to the covenants herein contained, and the ordinance establishing the subdivision and then only with the approval of the reversionary owner or his assigns.

10. Reversionary Owner. The reversionary owner herein mentioned is VILLAGE GREEN OF DENISON, INC., its successors and assigns. The right to enforce the covenants, conditions, reservations and restrictions herein contained, or referred to herein, shall be vested solely in the reversionary owner, its successors and assigns. No individual lot owner, group of lot owners or lot owners on behalf of themselves and other lot owners shall have any rights of enforcement of the covenants, conditions, reservations

and restrictions herein contained or referred to.

(A) Conveyance of Common Areas. The reversionary owner shall have the right to grant and convey all its right, title and interest in and to all parks, playgrounds, streets, alleyways, utility easements, sidewalks and other lots, tracts or parcels of land and appurtenances thereunto belonging, within the subdivision to the VILLAGE GREEN HOMEOWNERS ASSOCIATION, its successors or assigns. Such conveyance shall be at such time as, in the sole judgment of the reversionary owner, the VILLAGE GREEN HOMEOWNERS ASSOCIATION, its successors or assigns, is ready to undertake the obligation of owning, operating, and maintaining same. Such conveyance, if any, shall be by special warranty deed.

(B) Transfer of Enforcement Rights. The reversionary owner shall also have the right to grant and convey all its rights to enforce these covenants, conditions, reservations and restrictions to the VILLAGE GREEN HOMEOWNERS ASSOCIATION, which Association, by its Bylaws or by resolution of the Board of Directors, may delegate the right of enforcement to the Architectural Control Committee provided for in the Charter and Bylaws of the Association. The transfer of these rights shall be at such time as, in the sole judgment of the reversionary owner, the VILLAGE GREEN HOMEOWNERS ASSOCIATION, is ready to undertake the obligation of enforcing them. Upon such conveyance and grant the VILLAGE GREEN HOMEOWNERS ASSOCIATION shall have and shall succeed to all the rights and duties with the same powers as if the said VILLAGE GREEN HOMEOWNERS ASSOCIATION had been named as reversionary owner herein. Provided, however, if the VILLAGE GREEN HOMEOWNERS ASSOCIATION ceases to exist at any time, or if it shall fail or refuse to exercise the rights of enforcement then, and in such event, such rights of enforcement shall revert to the reversionary owner, its successors or assigns or personal representatives.

11. Enforcement. Each and every of the covenants, conditions, reservations and restrictions contained or referred to herein shall be considered to be an independent and separate covenant and agreement.

Any breach of any of the covenants, conditions, reservations or restrictions herein contained or referred to herein shall cause the real property upon which such breach occurs to revert to the reversionary owner, and the reversionary owner shall have the right of immediate re-entry upon such real property in the event of any such breach. Further, the reversionary owner upon any breach or the continuance of any breach may remedy such breach by injunction or other appropriate remedy in law or in equity. Should the reversionary owner employ counsel to enforce any of the covenants, conditions, reservations or restrictions herein contained or referred to, or re-entry, by reason of such breach, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the owner of such lot or lots and the reversionary owner shall have a lien upon such lots or lots to secure payment of all such accounts. Provided, however, that the breach of any of the foregoing covenants, conditions, reservations or restrictions contained herein or referred to herein or any re-entry by reason of such breach, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the owner of such lot or lots and the reversionary owner shall have a lien upon such lot or lots to secure payment of all such accounts. Provided, however, that the breach of any of the foregoing covenants, conditions, reservations or restrictions contained herein or referred to herein or any re-entry by reason of such breach, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any lot or lots or portions of lots in such subdivision, but these covenants, conditions, reservations and restrictions shall be binding upon and effective against any such mortgagee or trustee

or owner thereof, whose title thereto or whose grantor's title is or was acquired by foreclosure, trustee's sale or otherwise.

No delay or omission on the part of the reversionary owner in exercising any right, power or remedy herein provided, in the event of any breach of the covenants, conditions, reservations or restrictions herein contained or referred to shall be construed as a waiver thereof or acquiescence therein, and no right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the reversionary owner for any breach of these covenants, conditions, reservations or restrictions, or for imposing restrictions herein which may be unenforceable by the reversionary owner.

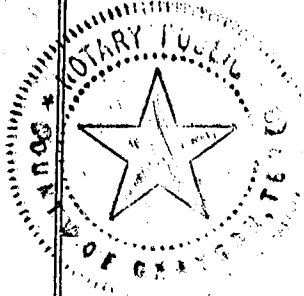
12. Validity; Duration. In the event that any one or more of the foregoing covenants, conditions, reservations or restrictions shall be declared for any reason, by a Court of competent jurisdiction, to be null and void, such judgment or decree shall not in any manner whatsoever effect, modify, change, abrogate, or nullify any of the covenants, conditions, reservations, and restrictions not so declared to be void, but all of the remaining covenants, conditions, reservations and restrictions not so expressly held to be void shall continue unimpaired and in full force and effect. Provided further, that in the event the provisions hereunder are declared void by Court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effected, then and in that event, such terms shall be reduced to a period of time which shall not violate the rule against perpetuities as set forth in the laws of the State of Texas.

All of the foregoing covenants, conditions, reservations and restrictions shall continue and remain in full force and effect at all times as against the owner of any lot in the subdivision, regardless of how he acquired title until December 31, 2005, on which date these covenants, conditions, reservations and restrictions shall terminate and end, and thereafter be of no further legal

or equitable effect upon such premises or any owner thereof; provided, however that these covenants, conditions, reservations and restrictions shall be automatically extended for a period of ten (10) years and thereafter in successive ten (10) year period unless on or before the end of the base period or any extension period or periods the members of the VILLAGE GREEN HOMEOWNERS ASSOCIATION shall by majority of the votes declare a termination of same or any number thereof. The minutes of a membership meeting wherein such action is taken, duly certified by the secretary of the corporation, and acknowledged as required by law, shall be filed among the deed records of Grayson County, Texas, whereupon such covenants, conditions, reservations and restrictions as shall have been terminated shall be deemed terminated. If the VILLAGE GREEN HOMEOWNERS ASSOCIATION has ceased to exist, the owners of a majority of the lots in the subdivision may be written instrument duly recorded declare a termination of same. Although these covenants, conditions, reservations and restrictions may expire as herein provided, any and all reversions for breach of these covenants, conditions, reservations or restrictions committed or suffered prior to such expiration shall be absolute.

13. Staged Developments. Additional land within the area described in that certain warranty deed from James E. Green to Village Green of Denison, Inc., a Texas corporation, dated February 28, 1983, and recorded in Volume 1636, Page 183 of the Deed Records of Grayson County, Texas, reference hereby being made to said deed and the record thereof for a full and complete description of said area, consisting of a 4.7364 acre tract of land more or less, may be annexed by the Reversionary Owner without the consent of the members of the Homeowners Association, the owner of any lot within the subdivision, any mortgagee or the beneficiary of any deed of trust upon any lot or property within the subdivision within ten (10) years of the date of this instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 9th
day of August, 1983.



Joyce Y. Butler
Notary Public in and for
the State of Texas
JOYCE Y. BUTLER

EXHIBIT "A"

SITUATED in the County of Grayson, State of Texas, being part of the M. C. DAVIS SURVEY, ABSTRACT NO. 336, and being part of Lots 7 and 8 of HUGHES HEIGHTS ADDITION to the City of Denison, Texas, as per plat of record in Volume 3, Page 21, Plat Records, Grayson County, Texas; and part of the 10 acre tract of land conveyed by the Estate of Cornelius N. Droegemeier to H. L. Wastier and Roxie Henderson and described by metes and bounds as follows, to-wit:

BEGINNING at a steel rod in the East line of said 10 acre tract of land, said rod maintaining the most Easterly Northeast corner of a 0.765 acre tract of land conveyed to the City of Denison by deed recorded in Volume 1021, Page 253, Deed Records, Grayson County, Texas, said rod being West a distance of 957.94 ft. and North 00 deg. 36 min. 35 sec. East a distance of 40 ft. from the Southeast corner of said Davis Survey;

THENCE North 88 deg. 50 min. 38 sec. West with the North line of said 0.765 acre tract, a distance of 559.81 ft. to a steel rod in the East line of Lillis Lane;

THENCE in a Northwesterly direction with the East line of Lillis Lane and a curve to the right having a radius of 208.73 ft. (chord bears North 23 deg. 18 min. 27 sec. West 170.51 ft.) a distance of 175.65 ft. to a steel rod maintaining the Southwest corner of Lot 6 of said Hughes Heights Addition;

THENCE South 88 deg. 26 min. 20 sec. East with the South line of said Lot 6, a distance of 125.00 ft. to a steel rod maintaining the Southeast corner of said Lot 6;

THENCE North with the East line of said addition, a distance of 464.85 ft. to a steel rod in the North line of said 10 acre tract of land;

THENCE South 88 deg. 26 min. 20 sec. East with an old fence maintaining the North line of said 10 acre tract of land, a distance of 508.94 ft. to a steel rod maintaining the Northeast corner of said 10 acre tract of land;

THENCE South 00 deg. 36 min. 35 sec. West with the East line of said 10 acre tract of land, a distance of 615.50 ft. to the place of beginning and containing 7.536 acres of land.

LESS:

SITUATED in the County of Grayson, State of Texas, being part of the M. C. DAVIS SURVEY, ABSTRACT NO. 336, and being part of the 7.536 acre tract of land conveyed by Walter R. Hardee, Jr., and John M. Foster to Charles M. Beatty et ux by deed recorded in Volume 1366, Page 266, Deed Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a steel rod previously set in the West line of said 7.536 acre tract, said rod maintaining the Southeast corner of Lot 3 of HUGHES HEIGHTS ADDITION to the City of Denison, and being South a distance of 237.08 ft. from the Northwest corner of said 7.536 acre tract;

THENCE North with the West line of said 7.536 acre tract, a distance of 112.74 ft. to a steel rod;

THENCE South 88 deg. 26 min. 20 sec. East a distance of 507.62 ft. to a steel rod in the East line of said 7.536 acre tract;

THENCE South 00 deg. 36 min. 35 sec. West with the East line of said 7.536 acre tract, a distance of 112.75 ft. to a steel rod;

THENCE North 88 deg. 26 min. 20 sec. West a distance of 506.42 ft. to the place of beginning and containing 1.312 acres of land.

AND LESS:

SITUATED in the County of Grayson, State of Texas, being part of the M. C. DAVIS SURVEY, ABSTRACT NO. 336, and being part of the 7.536 acre tract of land conveyed by Walter R. Hardee, Jr. and John M. Foster to Charles M. Beatty et ux by deed recorded in Volume 1366, Page 266, Deed Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a steel rod maintaining the Northwest corner of said 7.536 acre tract of land;

THENCE South 88 deg. 26 min. 20 sec. East with a fence maintaining the North line of said 7.536 acre tract, a distance of 508.94 ft. to a steel rod the Northeast corner of said 7.536 acre tract;

THENCE South 00 deg. 36 min. 35 sec. West with the East line of said 7.536 acre tract, a distance of 124.35 ft. to a steel rod;

THENCE North 88 deg. 26 min. 20 sec. West a distance of 507.62 ft. to a steel rod in the West line of said 7.536 acre tract and the East line of Lot 2 of HUGHES HEIGHTS ADDITION to the City of Denison;

THENCE North with the West line of said 7.536 acre tract, a distance of 124.34 ft. to the place of beginning and containing 1.451 acres of land.

LESS

BEING a part of LOT SEVEN (7) of HUGHES HEIGHTS ADDITION, NUMBER ONE (1), an addition to the City of Denison, Texas, as recorded in Volume 3, Page 21, of the Plat Records of Grayson County, Texas, in the M. C. DAVIS SURVEY, ABSTRACT NO. 336, and being more particularly described as follows:

BEGINNING at the Southwest corner of said Lot 7, said point being on the East right-of-way line of Lillis Lane;

THENCE Northwesterly along the East right-of-way line of Lillis Lane, 75.2 feet to the Northwest corner of Lot 7;

THENCE Southeasterly 76.5 feet, more or less, to a point on the South line of Lot 7;

THENCE Westerly along said South line of Lot 7, 10.0 feet to the PLACE OF BEGINNING, and containing 0.0105 acre of land, more or less.

AND

LESS

BEING a part of LOT EIGHT (8) of HUGHES HEIGHTS ADDITION, NUMBER ONE (1), an addition to the City of Denison, Texas, as recorded in Volume 3, Page 21, of the Plat Records of Grayson County, Texas, in the M. C. DAVIS SURVEY, ABSTRACT NO. 336, and being more particularly described as follows:

BEGINNING at the Southwest corner of said Lot 8, said point being on the East right-of-way line of Lillis Lane;

THENCE Northwesterly along the East right-of-way line of Lillis Lane, along a curve to the right having a radius of 208.73 feet, an arc distance of 92.2 feet to the Northwest corner of Lot 8;

THENCE Easterly along the North line of Lot 8, 10.0 feet;

THENCE Southeasterly, 91.8 feet, more or less, to a point on the South line of Lot 8;

THENCE Westerly along said South line of Lot 8, 10.0 feet to the PLACE OF BEGINNING, and containing 0.0261 acre of land, more or less.