COLETO BEND CORPORATION

BY-LAWS AND RESTRICTIONS

B Y - L A W S

of

COLETO BEND CORPORATION

Name	The name of this corporation shall be COLETO BEND CORPORATION and for convenience shall be referred to hereinafter as the "Corporation".
Scope	This Corporation shall be conducted as a Non-Profit social and recreational club under and by virtue of the Non-Profit Corporation Act of the State of Texas and the Articles of Incorporation of the Corporation as filed with the Secretary of State of the State of Texas.

ARTICLE I.

Purposes	The purposes among others, for which this Corporation is formed are the following:
General Purpose	1. To establish, maintain, and encourage social relations among owners of property in the residential district known as "COLETO BEND RANCH ESTATES". Said residential district designated herein as COLETO BEND shall be all of the lots, tracts and parcels of land shown upon that certain map or plat of the subdivision known and designated as Coleto Bend Ranch Estates according to the map or plat of such subdivision filed for record with the office of the County Clerk of Victoria County, Texas on the 21st day of May, 1970 and recorded in Volume 4, page 35 of the Map Records of Victoria County, Texas.
General Protection Take Title to Property Payment for Stock	2. To do any and all such acts and things as may be provided in these by-laws and in the manner therein provided for the advancement and protection of said residential district, and for the administration and improvement of the property to be conveyed by Frank S. Buhler to the Corporation, said property being designated as Tract 28, Coleto Bend Ranch Estates, an addition to Victoria County. The Corporation shall take title thereto under such conveyance from Frank S. Buhler according to these by-laws, in trust, for the purposes above mentioned, under and subject to the terms and conditions of such conveyance and the provisions hereinafter in these-by-laws contained, and in payment of the subscriptions of Frank S. Buhler to shares in capital stock in the Corporation.
Properties Described	3. To acquire, maintain, and improve real property within said residential district, and property adjacent thereto for roads, roadways, streets, alleys, sidewalks, bridle paths, parkways, parking strips, parks, gardens, recreation and pleasure grounds; to acquire, improve and maintain easements of access and rights of way; and

to acquire, own, establish, maintain and operate real property, building and equipment for social meeting, and for sports and recreation.

Real Estate

4. To lease, purchase, receive, acquire, own and hold any and all such real estate or interest therein as may be necessary, proper or convenient for the Corporation in carrying out any of its purposes; to sell, mortgage, lease, transfer, convey or in any manner dispose of said real property or any part thereof when so acquired, except where otherwise restricted and limited in the grant thereof.

Personalty

5. To lease, purchase, receive, acquire, own, hold and deal in and to sell, mortgage, hypothecate, lease, transfer or in any manner dispose of all such personal property as may be necessary or proper or convenient for the Corporation or any of its purposes.

Negotiate Credit

6. To borrow money on the credit of the Corporation, and to execute, issue and deliver its notes, bonds, coupons and other evidence of indebtedness therefor, and to mortgage, pledge or hypothecate any or all of the property of the Corporation to secure said indebtedness.

Service Installations

7. To own, lease, maintain and operate plants, building, machinery, pipes and pipe lines, and any and all other appliances and real or personal property necessary and convenient to conduct, convey, generate, transmit and deliver water, heat, gas, and electricity, and light and power, and to render and maintain sewerage and telephone service, by any method or means, for any and all purposes as may be necessary and convenient in the development, improvement, management and ownership of said residential property or any part thereof, and to supply, deliver, or otherwise dispose of the same to its members at the actual cost of procurement and delivery thereof.

Recreation

8. To promote and encourage all kinds of sport for the pleasure and recreation of persons becoming purchasers or lessees of any of the real property in the above described residential district, and for this, to acquire, own, lease, and manage property, equipment, and facilities necessary for the maintenance of any and all forms of sport and recreation.

ARTICLE II.

CERTIFICATES OF STOCK AND TRANSFER

1. Certificates of stock in the Corporation shall be in substantially the following form:

CERTIFICATE OF STOCK

No.......

COLETO BEND CORPORATION

.......Share

A Non-Profit corporation of the state of Texas

Capital Stock

THIS CERTIFIES that __________________ is the owner of ________ share of stock in the Coleto Bend Corporation, a corporation of the State of Texas, of the par value of __________ and by virtue thereof a member of the said Corporation and entitled to all rights and privileges as such, as conferred by and subject to the by-laws and amendments thereof; and irrevocable assent to said by-laws and any amendments thereof hereafter adopted is hereby given by the holder hereof by acceptance of this certificate.

The stock evidenced by this certificate is appurtenant to the land described on the back hereof, and can be transferred only to a subsequent owner or purchaser of such land, as provided in the by-laws of this Corporation; provided however, that in the event at any time the said land shall be divided in ownership, or that the ownership thereof shall be comprised of undivided interests therein, then said stock shall be divided among the owners in the proportion and in the manner provided in the by-laws of this Corporation.

This certificate is issued and accepted under and subject to all of the provisions of the by-laws of this Corporation and any amendments thereof, and notwithstanding the capital stock is fully paid, the stockholder named herein, and in the event of the transfer to a subsequent owner or purchaser of such land, the holder thereof, and the land to which said stock so evidenced is appurteant shall be subject to any and all such assessments from time to time which may be levied by this Corporation, including costs and charges in enforcement thereof, as provided in the by-laws of this Corporation and any amendments thereof.

Date at ....this.....day of.........19...

Attest: COLETO BEND CORPORATION

______________________ By______________________

Secretary President

Record 2. Such certificate shall be issued over the signature of the President and Secretary, with the official seal of the Corporation affixed. The certificate book shall contain a margin, on which shall be shown the number, date, name of the stockholder and description of the land set forth in the corresponding certificate.

Stock Appurtenant to Land 3. Except as in these by-laws otherwise provided, there shall be endorsed on the back of each stock certificate a description of the land in said residential district owned by the stockholder named therein or upon which he holds a contract of purchase, and the stock shall be inseparably appurtenant to such land and may be transferred only to subsequent owners or purchasers of such land, and no transfer shall entitle the transferee to vote the same until the certificate for the stock has been transferred and proper evidence furnished of the sale or contract of sale of the said land, and

... has been made of the transfer on the books of the Corporation.

Certificates Deposited with Secretary 4. For convenience in transfer thereof, all certificates of stock in the Corporation shall in each instance be endorsed in blank and deposited with and held by the Secretary of the Corporation for re-issuance to the successor in interest of the owner of the land to which said stock is appurtenant.

Voting Rights 5. Subject to the limitations and restrictions hereinafter provided, each stockholder shall be entitled to one vote for each share of stock standing in the name to such stockholder on the books of the Corporation. No stock shall be voted unless represented by the owner or contract purchaser as aforedescribed of an individual tract to which it is and shall be inseparable appurtenant.

ARTICLE III.

TRUSTEES AND OFFICERS

Trustees 1. Corporate powers of the Corporation shall be vested in a Board of Trustees. The number of trustees who shall manage the affairs of the Corporation shall be three. At any annual meeting or at any special meeting called therefor, the stockholders may increase or decrease the number of trustees to any number not more than seven nor less than three.

Election and Term of Office 2. Upon the organization of the Corporation, three trustees shall be elected to serve until the annual meeting of the stockholders to be held on the first Monday in October, 1970. Trustees elected at the first annual meeting shall be elected for a term of one year; and thereafter, at all annual meetings election of trustees shall be for a term of one year. All trustees shall serve until their successors are duly elected and qualified. The majority of trustees shall constitute a quorum for the transaction of business.

Election of Officers 3. At the first meeting of the Board of Trustees after each annual meeting of the stockholders, the Board of Trustees shall be organized by the election of a president, secretary, and treasurer, each of whom must be a Trustee. Officers of the Corporation so elected shall hold office for the term of one year and until their successors are duly elected and qualified. An officer may be suspended or removed by a majority vote of all of the Trustees.

Salaries 4. No trustee or officer shall receive any salary or compensation from the Corporation.

Vacancies 5. Any vacancy occurring in the Board of Trustees shall be filled by appointment by a majority of the remaining trustees. The person so appointed to hold office until the next regular annual meeting of the stockholders of the Corporation, at which annual or adjourned annual meeting, the vacancies for the remainder of the original term, if any, shall be filled by election by the stockholders in the regular manner.

Powers 1. The trustees shall have all powers conferred upon trustees by the laws of the State of Texas; and they shall exercise the management and control of the business and affairs of the Corporation as provided by law and the by-laws of the Corporation and any amendments thereof, and they shall have the power to do any and all acts necessary or expedient to accomplish and effect the purposes enumerated in the agreement of incorporation, amendments thereto, and the by-laws of the Corporation and amendments thereto, subject, however, to the terms and conditions set forth in the conveyance for parks and recreation areas made by Frank S. Buhler to the Corporation and to the terms and conditions herein set forth; and without limiting the foregoing they shall have all of the express powers hereinafter conferred upon them.

Rules and Regulations; Contracts 2. The trustees shall have the power to conduct, manage and control all affairs and business of the Corporation and to make and enforce rules and regulations therefor and to incur such expense as may be deemed proper in the administration of its affairs and to authorize the execution of contracts and obligations on behalf of the Corporation.

Improvements, Maintenance, Properties, Utilities 3. The trustees shall have the power to do any and all such acts and things in the maintenance and improvement of any and all properties of the Corporation, including the easements of access and rights of way and of easements in the residential district, and of any and all installations which may be made therein for water, sewerage, gas, electric and telephone service, and such other service and service lines as may be deemed useful and convenient by the Corporation; to incur any and all expenditures, outlays and expenses for said purposes as may be deemed by the Board of Trustees to be proper, and to provide for all such liabilities of whatever character which may arise in connection with any such improvements or maintenance, or both; but the trustees shall not have the power to make any improvements or to incur any expense therefor except with the written concent of Frank S. Buhler, his heirs, representatives or assigns, and an approval by vote or written statement of at least seventy per cent (70%) of the stockholders of the Corporation; provided however, that when Frank S. Buhler (his heirs, representatives or assigns) shall have disposed of all but one of his tracts in said residential district then such consent on his part shall not be required. For the purposes of this provision, a stockholder shall have one vote for each share he may own.

Enforcement of Restrictions, and General Administration of district. 4. The trustees shall have the power to take such action as may be deemed by them to be proper for the enforcement of any and all conditions, limitations and restrictions set forth herein, or in the Mutual Protective Restrictions of Coleto Bend contained in any contract of sale or conveyance of any tract in said residential district; to interpret and enforce any and all such protective restrictions, conditions, convenants and reservations thus imposed upon any of said tracts; to do any and all acts for the administration, protection and advancement of said residential district, including, if deemed advisable by them or by the stockholders by vote taken at a stockholders meeting, the policing and sanitation thereof, as well as providing means for protection against fire loss to improvements, and for insurance against public liability and to incur any and all such expense for such purposes as may be deemed by them to be proper.

Dwelling Specifications. 5. The trustees shall have the power to consider and approve the plans and specifications showing the constructions, nature, kind, size, shape, height, material and color scheme, and location of all proposed buildings, mobile homes and structures on the residence tract, and any additions or exterior alterations to such buildings, mobile homes or structures proposed to be erected or located upon the several parcels of land aforementioned.

Permits 6. The trustees shall have the power to issue and renew permits for mobile homes and trailers.

Issue Stock 7. The trustees shall have the power to issue stock only to the owners or purchasers of tracts hereinbefore described, subject to such conditions of transfer as are hereinafter set forth.

Assessments 8. The trustees shall have the power to assess the several parcels of land in said residential district hereinbefore described and the owners thereof, all as is more particularly set out hereinafter.

Taxes 9. The trustees shall have the power to pay taxes and assessments lawfully assessed against the properties owned or held by the Corporation.

Depository of Funds 10. The trustees shall select a bank as a depository of all funds of the Corporation, and shall cause all such funds to be deposited therein; and such funds shall only be paid out on the check of the Corporation signed by the officers of the Corporation thereunto authorized by the Board of Trustees.

Power of Trustees 11. Whenever the Corporation shall have funds available and sufficient therefor, the trustees shall have the power and the authority to construct and maintain recreational facilities upon the grounds belonging to the Corporation, provided such action is consented to by Frank S. Buhler and is approved by vote or written statement of seventy per cent (70%) of the stockholders as hereinbefore provided in Article IV, paragraph 3.

Purchases, Maintenance 12. The trustees shall have the power to purchase all supplies and personal property needed by the Corporation and to expend funds for maintenance of the Corporation's facilities.

Board Supplement By-Laws 13. The Board of Trustees shall have no power to amend, alter or repeal by-laws adopted by the stockholders, but may adopt such additional by-laws, in conformity therewith as may be necessary or convenient to facilitate the business and affairs of the Corporation.

Records 14. The trustees shall have the power to cause to be kept a complete record of all their minutes and acts and of the proceedings of the stockholders and to present a full statement to the regular annual meeting of stockholders, showing in detail the condition of the affairs of the Corporation, including liabilities incurred, and an estimate of the budget deemed by them to be required for the ensuing year for the purpose of the improvement, maintenance and protection of the properties of the Corporation and of the administration of its affairs.

Election to Purchase Property on resale by Owner 15. The Board of Trustees shall have the power to exercise any option in the nature of a prior right of refusal to purchase any tract in the subdivision from the owner or contract purchaser thereof, as provided for in the Restrictions governing the subdivision and any amendments thereto.

ARTICLE V.

DUTIES OF OFFICERS

Duties of Officers 1. The officers of the Corporation shall perform the duties usually required of such officers, and such other duties as the by-laws shall prescribe or as shall be from time to time required by the trustees.

President 2. PRESIDENT. The president shall preside at all meetings of the trustees or stockholders; he shall sign as president all certificates of stock and all contracts or other instruments in writing authorized by the Board of Trustees; he shall call special meetings of the trustees or of the stockholders whenever he deems it necessary; he shall have and exercise under the direction of the Board of Trustees the general supervision of the affairs of the Corporation; he shall countersign all checks signed by the Treasurer.

Secretary 3. SECRETARY. In the absence or incapacity of the president, the secretary when present shall have all the power and perform all the duties of the president. The secretary shall keep records of all of the proceedings and meetings of the Board of Trustees and of the stockholders; he shall keep the books of certificates of stock, fill out and countersign all certificates issued, and make the corresponding entries on the stubs thereof upon such issuance; he shall keep a proper stock journal and ledger in debit and credit form, and the names of the stockholders, and the number of shares issued to or transferred by any stockholder; likewise, the date of the issuance and transfers of such shares; and he shall also if required by the trustees, keep books of account showing assessments to be charged and collected against the various tracts and owners thereof. The seal of the Corporation shall be in his custody. He shall serve all notices required either by law or the by-laws of the Corporation, and in case of his absence, inability or refusal so to do, then such notices may be served by any person thereto directed by the president of the corporation.

Treasurer 4. TREASURER. It shall be the duty of the treasurer to keep safely all moneys and securities of the Corporation and disburse the same under the direction of the Board of Trustees. He shall cause to be deposited all funds of the Corporation in a bank selected by the trustees. He shall only pay the same out on check signed by himself and countersigned by the president or secretary or such other officers of the Corporation as may be authorized by the Board of Trustees from time to time. At each annual meeting, if so required, he shall present a full statement showing in detail the condition of the affairs of the Corporation, including liabilities incurred.

Offices Concurrently. 5. In the event that the trustees so direct, an officer may occupy one or more offices described at the same time that is concurrently.

ARTICLE VI.

MEETINGS

STOCKHOLDERS Annual Meeting; Notice 1. Annual meeting of the stockholders of the Corporation shall be held at the principal place of business of the corporation or at such other place as the Board of Trustees may select. The annual meeting shall be held on the first Monday of October of each year. Notice thereto shall be given by the secretary by mailing notice to each stockholder not less than ten days prior to the date of the meeting.

Stockholders Special Meeting; Notice 2. Special meetings of the stockholders may be called at any time by the president or a majority of the Board of Trustees or by stockholders representing 40% of the stock of the Corporation. Notice of a special meeting, stating the object thereof, shall be given by the secretary by mailing such notice to each stockholder not less than five days prior to the date on which such meeting is to be held. At such special meeting no business shall be transacted other than that mentioned in the call. Provided, however, that special meetings of shareholders may be held at any time and for any purpose without notice when all such shareholders are present in person or by proxy.

Quorum; Stock Vote 3. At all annual and special meetings of the stockholders, 40% of all of the stock of the Corporation shall constitute a quorum for the transaction of business. Each stockholder shall be entitled to one vote for each share of stock standing in the name of such stockholder on the books of the Corporation; provided, however, that Frank S. Buhler shall be entitled to vote the stock standing in the name of each and every person who shall be in default in any contract which may have been issued to him for the purchase from Frank S. Buhler of land in the residential district during the period such default shall continue. Should a quorum not be present at any annual or special meeting, the meeting shall be adjourned from time to time until a quorum can be secured.

Trustees Regular Meetings; 4. Regular meetings of the Board of Trustees shall be held at such times and places as shall be determined by a majority of the Board.

Trustees Special Meeting; Notice	5. Special meetings of the Board of Trustees shall be called at any time by the secretary on order of the president or of a majority of the Board of Trustees. The secretary shall give each trustee notice, personally, verbally, by mail or by telephone, of all regular and special meetings at least one day previous thereto, unless such notice is waived by a majority of the Board of Trustees.
Trustees Quorum	6. A majority of the Board of Trustees shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the Trustees present at a meeting at which a quorum is present shall be the acts of the Board of Trustees.
Proxies	7. A stockholder who desires to exercise his right to vote by proxy must deliver or cause to be delievered to the secretary written evidence of the agent's right to act for him, provided no person whall be eligible to exercise such proxy except a stockholder.
Member Address File	8. Each stockholder must keep on file with the secretary, his post office address, and in case he shall not do so, such stockholder shall not be entitled to notice of the meeting.

ARTICLE VII.

ASSESSMENTS BY THE CORPORATION

Assessment Uniform Basis; Exception	1. For the purpose of securing funds to meet the capital outlay, expenditures and expenses required to accomplish any and all of the objects and purposes authorized in these by-laws, including taxes (and assessments if, and when levied by any municipal corporation), construction, maintenance and upkeep of easements of access and service installations and improvements, development, maintenance and administration of any and all of the properties owned or as may be acquired by the Corporation, as well as for meeting liabilities which may have arisen or may arise in connection with such construction, maintenance, development and administration, each and every residence tract in said Coleto Bend residential district, and the owner or contract purchaser of each thereof (notwithstanding the capital stock is fully paid), shall, except only as to such limitations as are hereinafter provided, be subject to such assessment or assessments as shall be determined and assessed from time to time by the Board of Trustees of the Corporation, without regard to the value or front footage or square foot area thereof, and such tracts and the owners of each thereof shall be subject to equal and uniform assessment or assessments, except as to operational and maintenance assessments levied quarterly upon unimproved tracts in said residential district as stated in Article VII, paragraph 2. If at the time of levy of such assessment any of the said tracts so laid out shall be comprised of undivided interests therein, then there shall be assessed against such tract or the several undivided interests therein, and the respective owners thereof, such proportionate part of the amount assessed against such tract as the fraction of each undivided interest in, such tract bears to the whole, and the determination of the Board

of Trustees of the Corporation in that respect shall be final and conclusive; and in such case the share of stock appurtenant to such tract shall be divided among the owners in the same proportion; and the stock so divided shall be appurtenant to the respective interest in such tract, and liabilities shall exist and be enforcible in the same manner, and with the same force and effect as herein provided with respect to stock appurtenant to each tract in said residential district and the owner thereof.

Quarterly Charges

2. Assessments for the purpose of making provision for expenses, such as maintenance and operation of existing equipment, facilities and roads, ordinary repairs thereto, taxes salaries, and other incidental expenses of the Corporation shall be borne by the stockholders of the Corporation through quarterly charges levied upon each residence tract within the said residential district except that any unimproved tracts held by Frank S. Buhler for resale and which are unsold shall be exempt from all assessments of the character in this paragraph described. The Board of Trustees shall determine the quarterly charges from time to time, depending upon the cost of operation and maintenance. However, these charges shall never exceed $20.00 per tract per annum, without the approval of seventy percent (70%) of the owners thereof.

Capital Expenses

3. Assessments for the purpose of making provision for capital expenditures or other special expenses, such as would be incurred in the construction of recreational facilities, roads, service installations and the like, purchase of new equipment and material, may be met by assessments levied upon each residence tract within the said residential district. No assessments of this character shall be levied except with the written consent of Frank S. Buhler, his heirs, representatives or assigns, and an approval by vote or written statement of at least seventy per cent (70%) of the stockholders of the Corporation; provided, however, that when Frank S. Buhler (his heirs, representatives or assigns) shall have disposed of all but one of his tracts in said residential district, then such consent on his part shall not be required. For the purposes of this paragraph, a stockholder shall have one vote for each share he may own Provided, however, that the assessments in this paragraph described shall never exceed $100.00 per tract per annum, without the approval of at least eighty per cent (80%) of the owners thereof.

Payment Date

AMENDED 1/11/82

4. From time to time, as and when any assessments are levied each stockholder with respect to the land or interest therein to which his stock is appurtenant shall pay the amount of such assessment against the same to the Corporation at its office, within thirty days after the mailing of the notice of such assessment; the amount together with all expenses, attorney's fees and costs reasonably incurred in enforcing the same, shall be paid by the stockholder and shall be a lien upon such land and the stock appurtenant thereto, superior to any and all other liens (except the lien provided in Article VII, paragraph 6, in regard to mortgages) created or permitted by the owner of such land and enforcible by foreclosure proceedings in the manner provided by law for the foreclosure of mortgages upon land; provided, that no proceeding for the foreclosure of any said liens shall be commenced except upon the expiration of four months from and

Lien Enforcement

in this section described. Any failure of the stockholder to pay the amount of such assessment for which the Corporation has a lien, shall as an alternative right to the enforcement of the lien for the said assessment, which is hereby expressly recognized and confirmed, at the option of the Corporation, entitle the Corporation on and after the expiration of four months from the mailing of said notice of assessment, to purchase the land upon which the assessment is delinquent upon the payment to the said defaulting stockholder of the amount of the value of the said land, less the amount of any and all encumbrances against the same, including any and all delinquent charges or assessments due to the Corporation, and upon the exercise of the said option the said defaulting stockholder shall convey to the Corporation the said land and surrender the stock appurtenant thereto and the Corporation shall be entitled in any court proceeding brought, to have a decree of specific performance against such defaulting stockholder for such conveyance. The right to specific performance is hereby provided to relieve the Corporation and its stockholders as owners and purchasers of land in said residential district, from the irreparable injury that might be suffered upon a sale on foreclosure to an objectionable purchaser. For the purpose of the foregoing provision, if the value of the land cannot be agreed upon, then the land shall be appraised by three members of the Victoria Board of Realtors, Inc., one of such appraisers to be named by the defaulting member, one thereof by the Board of Trustees of the Corporation, and the third by the two so chosen, and the award of such appraisers, or a majority of them, fixing the value of the land shall be final and conclusive upon such defaulting stockholder and upon the Corporation.

Alternative Right of Purchase

Specific Performance

Owner Defined

5. For the purpose of fixing the liability for such assessments any person holding a contract for the purchase of a tract in said residential district or an assignment thereof shall be deemed to be an owner.

Recorded First Mortgage Lien Superiority

6. First mortgage liens placed upon any of said residential tracts which are recorded in accordance with the laws of the State of Texas shall be, from the date of the recordation thereof, superior to such assessments and liens resulting therefrom as are levied by the Corporation subsequent to the date of the recordation of the first mortgage.

Grant Restriction Superiority to Lien

7. Any title to the land at any time acquired under and by virtue to any proceedings whatsoever for the enforcement of any lien or liability under these by-laws shall always be subject to all of the reservations, limitations, restrictions, covenants, and conditions imposed upon the land by contract of sale or deed from the present owners thereof.

ARTICLE VIII

AMENDMENTS

Amendment of By-laws, Exceptions

These by-laws may be altered or amended or new by-laws adopted at any time by a vote of fifty per cent (50%) of the stock of the Corporation; provided, however, that the provisions herein contained with regard to: (1) the $20.00 per annum limitation on quarterly assessments for expenses (Article VII, paragraph 2), (2) the $100.00 per annum limitation on assessments for capital improvements (Article VII, paragraph 3), (3) the requirement of the written consent of Frank S. Buhler and an approval by vote of seventy per cent (70%) of the owners or contract purchasers of tracts to the levy of assessments for capital improvements (Article IV, paragraph 3 and Article VII, paragraph 3), (4) the exemption from uniform assessments for expenses granted tracts which are unsold (Article VII, paragraph 2), (5) the restriction of the transfer of stock certificates (Article II, paragraph 3), and (6) the superiority of first mortgage liens (Article VII, paragraph 6 and Article VIII, paragraph 3), may be amended as herein provided only on or after January 1, 1998, or by approval of eighty per cent (80%) of the stockholders. Any amendments which shall be made to the provisions with regard to first mortgage lien superiority shall not affect the rights therein provided to first mortgagees of said residential tracts who at the time of the amendment or amendments shall have properly recorded their mortgages in accordance with the laws of the State of Texas unless said mortgagees shall each have consented in writing to such amendment or amendments.

ARTICLE IX

By-laws consideration for Conveyance

The provisions of these by-laws, as the same now are or may hereafter be amended, constitute and are hereby made a part of the consideration for the conveyance by Frank S. Buhler to the Corporation of the properties in these by-laws referred to.

ARTICLE X

GRANT OR DEDICATION

Future Dedication

Any properties acquired by the Corporation, including those consisting of easements of access, or rights of way or easements for the installation and maintenance of any service and service lines in these by-laws described, and any and all installations of any such service or service line made by the Corporation, shall be subject to grant or dedication at any time by the Corporation to any municipal corporation now or hereafter organized and authorized to accept the same under such terms and conditions as shall be determined by the vote of the Board of Trustees of the Corporation and ratified by the vote or approval in writing of seventy per cent (70%) of the stock of the Corporation. Furthermore, said properties in this paragraph described, or any thereof, shall be subject to conveyance by the Corporation to any corporation or corporations engaged in supplying any such service to the public or have a license to operate as such, under such terms and conditions as shall be determined by the Board of Trustees, and ratified by the vote or approval in writing of seventy per cent (70%) of the stock of the Corporation.

unable to locate Seal.

ARTICLE IX

CORPORATE SEAL

The corporate seal of the Corporation shall consist of two concentric circles between which shall be inscribed "COLETO BEND CORPORATION ... TEXAS", and in the center shall be inscribed "Corporate Seal 1970" and such seal as impressed on the margin hereof, shall be and is hereby adopted as the corporate seal of the Corporation.

mobile homes; however, after any future conveyance of such tract, the new owner, his heirs and assigns, may not at any time thereafter erect, construct, maintain or permit any mobile home thereon. As appurtenant to any dwelling in Coleto Bend Ranch Estates, a 2 car private garage, garden house, servants' quarters, barn, shed, stall or other buildings of permanent construction may be erected upon such residence tract if architecturally in harmony with said dwelling house or mobile home, and provided specifically that no unpainted sheet iron, sheet aluminum, or sheet fiberglass structures shall be placed on any tract."

III

In all other respects said instrument dated July 8th, 1970, and of record in Volume 752, page 271, of the Deed Records of Victoria County, Texas, is ratified, confirmed and readopted in its entirety and is to continue in force and effect in accordance with all provisions as amended and revised herein.

The invalidation of any provision or provisions hereby by judgment of Court shall in no wise affect any of the other provisions contained herein.

EXECUTED AND EFFECTIVE as of August 10, A. D., 1973.

FRANK S. BUHLER, Developer

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

BEFORE ME, the undersigned authority, on this day personally appeared FRANK S. BUHLER, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 28th day of June, A. D., 1973.

Notary Public in and for
Victoria County, Texas

Munson Smith

be and are hereby imposed upon each numbered tract in said subdivision, except said Tract No. 28, as shown by said map and as

RESTRICTIONS

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

WHEREAS, FRANK S. BUHLER, hereinafter called "Developer" is the record owner of all of the lots, tracts and parcels of land shown upon that certain map or plat of a subdivision known and designated as COLETO BEND RANCH ESTATES, a subdivision in Victoria County, Texas, according to the map or plat of such subdivision filed for record in the office of the County Clerk of Victoria County, Texas, on the 21st day of May, 1970, and recorded in Volume 4, Page 35 of the Map Records of Victoria County, Texas, reference to which map or plat and the said record thereof being hereby made for all purposes; and

WHEREAS, the said Developer, for the purpose of creating and carrying out a uniform plan for the improvement and sale of said property in said subdivision, as a restricted subdivision, desires to impose certain restrictions upon the use of said property as hereby established and adopted, such restrictions to be made a part by appropriate reference to this instrument, of each and every contract, deed and lease by Developer covering the numbered tracts set forth on said map and same shall be considered a part of each of such contract; deed and lease, as though fully incorporated therein:

NOW, THEREFORE, that Frank S, Buhler of Victoria County, Texas, does hereby dedicate the before described property in accordance with the dedication appearing upon said map and agrees that the land shown to be subdivided into numbered tracts according to said map, with the exception only of Tract No. 28 as shown thereon, is held and shall hereafter be conveyed subject to the covenants, conditions, stipulations and restrictions as hereinafter set forth, and such restrictions, except as herein otherwise provided, shall be and are hereby imposed upon each numbered tract in said subdivision, except said Tract No. 28, as shown by said map and as referred to herein, and same shall constitute convenants running with the land and shall be binding upon and shall inure to the benefit of Developer, his heirs, executors, administrators and assigns and all subsequent purchasers of said property, their heirs, executors, administrators, successors and assigns and each such party, by virtue of accepting a contract, deed, lease or other instrument affecting the title to any of said property, shall be subject to and bound by the following restrictions, covenants and conditions, to-wit:

1. All tracts as shown on the plat or map of Coleto Bend Ranch Estates, except Tract No. 28, shall be designated "residence tracts" and none of said tracts or the improvements erected thereon shall be used for anything other than private private residential purposes and shall not be used for any commercial purpose.

AMENDED 9/10/73

2. No building, mobile home or structure shall be erected, constructed, maintained or permitted on a residence tract as herein defined, except a single detached dwelling house or mobile home to be occupied by no more than one family. As appurtenant to any dwelling in Coleto Bend Ranch Estates, a 2 car private garage, garden house, servants' quarters, barn, shed, stall or other buildings of permanent construction may be erected upon such residence tract if architecturally in harmony with said dwelling house or mobile home, and provided specifically that no unpainted sheet iron, sheet aluminum, or sheet fiberglass structures shall be placed on any tract.

3. No main residential building which has less than 1200 square feet of floor space, exclusive of porches, car ports or attached garages shall be erected or placed on any of the tracts. All main residences shall have an exterior of at least fifty percent (50%) rock, brick or stone masonry construction and further

all garages or car ports constructed on any of the tracts covered by these restrictions shall have a capacity of not less than two (2) standard size automobiles.

4. No house, building or barracks that has previously been occupied may be moved on to any tracts, it being the intention that all structures large or small, shall be of new construction or recent manufacture. No residence shall be used as a boarding house or as a rooming house. A residence shall be considered a boarding house or rooming house when more than one person is provided board or lodging therein for hire.

5. No structure of a temporary character, basement, tent, shack, garage or other out building shall be used on any of the tracts at any time as a residence, either temporary or permanent.

6. The location and plans of all buildings including garages, garden houses, servants' quarters, barns, sheds, stalls, etc., to be erected in Coleto Bend Ranch Estates must be approved by the Board of Trustees of the Coleto Bend Corporation, a Texas corporation, whose shareholders comprise the owners of real property in the Coleto Bend Ranch Estates residential district. Complete plans and specifications of all proposed buildings, structures and exterior alterations, together with detailed plans showing the proposed location of the building or buildings on said tract, shall be submitted to the Board of Trustees of the Coleto Bend Corporation before construction or alteration is started, and such construction or alteration shall not be started until written approval thereof is given by the said Board of Trustees. The plans shall be prepared by an architect or competent designer. A complete copy of said plans and specifications shall in each case be delivered to and permanently left with the Board of Trustees.

7. All mobile homes and trailers to be located in Coleto Bend Ranch Estates must be approved and a permit issued by the Board of Trustees prior to moving said mobile home or trailer on subject tract. Complete plans and specifications and location of all tract improvements including driveways, concrete pads, -- covered patios, skirting and other details shall be submitted to the Board of Trustees before construction or alteration is started and such construction or alteration shall not be started until written approval thereof is given by the said Board of Trustees. If said mobile home or trailer is readily available, the Board of Trustees will inspect same prior to approval. If said mobile home or trailer is not in the area, complete plans and specifications of same will be submitted to the Board of Trustees for approval. Upon approval of the mobile home or trailer and its improvements the Board of Trustees shall issue a written permit not to exceed 10 years to the owner. At the discretion of the Board of Trustees permits can be renewed at the expiration of the primary term. Mobile home and trailer permits are not transferable without the approval of the Board of Trustees.

8. As to all improvements, construction and alterations in Coleto Bend Ranch Estates, the Board of Trustees of Coleto Bend Corporation shall have the right to refuse to approve any design, plan or color for such improvements, construction or alternations which is not suitable or desirable in their opinion, for any reason aesthetic or otherwise, and in so passing upon such design, the Board of Trustees shall have the right to take into consideration the suitability of the proposed building or other structure, and the material of which it is to be built, and the exterior color scheme, to the tract upon which it is proposed to erect the same, the harmony thereof with the surroundings, and the effect of the building or other structure or alteration

therein as planned on the adjacent or neighboring property, and any and all other factors which, in the opinion of the Board of Trustees, shall affect the desirability or suitability of such proposed structure, improvements or alterations.

If the Board of Trustees fail to approve or disapprove said plans and specifications within thirty (30) days after the same have been submitted to them, or in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and the provisions of this paragraph will be deemed to have been fully complied with.

9. The work of construction of all buildings, improvements and structures shall be prosecuted diligently and continuously from commencement of construction until such buildings and structures are completed and painted. All structures shall be completed as to external appearance, including finished painting, within twelve (12) months from the date of commencement of construction, unless prevented by cause beyond the owner's control.

AMENDED 8/10/73

10. An easement is reserved over the rear and/or side twenty feet (20') of Tracts 1 thru 10 and 28 thru 33 and over the rear and/or side ten feet (10') of Tracts 7, 8 and 34 thru 44 as shown on established map and plat of Coleto Bend Ranch Estates to be used as a bridle path and for utility installation and maintenance, together with the right ingress and egress thereto and over.

Utility service, if any, must be taken into the residence or other buildings on the designated utility easements hereinabove referred to and over no other route unless approved by the Board of Trustees of the Coleto Bend Corporation.

11. No signs or advertisements of any kind shall be displayed to the public view on any lot except one sign or not more than five (5) square feet advertising the property for sale

[illegible] signs used by the builder to advertise the property during the construction and sales period.

12. All bathroom, sink and toilet conveniences shall be inside of the residence, and shall be connected by underground-pipes with a private septic tank of a depth and type of construction approved by the proper governmental authority having jurisdiction with respect thereto. The drains from said septic tank shall be kept within the residence tract as hereinabove described. The effluent from septic tanks shall not be permitted to discharge into a stream, storm sewer, open ditch or drain, unless it has first passed through an absorption field approved by such regulatory authorities.

13. No building, mobile home or structure shall be located nearer than fifty feet (50') from any side street property line or nearer than fifty feet (50') from the front property line, or nearer than ten feet (10') from any side property line. The storage of any travel trailer, boat or truck is prohibited within such setback area. No repair or overhauling of automobiles or other equipment will be permitted within the herein described setback lines.

14. No trash, garbage, used lumber or material, unsightly items, or other refuse, may be thrown, dumped, or otherwise disposed of on any tract, vacant or otherwise, in said residential district. No building material of any kind without written permission of the Board of Trustees shall be placed or stored upon any property in said residential district until the owner is ready to commence construction, and then such material shall be placed within the property lines of the residential tract upon which structures are to be erected, and shall not be placed in the streets.

15. No noxious or undesirable thing or undesirable use of the property in said residential district whatsoever shall be permitted or maintained upon said property. If the Board of Trustees of Coleto Bend Corporation determines that any thing or use is undesirable or noxious, such determination shall be conclusive on all parties.

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16. No animals, livestock, poultry or birds of any kind shall be raised, bred or kept for commercial purposes and no hogs shall be permitted at any time on any tracts.

17. With the exception of bridle path easements, all tracts can be fenced to their property lines. Plans and specifications of fences to be constructed within 100' of any front or side street shall be submitted to the Board of Trustees of Coleto Bend Corporation for approval prior to construction. No fences consisting of wire (except approved chainlink), pine, fir, wooden woven picket (rolled picket), or materials which will not withstand decay-condusive conditions without special treatment shall be constructed or permitted on tracts within 100' of any front or side street.

18. All tracts shall be sold or conveyed subject to the provisions of the By-Laws of the Coleto Bend Corporation, a Texas non-profit corporation, chartered for the purpose, among others, of taking title to Tract No. 28 and maintaining the same as a park and recreational area. Such Tract No. 28 shall not be subject to these restrictions and all tract owners and/or occupants and their guests, when accompanied by them, shall have the rights and privileges in common with the owners of other tracts in Coleto Bend Ranch Estates of using such park or receartional area and the bridle path easements without cost other than the payment of such dues or assessments as may properly be imposed by said Coleto Bend Corporation, and subject to such reasonable restrictions and requirements as may be imposed upon such use from time to time by such Corporation. One share of stock in said Corporation shall be issued or transferred to an owner or purchaser of a residential tract in Coleto Bend Ranch Estates, which share of stock shall be inseparably appurtenant to the tract thereby sold or conveyed, and said tract and each portion thereof shall be subject to the lien of such assessment,

and the owner or contract purchaser thereof liable therefor, as shall be levied from time to time by said Corporation under and in accordance with its By-Laws and any amendments thereof, which assessments shall be superior to any and all other liens created or permitted by the purchaser, his heirs, representatives or assigns (except a bona fide first mortgage executed and recorded as in the By-Laws provided); and the purchaser by the acceptance of said deed or contract of sale, binds himself and his heirs, representatives and assigns to all of the provisions, restrictions, conditions and regulations now or hereafter imposed by the By-Laws of said Corporation and any amendments thereof, all of which shall constitute covenants running with the land.

19. If the parties hereto, or any of them, or their heirs, representatives or assigns, shall violate or attempt to violate any of the provisions of these restrictions of Coleto Bend Ranch Estates, it shall be lawful for any other person or persons owning any real property situated in Coleto Bend Ranch Estates to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any of said restrictions, and either to prevent him or them from so doing or to recover damages for such violation.

The right is expressly reserved to the Coleto Bend Corporation and its successors and assigns, to interpret and enforce any and all conditions, limitations and restrictions contained in these restrictions, as in the By-Laws of said Corporation, and any amendments thereof, but such right shall be without prejudice to the right of the Developer or any owner of property in said subdivision to enforce the same.

Violation of any restriction or condition or breach of any covenant herein contained shall give the Coleto Bend Corporation, or its agents, in addition to all other remedies, the right to enter upon the land, upon or as to which such violation or breach exists, and summarily to abate and remove, at the expense of the owner or contract purchaser thereof, any erection, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Corporation or its agents shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal.

Forbearance by any of the parties entitled to take advantage of any breach of said conditions or restrictions shall not constitute or be construed as a waiver of their rights by reason of such or any subsequent breach or default.

20. If the owner, including any contract purchaser, of any tract in Coleto Bend Ranch Estates, other than Developer, shall desire to sell his tract and receives an offer for the purchase of same, which he would be willing to accept, such owner or contract purchaser shall not sell such tract without first giving the board of Trustees of Coleto Bend Corporation the right of first refusal to purchasing such tract in behalf of said Corporation for the same price and on the same terms and conditions as stipulated in such offer received. Such right of first refusal shall be given by written notice to the Board of Trustees, which shall be transmitted by United States Registered or Certified Mail, with Return Receipt Requested, and shall set out the price, terms and conditions stipulated in said offer received, and the name and address of the person making such offer; and such notice shall be deemed given as of the date of such Registered or Certified mailing as evidenced by the Post Office receipt thereof. If such Board of Trustees shall not elect to purchase said tract for such price or on such terms and conditions specified in said notice within thirty (30) days from date such notice is given, then such owner may sell said tract to the person or persons making such offer, and in such case, it shall be the duty and

be duly acknowledged and in recordable form, that selling owner or contract purchaser has complied with all of the provisions hereof and that such Board of Trustees has declined to purchase such tract. The Board of Trustees is hereby authorized, in its discretion, to waive the provisions of this paragraph in respect to any tract or tracts at any time, provided that each such waiver shall be in writing to be duly executed and acknowledged and in recordable form, and, whenever such waiver may be given by the Board of Trustees in respect to such tract or tracts, the owner or owners of such tract or tracts in respect to which such waiver is given may sell the same without regard to the provisions of this paragraph and without giving the Board of Trustees the right of first refusal to purchase the same. The mailing address of the Board of Trustees shall be that which is established from time to time and of which the owners or contract purchasers in Coleto Bend Ranch Estates shall be notified.

21. Invalidation of any provision, sentence or paragraph contained in these restrictions of Coleto Bend Ranch Estates by judgment or court order shall in no wise effect or invalidate any of the other provisions, sentences or paragraphs of said restrictions, but the same shall be and remain in full force and effect.

22. These restrictions of Coleto Bend Ranch Estates shall run with the land and shall be binding upon all parties hereto, and all persons claiming under them until January 1, 1998. At such time the restrictions of Coleto Bend Ranch Estates shall be automatically extended for successive period of ten (10) years each thereafter, unless an instrument signed by a majority of the then owners of the title to such tracts has been recorded in the Deed Records of Victoria County, Texas, agreeing to change said restrictions in whole or in part.

23. These restrictions of Coleto Bend Ranch Estates (except those affecting a bona fide mortgage) may be amended or modified with the written consent of the Developer and the written agreement of not less than fifty percent (50%) of the owners of property in said residential district; and such modification or amendment shall be effective upon the filing for record of such instrument duly signed and acknowledged by the requisite number of owners, in the Deed Records of Victoria County, Texas. A person, regardless of the number of tracts he may own, shall be deemed a single owner for the purposes of this provisions.

24. Every person who by deed becomes owner of any of the residential tracts in Coleto Bend Ranch Estates, or who by written contract agrees to purchase or lease any of said tracts, shall be deemed to have made and accepted such deed, contract or lease, subject to all of the restrictions, conditions, covenants and reservations herein stated; and their acceptance of such deed, contract or lease shall have the same effect and binding force upon them, their heirs, representatives, and assigns, as if the same were signed and sealed by said purchasers or lessees, and any person acquiring said property or any interest therein, whether by deed, lease, contract, or by process of law, shall be bound thereby.

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EXECUTED this the 8th day of July, 1970.

FRANK S. BUHLER

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

BEFORE ME, the undersigned authority, on this day personally appeared FRANK S. BUHLER, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 8th day of July, 1970.

Notary Public in and for
Victoria County, Texas.

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THE STATE OF TEXAS § FILE No. 11801
County Clerk, Victoria County, Texas KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF VICTORIA §

WHEREAS, heretofore on the 8th day of July, 1970, FRANK S. BUHLER, hereinafter referred to as "Developer", imposed certain restrictions upon that certain subdivision in Victoria County, Texas, known as COLETO BEND RANCH ESTATES, said subdivision being more particularly described in that certain map or plat of said subdivision recorded in Volume 4, page 35 of the Map and Plat Records of Victoria County, Texas, and which said restrictions were recorded in Volume 752, page 271 of the Deed Records of Victoria County, Texas; and

WHEREAS, such instrument imposing such restrictions contained among others the following paragraph, to-wit:

"23. These restrictions of Coleto Bend Ranch Estates (except those affecting a bona fide mortgage) may be amended or modified with the written consent of the Developer and the written agreement of not less than fifty percent (50%) of the owners of property in said residential district; and such modification or amendment shall be effective upon the filing for record of such instrument duly signed and acknowledged by the requisite number of owners, in the Deed Records of Victoria County, Texas. A person, regardless of the number of tracts he may own, shall be deemed a single owner for the purposes of this provision."

And, WHEREAS, the Developer and at least fifty percent (50%) of the owners of property in said residential district have determined that certain restrictions heretofore imposed should be amended or modified forthwith;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, in consideration of the premises and in accordance with the duties, obligations and powers reserved to us, do hereby make the following amendments or modifications concerning such restrictions:

I

Paragraph "10" of said restrictions presently reads as follows:

"10. An easement is reserved over the rear and/or side twenty feet (20') of Tracts 1 thru 10 and 28 thru 33 and over the rear and/or side ten feet (10') of Tracts 7, 8 and 34 thru 44 as shown on established map and plat of Coleto Bend Ranch Estates to be used as a bridle path and for utility installation and maintenance, together with the right ingress and

egress thereto and over.
Utility service, if any, must be taken into the residence or other buildings on the designated utility easements hereinabove referred to and over no other route unless approved by the Board of Trustees of the Coleto Bend Corporation."

We hereby designate that such paragraph be cancelled and held for naught, and in substitution therefor, we hereby submit and designate the following paragraph for inclusion in said restrictions henceforth:

"10. An easement is reserved over the rear and/or side twenty feet (20') of Tracts 1 thru 10 and 28 thru 33 and over the rear and/or side ten feet (10') of Tracts 7, 8 and 34 thru 44 as shown on established map and plat of Coleto Bend Ranch Estates to be used for utility installation and maintenance, together with the right ingress and egress thereto and over.
Utility service, if any, must be taken into the residence or other buildings on the designated utility easements hereinabove referred to and over no other route unless approved by the Board of Trustees of the Coleto Bend Corporation."

We do further hereby designate that any other reference to bridle path easements, expressed or implied, in the restrictions of said subdivision shall be cancelled and held for naught.

II

Paragraph "2" of said restrictions presently reads as follows:

"2. No building, mobile home or structure shall be erected, constructed, maintained or permitted on a residence tract as herein defined, except a single detached dwelling house or mobile home to be occupied by no more than one family. As appurtenant to any dwelling in Coleto Bend Ranch Estates, a 2 car private garage, garden house, servants' quarters, barn, shed, stall or other buildings of permanent construction may be erected upon such residence tract if architecturally in harmony with said dwelling house or mobile home, and provided specifically that no unpainted sheet iron, sheet aluminum, or sheet fiberglass structures shall be placed on any tract."

We hereby designate that such paragraph be cancelled and held for naught, and in substitution therefor, we hereby submit and designate the following paragraph for inclusion in said restriction henceforth:

"2. No building, mobile home or structure shall be erected, constructed, maintained or permitted on a residence tract as herein defined, except a single detached dwelling house or mobile home to be occupied by no more than one family. It is expressly provided, however, that no mobile home may be erecte constructed, maintained or permitted on any such residence tract after such tract has been conveyed by its present owner to a new owner. The present owner of a residence tract may continue to erect, construct, maintain and permit a mobile home, subject to the observance of all restrictions concerning

CORPORATE COPY --DO NOT REMOVE

AMMENDMENT TO BY-LAWS

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF VICTORIA

FILE No. 377
County Clerk, Victoria County, Texas

DEED VOL 1138 PAGE 776

WHERE AS, heretofore on the 21st day of May 1970, Frank S. Buhler, developer, established certain By Laws for the operation of the Coleto Bend Corporation which operates the subdivision known as Coleto Bend Ranch Estates, said subdivision being more particularly described in that certain map or plat of said subdivision recorded in Volume 4, Page 35 of the map and plat records of Victoria County, Texas.

WHEREAS: such instrument imposing By-laws contained among others the following paragraph, to-wit:

"Article VIII - "These by-laws may be altered or amended or new by-laws adopted at any time by a vote of fifty percent (50%) of the stock of the Corporation; provided, however, that the provisions herein contained with regard to: (1) the $20.00 per annum limitation on quarterly assessments for expenses (Article VII, paragraph 2), (2) the $100.00 per annum limitation on assessments for capital improvements (Article VII, paragraph 3), (3) the requirement of the consent of Frank S. Buhler and an approval of seventy percent (70%) of the owners or contract purchasers of tracts to the levy of assessments for capital improvements (Article IV, paragraph 3 and Article VII, paragraph 3) (4) the exemption from uniform assessments for expenses granted such tracts which are unsold (Article VII, paragraph 2), (5) the restriction of the transfer of stock certificates (Article II, paragraph 3), and (6) the superiority of first mortgage liens (Article VII, paragraph 6 and Article VIII, paragraph 3), may be ammended as herein provided only on or after January 1, 1998, or by approval of eighty percent (80%) of the stockholders. Any ammendments which shall be made to the provisions with regard to first mortgage lien superiority shall not affect the rights therein provided to first mortgagees of said residential tracts who at the time of the ammendment or ammendments shall have properly recorded their mortgages in accordance with the laws of the State of Texas unless said mortgagees shall each have consented in writing to such ammendment or ammendments."

And, WHEREAS, at least fifty percent (50%) of the owners of property in said residential district have determined that this by-law heretofore imposed should be ammended or modified forthwith:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that we the undersigned, in consideration of the premises and in accordance with the duties, obligations and powers reserved to us, do hereby make the following ammendment or modification concerning such by-laws:

Paragraph 4 of Article VII of said by-laws presently reads as follows:

"Article VII, paragraph 4 -- From time to time, as and when any assessments are levied each stockholder with respect to the land or interest therein to which his stock is appurtenant shall pay the amount of such assessment against the same to the Corporation at its office, within thirty days after the mailing of the notice of such assessment; the amount together with all expenses, Attorneys fees and costs reasonably incurred in enforcing the same, shall be paid by the stockholder and shall be a lien upon such land and the stock appurtenant thereto, superior to any and all other liens (except the lien provided in Article VII, paragraph 6, in regard to mortgages) created or permitted by the owner of such land and enforceable by foreclosure proceedings in the manner provided by law for the foreclosure of mortgages upon land: provided that no proceeding for the foreclosure of any said liens shall be commenced except on the expiration of four months from and after the date of mailing of said notice of assessment in this section described. Any failure of the stockholder to pay the amount of such assessment for which the Corporation has a lien, shall as an alternative right to the enforcement of the lien for the said assessment, which is hereby expressly recognized and confirmed at the option of the Corporation, entitle the Corporation on and after four months from the expiration of the mailing of said notice of assessment, to purchase the land upon which the assessment is delinquent upon the payment to the said stockholder of the amount of the value of said land, less and including all encumberances against the same, including any and all delinquent charges or assessments due to the Corporation, and upon exercise of the said option the said defaulting stockholder shall convey to the Corporation the said land and surrender the stock appurtenant thereto and the Corporation shall be entitled in any Court proceeding brought, to have a decree of specific performance against such defaulting stockholder for such conveyance.

The right to specific performance is hereby provided to relieve the Corporation and its stockholders as owners and purchasers of land in said residential district, from irrepairable injury that might be suffered upon sale to an objectionable purchaser. For the purpose of the foregoing provision, if the value of the land cannot be agreed upon, then the land shall be appraised by three members of the Victoria Board of Realtors, Inc., one of such appraisers to be named by the defaulting member, one thereof by the Board of Trustees of the Corporation, and the third by the two so chosen, and the award of such appraisers, or a majority of them, fixing the value of the land shall be final and conclusive upon such defaulting stockholder and upon the Corporation."

We hereby designate that such paragraph be cancelled and held for naught, and in substitution therefore, we hereby submit and designate the following paragraph for inclusion in said by-laws henceforth:

"Article VII, paragraph 4 -- From time to time, as when assessments are levied each stockholder with respect to the land or interest therein to which his stock is appurtenant shall pay the amount of such assessment against the same to the Corporation at its office, within thirty days after the mailing of the notice of such assessment; the amount together with all expenses, Attorney's fees and costs reasonably incurred in enforcing the same, shall be paid by the stockholder and shall be a lien upon such land and the stock appurtenant thereto, superior to any and all other liens (except the lien provided in Article VII, paragraph 6, in regard to mortgages) created or permitted by the owner of such land and enforcable by foreclosure proceedings in the manner provided by law for the foreclosure of mortgages upon land; provided that no proceeding for the foreclosure of any liens shall be commenced except upon the expiration of four months from and after the date of the mailing of said notice of assessment in this section described. Any failure of the stockholder to pay the amount of such assessment for which the Corporation has a lien, shall as an alternative right to the enforcement of the lien for the said assessment, which is hereby expressly recognized and confirmed, at the option of the Corporation, entitle the Corporation on and after expiration of four months from the mailing of said notice of assessment, to purchase the land upon which the assessment is delinquent upon payment to the said defaulting stockholder of the value of said land, less any amount of any and all encumberances against the same, including any and all delinquent charges or assessments due the Corporation, and upon the exercise of the said option the said defaulting stockholder shall convey to the Corporation the said land and surrender the stock appurtenant thereto and the Corporation shall be entitled in any Court proceeding brought, to have a decree of specific performance against such defaulting stockholder for such conveyance. Failure of the stockholder to pay the amount of such assessment for which the Corporation has a lien, shall as an additional right to enforcement of the lien for the assessment as well as losses resulting from the stockholders failure to pay the same, entitle the Corporation after the expiration of four months from mailing of said notice of assessment, to interest on the unpaid assessment of not less than fifteen percent (15%) per annum nor more than the highest prime lending rate during the period in which the assessment remained unpaid, compounded annually. The right of specific performance is hereby provided to relieve the Corporation and its stockholders as owners and purchasers of land in said residential district, from the irrepairable injury that might be suffered upon a sale on foreclosure to an objectionable purchaser. For the purpose of the foregoing provision, if the value of the land cannot be agreed upon, then the land shall be appraised by three members of the Victoria Board of Realtors, Inc.; one of such appraisers to be named by the defaulting member, one thereof by the Board of Trustees of the Corporation, and the third by the two so chosen, and the award of such appraisers, or a majority of them, fixing the value of the land shall be final and conclusive upon such defaulting stockholder and upon the Corporation."

In all other respects the said by-laws is ratified ratified, confirmed, and readopted in its entirety and is to continue in force and effect in accordance with all provisions as ammended and revised herein.

The invalidation of any provision or provisions hereby by judgement of Court shall in no wise affect any of the other provisions contained herein.

Executed and Effective as of JANUARY 15, A.D., 1982

Lot No.

1. Lane Rodgers Lane Rodgers
2. Lane Rodgers Lane Rodgers
3.
4. Joyce L. Smith Joyce L. Smith
5. Adolph J. Filla Adolph J. Filla
6.
7. William L. Harris William L. Harris
8. Rex Horst Rex Horst
9. George S. Armstrong George S. Armstrong
10. Bill Schaefer R. W. Schaefer
11.
12.
13. John A. Garoni John Garoni
14. Beverly J. Fox Beverly J. Fox
15.
16. Gary D. Post Gary D. Post
17. John Rutz John Rutz
18. Gene Martin Gene Martin
19. Helen Copenhaver Helen Copenhaver
20. Helen Copenhaver Helen Copenhaver
21. John Clegg John Clegg
22. Sallye Allen Sallye Allen
23. Sallye Allen Sallye Allen
24. Mrs Charles A. Gaedecke Mrs. Charles A. Gaedecke
25.
26. Milton C. Beveridge Milton C. Beveridge
27. Archie V Benner Archie Benner
28. PARK
29. Dennis C. Irle Dennis C. Irle
30. John N. Lawry Jr John N. Lawry
31. Thomas T. Treybig Thomas T. Treybig
32.
33. Rodney Mayfield Rodney Mayfield
34. A E Honeycutt A. E. Honeycutt
35. ROBERT D HAYNES Robert D. Haynes
36. ROBERT D HAYNES Robert D. Haynes
37. Albert G. Gritta Albert G. Gritta
38.
39. Michael C Shockley Michael Shockley
40. Ross Shockley Ross Shockley
41.
42.
43.
44. Michael Scherm Michael Scherm

STATE OF TEXAS

COUNTY OF VICTORIA

BEFORE ME, the undersigned authority, on this day appeared MILTON C. BEVERIDGE, and Wm. L HARRIS known to me to be the persons who witnessed the signatures on the foregoing instrument and acknowledged to me that the signers are stockholders of said Corporation and do agree to the provisions described therein

GIVE UNDER MY HAND AND SEAL OF OFFICE on this 11th day of Jan., A.D. 1982

Ross Shockley

Notary Public in and for VICTORIA County.

NOTARY PUBLIC COUNTY OF VICTORIA

DEED

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FILED

'82 JAN 14 P3:34

Val D. Huvar
COUNTY CLERK
VICTORIA COUNTY, TEXAS
By: Nancy L. Brown Dep.

STATE OF TEXAS COUNTY OF VICTORIA
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of Victoria County, Texas as stamped hereon by me.

JAN 14 1982

Val D. Huvar
COUNTY CLERK, Victoria County, Texas

377

Milton C. Deveridge
209 Contento
Victoria, Tex 77901

9.00 pd

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