

DEED RESTRICTIONS

LAKE FOREST SUBDIVISION, SECTION I, PHASE I

THE STATE OF TEXAS (

COUNTY OF VICTORIA)

KNOW ALL MEN BY THESE PRESENTS:

That V. B. R. D. DEVELOPMENT, INC., a Texas Corporation, acting herein by and through its duly authorized officer, hereinafter called "Grantor", being the owner of 19.88 acres of land in Victoria County, Texas, which is described in Exhibit A attached hereto; such 19.88 acres has been surveyed and platted into a proposed subdivision to be known as LAKE FOREST SUBDIVISION, SECTION I, PHASE I (consisting of Lots 9 through 25 in Block 1; Lots 1 through 8 in Block 2; and Lots 1 through 27 in Block 3; Lots 1 through 5 in Block 6), hereinafter called "The Subdivision"; Grantor is in the process of completing The Subdivision, i. e., construction of streets, curbs, gutters, utilities and other matters and completion and development of The Subdivision; the plat of The Subdivision will be submitted to the Victoria City Planning Commission and to the City of Victoria for approval of The Subdivision and for acceptance of dedication for public use of the streets, utility and other non-private easements for public use, and Grantor, desiring to create and carry out a uniform plan for the improvement, development, sale and use of all of the lots in The Subdivision, for the benefit of the present and future owners of the lots, DOES HEREBY ADOPT AND ESTABLISH THE FOLLOWING RESERVATIONS, RESTRICTIONS, COVENANTS, CONDITIONS, EASEMENTS, AND STIPULATIONS APPLICABLE TO AND GOVERNING THE USE, OCCUPANCY AND CONVEYANCE OF THE SUBDIVISION AND LOTS THEREIN:

I.

A. Grantor reserves the utility easements and rights-of-way shown on the recorded plat of The Subdivision for the construction, addition, maintenance and operation of the utility systems now or hereafter deemed necessary by Grantor for all public utility purposes, including systems of electric light and power supply, telephone service, gas supply, water supply and sewer services, and such other utility services as may result from advances in science and technology.

B. Grantor reserves the right to dedicate additional easements and roadway rights-of-way with respect to such lots which have not been sold by Grantor (i) by instrument recorded in the office of the County Clerk of Victoria County or (ii) by express provisions in conveyances.

C. Subject to the foregoing, Grantor hereby dedicates to the use of the public all streets, drives, boulevards and other roadways, and all easements shown on the recorded plat of The Subdivision; provided however, that the use of utility easements by any utility company is limited to public utility companies having the right of eminent domain and having agreements in writing with Grantor for the proper provision of utility services.

D. Grantor reserves the right to make changes in and additions to all easements created hereby and shown on the plat of The Subdivision for the purpose of most efficiently and economically installing utility systems and other purposes deemed necessary by Grantor.

E. Neither Grantor nor any utility company using the utility easements shall be liable for any damages done by them or their assigns, their agents, employees or servants, to shrubbery, trees, flowers or other property of the owner situated on the land covered by said easements.

F. It is expressly agreed and understood that the title conveyed by Grantor to any lot or parcel of land in The Subdivision by contract, deed or other conveyance shall not in any event be held or construed to include the title to the water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone lines, poles or conduits or any utility or appurtenances thereto constructed by or under Grantor or Grantor's agents or public utility companies through, along or upon easements or any part thereof to serve said property or any other portions of The Subdivision, and the right to maintain, repair, sell or lease such lines, utilities and appurtenances to any municipality, or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved by Grantor and their assigns.

G. It is further expressly agreed and understood that an underground telephone cable system will be installed in The Subdivision. Trenching, filling, conduit and other items to be performed or provided by the owner or builder shall comply with specifications provided by the telephone company.

H. Pursuant to a contract to be executed between Grantor and the electric company furnishing service, an underground electric distribution system will be installed in The Subdivision, which underground service area shall embrace all lots in The Subdivision. The owner of each lot in The Subdivision shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the above mentioned contract) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment as such company's installed transformers of energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company on the lot of each owner. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the owner of each lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such owner's lot. For so long as underground service is maintained, the electric service to each lot in the underground residential subdivision shall be uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

I. It is further expressly agreed and understood that Grantor and B. J. Davis Builder, Inc., their successors and assigns (assigns of Grantor may be other builders or contractors who have been given and assigned the following use of lots in The Subdivision), may use any of the lots in The Subdivision for a sales office, a model home or model homes, and parking related to such sales office and model homes. Any portion of The Subdivision, including streets, drives boulevards and other roadways, as well as esplanades, may be used for sales offices, sales purposes, guardhouses, and for other purposes deemed proper by the Grantor.

J. Gas lines will be installed in The Subdivision for use by all lots in The Subdivision, at the option of the owner of each lot; and the owner of each lot, at his cost, shall furnish and install a meter loop and such other appurtenances and lines as are necessary to run gas from the utility easement to the owner's home.

K. Grantor reserves the right to mow vegetation and remove trash and rubbish on each lot in The Subdivision. This right shall terminate as to each lot upon the completion of construction of a single-family residence on said lot. Grantor has the right to charge the owner of a lot the cost of mowing, clearing, cleaning and/or meeting the standards set by the city code. Lot owner will have five (5) days from the receipt of Grantor's letter to correct problem. If owner does not comply with Grantor's letter, Grantor can proceed with the action necessary to bring the lot into compliance with city code. Grantor will give owner of lot thirty (30) days to pay the invoice for such mowing, clearing and cleaning. The Association hereinafter provided for shall have the right to set its own standards as to mowing, clearing and cleaning unimproved lots, and if owner does not comply, the Association shall also have the right to mow, clear and clean each unimproved lot and the right to charge the owner of such lot with cost of mowing,

clearing and cleaning. The Association will give the owner of the lot thirty (30) days to pay such cost of mowing, clearing and cleaning. If owner does not pay the invoice to either Grantor or the Association, as the case may be, then Grantor or the Association has the right, at owner's expense, to file a lien on owner's lot. Grantor or the Association, as the case may be, will be entitled to interest on monies spent; the interest will be three per cent (3%) above the prime rate published by the Wall Street Journal on the first business day that occurs after thirty (30) calendar days after notice to owner to pay. The rate will be adjusted on the same date of each month thereafter to be the prime rate published by the Wall Street Journal on that date. Any such lien shall be subordinate and inferior to any existing and recorded prior lien.

L. Grantor shall have the right to impose further restrictions and the right to alter and amend these restrictions.

II.

A. It is Grantor's present intention (but Grantor does not obligate itself to do so) to construct and dedicate additional subdivisions all of which will adjoin one another and The Subdivision, (Lake Forest, Section I, Phase I); all such subdivisions will be collectively be called ("the Complex"). Grantor owns approximately 20 acres to the east of The Subdivision and has options to buy approximately 120 acres to the north of The Subdivision. The Homeowners Association hereinafter referred to shall be not only for owners of lots in The Subdivision, but for owners of lots in other subdivisions in the Complex as well. There may be commercial lots in the Complex, and if so, the owners will also be members of the Association and subject to the powers and rights of the Association and Committee.

Grantor will (1) organize a Texas nonprofit corporation, "LAKE FOREST HOMEOWNERS ASSOCIATION, INC.," hereafter called ("the Association"), which shall have the rights, powers and duties provided for herein, and (2) appoint an Architectural Standards Committee, hereafter called ("the Committee"), for the purpose of approving plans and specifications, and other functions hereinafter enumerated for the entire Complex. The Association shall be governed by its Articles of Incorporation and Bylaws.

B. Grantor shall designate and appoint the Directors of the Association and the Members of the Committee until the earlier of: (1) fifteen (15) years from date, or (2) until such time as Grantor has sold ninety percent (90%) of the residential lots in the Complex or in The Subdivision if no additional subdivisions are constructed and dedicated. At such time, Grantor shall allow members in the Association (Lot Owners) to vote. The members of the Association shall thereupon and thereafter elect the Directors of the Association in accordance with its Articles and Bylaws; and the Directors of the Association shall thereupon and thereafter appoint the members of the Committee. The members in good standing shall be entitled to cast one vote per lot owned (or one vote per home site as the case may be). There will be no fractional votes.

C. The owner of each lot in The Subdivision (except for Grantor) shall pay a maintenance charge or fee in the sum of Seventy-Two Dollars (\$72.00) per year, payable annually on January 31st, of each year; such maintenance fee or charge shall be payable on such date regardless of the date of acquisition of the ownership of a lot or lots in The Subdivision; by way of example, should an owner acquire title to three lots in The Subdivision on February 1st, then on the immediately following December 31st, of that year such owner shall pay a total of Two Hundred Sixteen Dollars (\$216.00), being Seventy-Two Dollars (\$72.00) for each lot, and on January 31st, of the immediately following calendar year shall pay Two Hundred Sixteen Dollars (\$216.00) for such three lots. To secure the payment of the maintenance charge, a vendor's lien is hereby retained on each lot in favor of the Association, and it shall be the same as if a vendor's lien was retained in favor of the Complex and assigned to the Association without recourse in any manner on the Complex for payment of such indebtedness; such maintenance fee is additionally secured by the lien of the deed of trust having the same terms and provisions of the deed of trust given by Grantor to secure its loan for \$850,000.00 to Coastal Banc sb, except that the trustee shall be Gary Davis or such other person appointed by Grantor

4. If no action is taken on plans and specifications within thirty (30) days after their delivery to the coordinating architect or Committee, they shall be deemed approved on the 30th day after such delivery.

3. If found not to be in compliance with these restrictions, one set of such plans and specifications shall be returned marked "Disapproved." Disapproved plans and specifications shall be accompanied by a reasonable statement of items found not to comply with these restrictions.

2. If approved, a letter of approval with any qualifications or modifications will be prepared for countersignature by the builder and/or owner. Such approval shall be dated and shall not be effective for construction commenced more than six (6) months after such approval.

1. Two (2) complete sets of plans drawn to scale and specifications and with applicable examination fee as set forth in Architectural Guidelines shall be delivered to the coordinating architect (or the Committee if there is no coordinating architect). Such plans and specifications shall be reviewed as to quality of design, harmony of exterior design and materials with existing or approved structures, and location with respect to topography, finish grade elevations and setback restrictions.

G. No improvements of any kind or character whatsoever (including but not limited to fences) shall be erected, or the erection thereof begun, or change made in the exterior design thereof after original construction, or any residential lot in The Subdivision until the complete plans and specifications and plot plan showing the location of the structure have been approved by the Committee or its designated coordinating architect in accordance with the following procedure:

F. Grantor, the Association and the Committee, as well as their agents, employees and architects shall not be liable to any owner or any other party for any loss, claim or demand asserted on account of their administration of these restrictions and the performance of their duties hereunder, or any failure or defect in such administration and

H. The Association shall function as the representative of the owners of the lots in The Subdivision for the purposes herein set out as well as for all other purposes consistent with the creation and the preservation of a first-class residential subdivision. The Association shall, by way of illustration, enforce these restrictions, act through the Committee to approve or disapprove plans, publish Architectural Standards Guidelines, and perform such functions as herein provided for the Committee. The Association may employ a consulting architect or architect, as they may deem appropriate, compensating such architect or architects at expense of the owner or lot.

I. The provisions of this section shall remain in effect so long as these restrictions, and any extensions and/or amendments hereto, are in force.

Grantor shall be liable for the maintenance charge or fee or any of the provisions in the immediately preceding paragraph.

as trustee. Said lien shall be enforceable through appropriate proceedings at law, provided, however, that such lien shall be junior, subordinate and inferior to any existing and recorded prior lien (and renewals and extensions thereof) granted by the owner of any lot. All maintenance charges herein as provided for herein may be enforceable through any appropriate proceeding at law or in equity; provided, however, that under no circumstances shall the Association ever be liable to any owner of any lot or any other person or entity for failure or inability to enforce or attempt to enforce any such maintenance charge lien. The Association shall have the absolute authority and discretion to increase, decrease or eliminate, temporarily or permanently, said maintenance charge or fee.

5. The Committee shall from time to time promulgate and publish Architectural Standards Guidelines. A copy of the Guidelines in effect at the time will be furnished to owners and builders on request. Such Guidelines supplement these restrictions and are hereby incorporated herein by reference. The Architectural Standards Guidelines may make other and further provisions as to the approval and disapproval of plans and specifications, prohibited materials and other matters relating to the appearance, design and quality of improvements.

III.

A. The Subdivision shall be used for private single-family residences only. The term "family" as used herein shall mean one or more persons related by blood, adoption, or marriage, living and cooking together as a single housekeeping unit, exclusive of household servants, or a number of persons but not exceeding two (2) living and cooking together as a single housekeeping unit though not related by blood, adoption, or marriage shall be deemed to constitute a family.

B. The living area of the main house or residential structure constructed on a lot, exclusive of porches and garages, shall be not less than (1) in the case of a one-story residence, 1,800 square feet; or (2) in the case of a residence with more than one-story, the ground floor shall have not less than 1,200 square feet and the second floor shall have not less than 600 square feet; (the foregoing requirements as to size shall be applicable to all lots in the subdivision). No residence may exceed two and one-half (2 1/2) stories in height above ground level.

C. Only one residence shall be constructed on each lot. No person or entity other than V. B. R. D. Development, Inc. shall have the authority to combine or divide any lot or group of lots in this subdivision.

D. The term "residential" as used herein shall be held to exclude hospitals, duplex houses and apartment houses, and to exclude commercial, business and professional uses, and to exclude any development operations or drilling for oil, gas or other minerals or any quarrying or mining, or placing or maintaining on the premises of any tanks, wells, shafts, mineral excavations, derricks or structures of any kind incident to any such oil, gas or other mineral operations; any such excluded usage of The Subdivision, not otherwise herein authorized, is hereby expressly prohibited.

E. The word "house" or "residence" as used herein with reference to building lines shall include galleries, porte cocheres, porches, projections and every other permanent part of the improvements, except roofs, steps, terraces and planters outside of building lines will be permitted, however, provided that approval of the Committee is granted.

F. No garage or outbuilding in The Subdivision shall be used as a residence or as living quarters.

G. No building materials or temporary building of any kind or character, including, but not limited to, tents, shacks, garage or barns, shall be placed or stored upon any lot until the owner is ready to commence improvements, and then such materials or temporary building shall be placed within the property lines of the lot or parcel of land on which the improvements are to be erected, and shall not be placed in the streets or between the curb and property line; and any such temporary building or structure of any kind shall not be used for any purpose other than construction purposes. Any such buildings shall be maintained in a neat, attractive and clean condition.

H. All storage buildings or other structures built in placed on any lot after approval of initial plans must be approved in advance by the Committee. No portable building shall be allowed, (Morgan, Custom built, or any other portable building or prefabricated structure).

I. No building or structure upon any lot may be permitted to fall into disrepair. Buildings must at all times be kept in good condition, adequately painted or otherwise finished.

J. No fence, wall or hedge shall be placed on any lot in The Subdivision nearer to any front lot line than is permitted for the house on said lot (except as approved by the Committee), and no fence, wall or hedge located between interior lot lines and building set-back lines shall be higher than six (6) feet from the ground unless it is an integral part of the house or building structures. No material other than 1 x 6 x 6 ft. dog eared cedar or treated yellow pine can be used on any visible fencing. Posts are to be 4 x 4 x 8 ft. treated lumber or galvanized metal pipe cemented into place. All other proposed fencing designs and materials shall be presented in writing to the Architectural Standards Committee for either approval or disapproval. No fence work of unapproved material shall be started without a written variance or Architectural Standards Committee approval. No wire or chain link fence is permitted on any part of any lot. Should a hedge, shrub, tree, flower or other planting be so placed, or afterwards grown, so as to encroach upon adjoining property, such encroachment shall be removed upon request of the owner of adjoining property or the Association. Should any encroachment be upon a right-of-way or easement, it shall be removed promptly upon request of the Grantor and/or the Association and such encroachment is wholly at the risk of the owner, and removal shall be solely at the expense of the owner.

K. All driveways shall be concrete and shall be constructed with a minimum width of twenty (20) feet. Drives shall have expansion joints not more than twenty (20) feet apart, with one joint at back of street curb. Driveways shall be constructed in such a manner that the same shall be at least four (4) inches thick in its entirety, i.e., the driveway cannot be less than four (4) inches thick at any point or location. Other material for driveways may be used if approved by the Architectural Standards Committee.

L. Walks from the street curb to the residence shall have minimum widths of four (4) feet.

A concrete walk four (4) feet in width and at least four (4) inches in depth shall be constructed on the front side of each lot in the subdivision. This concrete walk shall be parallel to the street and the front side of the walk shall be one (1) foot inside of the street right-of-way line. In addition, a walk with the same size and specifications shall be constructed on the side lot lines of all corner lots in The Subdivision. All walks shall be constructed in accordance with the City of Victoria Design Standards and Ordinances.

M. No trash, garbage, ashes, refuse or other waste shall be thrown or dumped on any vacant lot in The Subdivision, and no trash racks may be permanently built or left in front of the lot.

N. Grass and weeds shall be kept mowed to prevent unsightly appearances. Dead, diseased, or damaged trees which might create a hazard to property or persons on any lot or adjacent lot shall be promptly removed or repaired, and if not removed by owner, then the Association may, but shall not be required to, remove such trees at owner's expense and shall not be liable for damage done in such removal.

O. No activity may be carried on or allowed to exist upon any lot, which may be noxious, detrimental, or offensive to any other lot or to the occupants of any lot.

P. No animals, livestock or poultry of any kind shall be raised, bred, kept, staked or pastured on any lot, except that not more than a total of two (2) dogs, cats or other household pets may be kept, provided such two (2) pets are not kept, bred, or maintained for any commercial purposes.

Q. No owner shall permit any thing or condition to exist upon his lot, which shall induce, breed, or harbor infectious plant diseases or noxious insects. Each owner

shall keep all shrubs, trees, hedges, grass and landscaping of every kind on his lot, including any setback areas, areas between lot lines and adjacent sidewalks and/or street curb neatly trimmed, properly cultivated, and free of trash, weeds or other unsightly material. No trees, hedges, shrubs, or other landscaping shall be planted or permitted to remain on any lot unless the foliage line is maintained at a proper height to prevent obstruction of safe cross-visibility of traffic approaching an intersection or driveway. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public utility company or authority is responsible.

R. Each owner of a lot agrees for himself, his heirs, or successors in interest that he will not in any way interfere with the established drainage pattern over his lot from adjoining or other lots in said tract; and he will make adequate provisions for proper drainage in the event it becomes necessary to change the established drainage over his lot. For the purpose hereof, "established drainage" is defined as the drainage, which occurred at the time of the overall grading of The Subdivision, including landscaping of any lots in The Subdivision. No change of drainage shall be made without the written approval of Grantor, the Association, or the Committee.

S. No signs or advertising device of any kind may be placed or kept on any lot other than one name and/or name plate and address larger than one hundred twenty-eight (128) square inches in area and one sign for sale purposes not exceeding eight (8) square feet in area. During construction, contractors, architects or lending institutions may place appropriate signs on the property upon written approval as to size thereof by the Committee.

T. No outside clotheslines or other outside clothes drying or airing facilities shall be maintained except in an enclosed service area, not visible to the public.

U. No flagpole shall be permanently erected on any property unless approval has been obtained in writing from the Committee.

V. No golf cart, tent, mobile home, motor home, trailer of any kind, camper or boat, or any structure, similar or dissimilar, shall be parked on the driveway of any residence for more than twenty-four (24) consecutive hours, and all of the foregoing shall never be parked or placed on an unimproved lot; the doors of garages housing any of the foregoing shall be closed at all times except for actual entry or exit. No motor vehicle of any kind, including golf carts, motor homes, boats, trucks, and automobiles, shall ever be constructed, reconstructed or repaired other than in a garage; the provisions of this paragraph shall not, however, apply to emergency vehicle repairs.

W. No junk of any kind or character, or any accessories, parts or objects used with cars, boats, buses, trucks, trailers, house trailers, or the like, shall be kept on any lot other than in the garages, or other structures approved by the Committee.

X. No privy, cesspool, or septic tank, or disposal plant shall be erected or maintained on any part of this property without consent of the Committee.

Y. No excavation, except such as is necessary for the construction of improvements, shall be permitted, nor shall any well or hole of any kind be dug on this property without the written consent of the Committee.

Z. The Committee must give prior approval as to materials, design and location of mailboxes.

AA. No antenna for transmission or reception of television signals, radio signals, or any other form of electromagnetic radiation shall be erected, used, or maintained outdoors, whether attached to a building or structure or otherwise, other than a master or community antenna approved by Grantor or the Committee or a satellite dish not larger than twenty-four (24) inches in diameter. No radio or television signals or any other form of electromagnetic radiation shall be permitted to originate from any lot,

which may unreasonably interfere with the reception of television or radio signals upon any other lot unless approved by the Architectural Control Committee.

BB. No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be constructed, placed, or maintained anywhere in or upon any lot other than within buildings or structures unless the same shall be contained in conduits or cables constructed, placed and maintained underground or concealed in or under buildings or other structures. Nothing herein contained, however, shall prevent erection and use of temporary power or telephone services incident to the construction of buildings or other improvements or to restrict the overhead distribution of three-phase primary power supply to The Subdivision by the utility company.

CC. No windmill or other wind-powered device shall be erected, used or maintained on any lot within The Subdivision.

DD. All gas meters shall be located behind the building setback line.

EE. Any building or other improvement on the land that is destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable period of time, and the land restored to an orderly and attractive condition.

FF. No part or parts of the land in The Subdivision shall be used in such manner, which would increase the hazard of fire on any other part or parts of the land or any property adjoining the land.

GG. The invalidity, violation, abandonment, variance, approval, or waiver of any one or more of or any part of the reservations, restrictions, or other provisions hereof, either as to all or any part of the land, shall not affect or impair such reservations, restrictions, or other provisions hereof as to the remaining parts of the land and shall not affect or impair the remaining reservations, restrictions, or other improvements hereof or parts thereof as to all the land.

HH. Should any owner desire a minor variance from these restrictions concerning size of residence, set-back, garage or driveway location or other similar matter, application for variance shall be made to the Committee under procedures set forth in Architectural Guidelines. The decision of the Committee shall be final and cannot be contested by the applying owner or any owner objecting to such variance, if a variance is granted.

II. All roofs must be constructed of and surfaced with either:

- (1) Concrete tile;
- (2) Ceramic tile; or
- (3) Composition shingles with a twenty-five (25) year guaranteed lifetime.

JJ. The color of all exterior brick and all other exterior materials must be approved by the Architectural Control Committee.

The outer portion of the walls of any residence, including any attached or detached garage, constructed on any lot in Blocks 1, 2, 3 & 6 shall be composed of brick covering not less than eighty-five per cent (85%) of outside wall area of 1st floor unless a variance is approved by the Architectural Standards Committee. Under no circumstances shall concrete or hollow tile blocks, or asbestos or metal siding be utilized as the outer walls of the residence or garage.

KK. It will be permissible for the roof of any home structure to extend no more than sixteen inches (16") plus the width of a gutter beyond the building line of such home, and an easement for such purposes is here now granted.

LL. No garage may be greater in height or number of stories than the residence for which it is built. Garages of sufficient size to accommodate not less than two (2) cars must be provided. Each residential house must have a garage, and no carports are permitted. No garage may be converted to living area without the prior written consent of the Architectural Standards Committee. The exterior walls of all detached garages shall be one hundred per cent (100%) brick except for windows, the overhead door or doors and for that area lying above the ceiling line which may be wooden siding; the roofs of garages are also covered and governed by Paragraph JJ. Each garage door, whether two or more, must have a minimum width from side to side of nine feet (9'). Each garage must have a minimum of eighteen feet (18') of garage door openings.

No garage may be located closer than twenty feet (20') to the front property line.

Garages on corner lots may optionally open directly toward and have driveway entrances from the side street with a set-back of at least twenty feet (20') from the side street property line.

MM. No building shall be erected on any lot nearer to the front property line or nearer to the side street property line than the building lines shown on the recorded plat. In any event, no building shall be located nearer than twenty feet (20') to the front property line. No building shall be located nearer than five feet (5') to any interior side property line. In all cases, a garage or other permitted accessory building located fifty feet (50') or more from the front property line may not be located nearer than five feet (5') to an interior side property line. No residential building may be closer than ten feet (10') to the rear property line and no building, even of a temporary nature, may be placed in or on a utility easement.

NN. Houses or residences on corner lots shall face the street from which the greater building line setback is shown on the recorded plat, unless alternate facing is authorized by the Architectural Standards Committee.

IV.

A. These restrictions shall remain in full force and effect until December 31, 2030, and shall be automatically extended for successive ten (10) year periods, provided however, that these restrictions may be terminated during the six months immediately preceding the commencement of any successive ten year period, by filing for record in the office of the County Clerk of Victoria County, Texas, a written statement of election to terminate these restrictions, executed and acknowledged by the owners of a majority of the area of the lots in The Subdivision. Such statement must be filed prior to the commencement of the ten-year period for which these restrictions would otherwise be in effect.

B. All the foregoing conditions, covenants, provisions, reservations and restrictions are to run with the land and shall be enforceable by proceedings in law for damages and/or in equity and law for injunctive relief by any owner or owners of a lot or lots in The Subdivision, or the Association, or the Committee.

C. Notwithstanding any of the restrictions, limitations, provisions, and covenants herein contained, it is expressly and specifically provided that the violation of any of said restrictive covenants, limitations or provisions will not in any way affect the rights of any past or future lien holder having a valid lien on any of said property, who is in no way responsible for such violation.

D. Invalidation of any one or more of these restrictive covenants, limitations or provisions by judgment or court order shall in no wise effect any of the other restrictive covenants, limitations or provisions that remain in full force and effect.

V.

Effective June 29, 2000, Grantor has executed the following loan documents to Coastal Banc, ssb, to wit:

1. Promissory Note dated June 29, 2000 in the original sum of Eight Hundred-Fifty Thousand and No/100 Dollars (\$850,000.00) payable as therein provided;
2. Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents and Leases, as recorded in Official Records Instrument No. 200008502, Victoria County, Texas, covering (among other assets of Grantor) said 19.88 acres of land;
3. Collateral assignment of option agreement granting Coastal Banc a security interest in options to purchase additional land which Grantor has optioned with Victoria Developers;
4. Construction loan agreement;
5. Notice of final agreement;
6. Affidavit of Commencement;
7. Numerous other loan documents;

In addition to the above liens, security interests and loan documents, Coastal Banc has other liens, security interests and loan documents on three specific lots described by metes and bounds and easements to such lots described by metes and bounds, and it may, in the future, have liens, security interests and loan documents on other specific lots and easements thereto described by metes and bounds, and all of the above liens, security interests and loan documents (specifically including the documents described in 1 through 7 immediately above) shall be collectively called "liens and loan documents" to Coastal Banc. Coastal Banc, ssb, for itself and its successors and assigns, does hereby in all things subordinate its liens and loan documents as to any property in The Subdivision to these deed restrictions (preceeding paragraphs I through IV of The Subdivision) and further confirms that it is the present owner of said liens, security interests and loan documents, and has not assigned the same or any part thereof.

VI.

Victoria Developers, (a general partnership consisting of Russell G. Pynes, Jr., O. F. Jones III, Joe Holub and Lawrence Waide) acting herein by and through O. F. Jones III, General Partner, to induce Coastal Banc to make such loan hereinabove described to Grantor, does hereby agree that liens and loan documents from Grantor to Coastal Banc are superior to the following:

1. Purchase money note dated April 30, 1999 owed to Victoria Developers by D. G. M. P. and assumed by Grantor.
2. Vendor's lien and Deed of Trust lien securing the note described in "1" immediately above.
3. Any and all other loan documents, liens or rights whatsoever held by Victoria Developers to secure its note from D. G. M. P., payment of which was assumed by Grantor.

B. J. Davis Builder, Inc., acting herein by and through its authorized officer, and Gay Davis, (aka Gay A. Davis) and wife Kristine M. Davis join in the execution of the deed restrictions of The Subdivision and impose same upon any lots or acreages owned by them with The Subdivision, and further agree to join the Grantor in the documents dedicating The Subdivision and dedicating all easements to the public.

XI.

The execution of a document of dedication to subdivide such 19.88 acres into a residential subdivision to be known as LAKE FOREST SUBDIVISION, SECTION I, PHASE I, which subdivision document shall provide for conveyance of property in The Subdivision by numerical designation of the lots and blocks in The Subdivision, and to dedicate for public use, the streets, utility easements and any and all other non-private easements shown on the map and plat of The Subdivision; such power of attorney granted to Grantor is limited to the actions immediately hereinafter described, and shall terminate six months after such document subdividing and dedicating so as to allow for any corrections that may have to be made, but in any event, such limited power of attorney shall terminate on the 31st day of March, 2002; such power and agency granted to Grantor shall be deemed both a covenant running with the land and a power coupled with an interest.

Judy Rasley, for herself, her heirs and assigns, Victoria Developers, acting through its General Partner, O. F. Jones III, and for itself, its successors and assigns, do hereby appoint Grantor as their Agent (Attorney-in-Fact) to act for each of such three entities as follows, but not otherwise:

X.

The liens provided for Grantor and the Association in I. K. and II. C. remain subordinate and inferior to the liens of Coastal Bank, First Preference Mortgage Corporation and Victoria Developers, and Judy Rasley, all of whose liens remain superior to the lien or liens granted Grantor or Association in said paragraph I. K. and II. C.

IX.

Judy Rasley, for herself, her heirs and assigns, does hereby, in all things, subordinate to these deed restrictions her lien and loan documents as the property described in Deed of Trust dated June 25, 2001, and bearing Official Records Instrument Number 200107913, Victoria County, Texas.

VIII.

First Preference Mortgage Corporation, for itself and its successors and assigns, does hereby, in all things, subordinate to these deed restrictions its liens and loan documents as to the property described in Deed of Trust dated January 2, 2001, and bearing Official Records Instrument Number 200100186, Victoria County, Texas.

VII.

Victoria Developers, for itself and its successors and assigns, does hereby in all things subordinate its liens and loan documents as to any property in The Subdivision to these deed restrictions (preceeding paragraphs I through IV of The Subdivision) and further confirms that it is the present owner of said lien and has not assigned the same or any part thereof.

XII.

These restrictions and the subordinations and other agreements herein contained become effective when the dedicated plat of The Subdivision is recorded with the Victoria County Clerk, but, these deed restrictions shall upon the effective date, be enforceable retroactively as to any builder, or owner of any residence constructed or partially constructed prior to the effective date.

EXECUTED this the 11th day of July, 2001.

V. B. D. DEVELOPMENT, INC.

By: [Signature]
Name: B. J. DAVIS
Title: PRESIDENT
"GRANTOR"

COASTAL BANC, ssb

By: [Signature]
Name: Jay Oht
Title: Senior Vice President
"LIENHOLDER"

FIRST PREFERENCE MORTGAGE CORPORATION

By: [Signature]
Name: Annie Laurie Miller
Title: Executive Vice President
"LIENHOLDER"

VICTORIA DEVELOPERS

By: [Signature]
Name: O. F. Jones III
Title: General Partner
"LIENHOLDER"

[Signature]
Judy Easley, "LIENHOLDER"

B. J. DAVIS BUILDER, INC.

By: [Signature]
Name: B. J. Davis
Title: President

[Signature]
Gary Davis (aka Gary A. Davis)

[Signature]
Kristine M. Davis
Kristine M. Davis

THE STATE OF TEXAS ()
COUNTY OF VICTORIA)

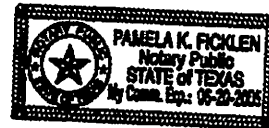
This instrument was acknowledged before me on this the 11th day of July, 2001, by B.G. Davis, President of V.B. R. D. Development, Inc.



Robyn M. Chial
Notary Public, State of Texas

THE STATE OF TEXAS ()
COUNTY OF VICTORIA)

This instrument was acknowledged before me on this the 11th day of July, 2001, by Jay Ohrt, Senior Vice President of Coastal Banc, ssb.



Pamela K. Ficklen
Notary Public, State of Texas

THE STATE OF TEXAS ()
COUNTY OF VICTORIA)

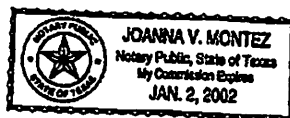
This instrument was acknowledged before me on this the 12th day of July, 2001, by Annie Thuer Miller, Executive Vice President of First Preference Mortgage Corporation.



Stephanie Hannemann
Notary Public, State of Texas

THE STATE OF TEXAS ()
COUNTY OF VICTORIA)

This instrument was acknowledged before me on this the 11th day of July, 2001, by O. F. Jones III, General Partner of Victoria Developers.



Joanna V. Montez
Notary Public, State of Texas

THE STATE OF TEXAS ()
COUNTY OF VICTORIA)

This instrument was acknowledged before me on this the 11th day of July, 2001, by Judy Easley.



Robyn M. Cihal
Notary Public, State of Texas

THE STATE OF TEXAS ()
COUNTY OF VICTORIA)

This instrument was acknowledged before me on this the 11th day of July, 2001, by B. J. Davis, President of B. J. Davis Builder, Inc.



Robyn M. Cihal
Notary Public, State of Texas

THE STATE OF TEXAS ()
COUNTY OF VICTORIA)

This instrument was acknowledged before me on this the 11th day of July, 2001, by Gary Davis (aka Gary A. Davis).



Robyn M. Cihal
Notary Public, State of Texas

THE STATE OF TEXAS ()
COUNTY OF VICTORIA)

This instrument was acknowledged before me on this the 11th day of July, 2001, by Kristine M. Davis.



Robyn M. Cihal
Notary Public, State of Texas

STATE OF TEXAS}

EXHIBIT A

COUNTY OF VICTORIA}

DGMP, Inc.

FIELDNOTE DESCRIPTION for a 19.88 acre tract of land being in the J. L. Carabajal Survey, A-12 in Victoria County, Texas and being out of that certain 40.847 acre tract conveyed to DGMP, Inc. by deed recorded as file number 199906927 of the Official Records of said county and being more fully described by metes and bounds as follows:

COMMENCING at a concrete monument with brass rod found at south corner of said DGMP, Inc. tract, same being the west corner of Tropical Acres Subdivision and being in the northeast right-of-way line of Nursery Drive, thence along said northeast right-of-way line, N44°59'10"W, 448.54 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for POINT OF BEGINNING;

THENCE, continuing along said northeast right-of-way line, N44°59'10"W, 140.00 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, N89°59'22"E, 28.27 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, N44°57'54"E, 162.93 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, N51°40'43"E, 115.77 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, N45°02'06"W, 120.87 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, N43°51'40"E, 1397.60 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner in center of an electrical transmission line;

THENCE, along center of said transmission line, S43°42'55"E, 678.60 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner in southeast line of said 40.847 acre tract, same being the northwest line of Tropical Acres Subdivision;

THENCE, along common line of said 40.847 acre tract and said subdivision S43°51'40"W (Base Bearing), 1058.60 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, N46°08'20"W, 340.00 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, S43°51'40"W, 432.00 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, N45°02'06"W, 124.94 feet to a 5/8 inch steel rebar set with 3/4 inch yellow and black polypropylene barricade flag attached for corner;

THENCE, S44°57'54"W, 163.01 feet to point for corner;

THENCE, S00°00'38"E, 28.30 feet to the POINT OF BEGINNING;
CONTAINING within these metes and bounds 19.88 acres of land.

a:fr/BJDavis/D36-020




C. W. Settles
Registered Professional Land Surveyor
Texas No. 2640

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Val D. Hovar

2001 JUL 13 03:35 PM 200108802

BECKYN \$37.00

VAL D. HOVAR, COUNTY CLERK
VICTORIA COUNTY, TEXAS

AMENDMENT TO DEED RESTRICTIONS

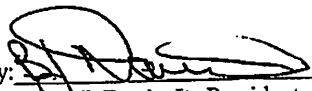
V.B.R.D. Development, Inc. ("VBRD"), a Texas Corporation acting herein by and through its duly authorized officer, alters and amends DEED RESTRICTIONS to LAKE FOREST SUBDIVISION, SECTION I, PHASES I and II, by altering and amending paragraph II, subparagraph C, of each of such two subdivision Phases and by altering and amending paragraph II, subparagraph C, of SECTION 1, PHASE III, as follows:

"The maintenance fee provided for in this subparagraph C is and shall be junior, subordinate and inferior to any valid liens (renewals and extensions thereof) granted by the owner of any lot to repay the sums of money advanced for the purchase money for any lot or the cost of any permanent improvement to be erected thereon, any home equity loan or any other valid liens executed and recorded in accordance with the laws of the State of Texas."

The foregoing amendment is made by VBRD pursuant to express provisions of the DEED RESTRICTIONS of said Phases I, II and III.

To the extent provided by law, this document is executed and effective on the respective dates of the execution of the DEED RESTRICTIONS of each such three Phases above described, but is executed on this the 3rd day of June, 2008.

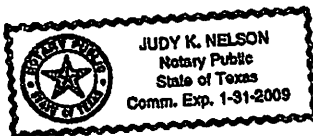
V.B.R.D. DEVELOPMENT, INC.

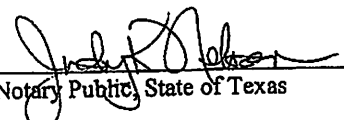
By: 
R.J. Davis, Its President

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

Before me, the undersigned notary, on this day personally appeared B. J. Davis, President of V.B.R.D. Development, Inc., a Texas corporation, 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 and in the capacity therein stated, on this the 3rd day of June, 2008.




Notary Public, State of Texas

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



2008 JUN 04 08:45 AM 200806604
GINAH \$11.00
VAL D. HUVAR, COUNTY CLERK
VICTORIA COUNTY, TEXAS

RETURN TO:
WILLIAM MOELLER
PO BOX 3547
VICTORIA TX 77903

AMENDMENT TO DEED RESTRICTIONS
LAKE FOREST SUBDIVISION, SECTION I, PHASE I

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF VICTORIA

WHEREAS, V.B.R.D. DEVELOPMENT, INC (hereafter Grantor), a Texas Corporation, adopted and established Deed Restrictions (hereafter Restrictions) to Lake Forest Subdivision, Section I, Phase I (hereafter Subdivision) as reflected in Victoria County Clerk's Official Records as Instrument No 200108802, which is incorporated herein by reference, and,

WHEREAS, Article I, paragraph L on page 5 of Restrictions, gave Grantor "the right to alter and amend these restrictions"

NOW, THEREFORE, with regard to only Lots 1 through 4 in Block 6, and Lots 1 through 6 in Block 2, Grantor hereby alters and amends Article III, paragraph B by adding the following paragraph to B, which is applicable only to Lots 1 through 4 in Block 6 and Lots 1 through 6 in Block 2 of Subdivision

The living area of the main house or residential structure constructed on a lot, exclusive of porches and garages, shall be not less than (1) in the case of a one-story residence, 1,500 square feet, or (2) in the case of a residence with more than one-story, the ground floor shall have not less than 1,000 square feet and the second floor shall have not less than 500 square feet. No residence may exceed two and one-half (2 ½) stories in height above ground level

The original first paragraph in Article III, B set out on page 5 of Restrictions remains applicable to all lots in Subdivision, save and except Lots 1 through 4 in Block 6, and Lots 1 through 6 in Block 2, which such lots have the restrictions set out in the paragraph immediately above

EXECUTED this the 3RD day of March, 2005.

GRANTOR

V B R D. DEVELOPMENT, INC

By: [Signature]

Name: B.S. DAVIS

Title: Pres

THE STATE OF TEXAS

COUNTY OF VICTORIA

This instrument was acknowledged before me on this the 10th day of March, 2005, by B.S. Davis, President of V B R D Development, Inc.

[Signature]
Notary Public, State of Texas

RETURN TO:
WILLIAM MOELLER
PO BOX 3547
VICTORIA TX 77803

(4)

