

THE STATE OF TEXAS {
COUNTY OF VICTORIA { .

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE HABITAT AT POST OAK, PHASE II

THIS DECLARATION is made effective September 26, 2006, by MCC Realty, L.P., a Texas limited partnership, acting herein by and through its duly authorized general partner, MCC Development, LLC, of Brenham, Texas, hereinafter referred to as "Declarant". Joining in executing this Declaration and ratifying all matters herein is the other present owner of some of the lots in the below referenced subdivision, O'Rear Construction, Inc. (hereinafter known as "O'Rear")

W I T N E S S E T H:

WHEREAS, Declarant and O'Rear are the owners in fee simple of all lots in THE HABITAT AT POST OAK, PHASE II, a subdivision in Victoria County, Texas, according to the map and plat thereof duly recorded in Volume 8, Pages 133A & B, of the Map and Plat Records, Victoria County, Texas, to which map and plat reference is here made for all purposes ("the Property") which is a portion of a larger 581.63 acre tract of land described on Exhibit A hereto, which will be developed into a real estate development known as POST OAK ESTATES ("the Master Tract"); and

WHEREAS, Declarant & O'Rear desires to hold, sell and convey the Property subject to the following covenants, restrictions, reservations and easements, which are for the purpose of establishing a uniform plan for the development, improvement and sale and use of the Master Tract, as defined herein, and to insure the preservation of such uniform plan for the benefit of both present and future owners of the lots within the Master Tract; and

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the said MCC Realty, L.P., and O'Rear for the purpose of impressing upon the Property the restrictive covenants and conditions hereinafter set out, do hereby make and publish the following limitations, restrictions, covenants and conditions which shall apply to and become a part of all contracts of sale, deeds and all other legal instruments whereby title and/or possession is divested out of the present owners of the Property and vested in any other person or persons, to all of which the aforesaid owners do hereby bind themselves, as the fee owners of said Property, and all of said limitations, restrictions, covenants and conditions shall extend to and include all the heirs, executors, administrators, successors, assigns, devisees, lessees and holders of every kind, who may purchase or otherwise acquire any of the Property from the owner thereof.

ARTICLE I---DEFINITIONS

The following words, when used in this Declaration, shall have the following meanings:

A. "Articles of Incorporation" or "Articles" means the Articles of Incorporation of the Victoria County Post Oak Estates Homeowners Association and any amendments thereto, as filed with the Secretary of State of the State of Texas.

B. "Assessment" shall mean the General or Special assessments, and/or any other amounts or sums due by any owner to the Association pursuant to the provisions of this Declaration or the Bylaws, or any combination thereof, levied by the Association for purposes of obtaining funds to pay Association Expenses as provided herein.

C. "Association" shall mean and refer to the Victoria County Post Oak Estates Homeowners Association, a non-profit, non-stock, membership corporation incorporated under the laws of the State of Texas, its successors and assigns.

D. "Association Expenses" shall mean and include the actual and estimated expenses of operating the Association, both for general and neighborhood purposes, including a reserve for working capital in an amount not in excess of 1/4th of the total annual general assessments from time to time and other reasonable reserves, all as may be found to be necessary and appropriate by the Board of Directors of the Association pursuant to this Declaration and the Association's By-Laws and Articles of Incorporation.

E. "Board of Directors" or "Board" shall mean the governing body of the Association.

F. "By-Laws" shall mean the By-Laws of the Association as they may be amended from time to time.

G. "Declarant" shall mean and refer to MCC Realty, L.P., a Texas limited partnership, and its successors who are designated in writing as such by Declarant. No person or entity purchasing one or more tracts from Declarant in the ordinary course of business shall be considered a Declarant.

H. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions, as such document may hereafter be amended.

I. "General Assessments" shall mean assessments levied for Association Expenses determined by the Board of Directors to benefit all Owners.

J. "Good Standing" shall mean that an owner or member is in full compliance in its obligations to Declarant or the Association, as may be imposed on said owner pursuant to these Restrictions, Articles of Incorporation or Bylaws, of the Association, and is not in violation of any of these Restrictions, as determined by the

Association or Declarant.

K. "Improvements" shall mean any sidewalk, driveway, building, pool or other structure, or any portion thereof, whether preliminary, temporary, or permanent, constructed or placed, upon any portion of any Lot, by, or on behalf of, any Owner (including the Association) and shall, when appropriate to the context, include clearing, grading, grubbing, landscaping, and removal of trees or other significant vegetation and any amendment, modification, expansion, demolition, or removal of any existing improvement or any improvement which may be hereafter placed upon any tract within the Master Tract.

L. "Member" shall refer to every Person entitled to membership in the Association, as provided herein.

M. "Mortgage" shall mean and refer to a deed of trust, mortgage or other similar security instrument granting, creating, or conveying a lien or security interest on a lot or lots within the Property.

N. "Mortgagee" shall mean a beneficiary or holder of a Mortgage.

O. "Owner" shall mean and refer to the record owner, whether one or more persons of the fee simple title to any lot which is part of the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation or those owning an easement right, a mineral interest, or a royalty interest. If a lot is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Board of Directors, the lessee (rather than the fee owner) will be considered to be the owner for the purpose of exercising all privileges of membership in the Association.

P. "Person" shall mean any natural person, corporation, joint venture, partnership, association, trust or other legal entity.

Q. "Property" shall mean, for purposes of this instrument, the area known as THE HABITAT AT POST OAK, PHASE II.

R. "Properties" shall mean and refer to the Property and (i) such additions thereto of all or any portion of the Master Tract as has already or may be brought within the jurisdiction of the Association by Declarant, and (ii) such additions thereto of other real property as may be brought within the jurisdiction of the Association in accordance with this Declaration.

S. "Road" or "Street" shall refer to any street, drive, boulevard, road, alley, lane, avenue, or thoroughfare as shown on the plat of the Property, or as dedicated to the public or County of Victoria, Texas by separate instrument.

T. "Supplemental Declaration" shall refer to (i) an amendment to this Declaration subjecting additional property to this Declaration and (ii) to an instrument which imposes additional

restrictions on all or a portion of the Property which may be enforced by the Association or Declarant.

ARTICLE II
RESERVATIONS

A. Title to all roadways and to all easements is hereby expressly reserved and retained by Declarant, subject only to the grants and dedications hereinafter expressly made, or made by other instrument.

B. Declarant reserves the utility easements and rights-of-ways 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 Declarant for all public utility purposes, including systems of electric light and power supply, telephone service, and water supply, and such other utility services as may result from advances in science and technology.

C. Declarant reserves the right to impose further restrictions and dedicate additional easements with respect to such lots which have not been sold by Declarant, by instrument recorded in the office of the County Clerk of Victoria County or by express provisions in conveyances. Further, Declarant reserves to itself, and notwithstanding the fact that it may not then own such affected portion of the Property, the right to grant, and to require any Owner to grant, easements or licenses to any private company, public or private utility or governmental agency providing utility and other similar services within the Property upon, over under and across those portion of the Property within the Building Set Back Lines. Such easements shall only be given for the purpose of maintaining, installing, repairing, altering, and operating waste water lines, irrigation lines, water lines, water distribution systems, drainage systems, pipelines, cable television service, alarm systems, and all machinery, licensess, equipment and rights appurtenant thereto and which may be necessary or desirable for the installation and maintenance of utilities and providing such services to Owners or the Property. All such easements shall be of a size, width and location so as not to unreasonably interfere with the use of any Improvements which are constructed or have been finally approved by the ACC for construction on the date of the grant of the easement and so as not to unreasonably interfere with the use and enjoyment of any lot within the Property.

D. Subject to the foregoing, Declarant hereby DEDICATES TO THE USE OF THE PUBLIC all roadways and all easements shown on the recorded plat of the subdivision; provided, however, that the use thereof by any utility company is limited to public utility companies having the right of eminent domain and having agreements in writing with Declarant for the proper provision of utility

services.

E. Declarant reserves the right to make minor changes in and additions to all easements created hereby for the purpose of most efficiently and economically installing utility systems.

F. Neither Declarant 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.

G. It is expressly agreed and understood that the title conveyed by Declarant 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 utility or appurtenances thereto construed by or under Declarant or its agents or public utility companies through, along or upon said 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 Declarant.

H. It is further expressly agreed and understood that a telephone cable system may be installed in the subdivision. Each residence may also be provided with conduit, pull wire and a minimum of three outlet boxes, at the owner's or builder's expense, for the installation of telephone wiring and equipment. 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.

I. Pursuant to a contract to be executed between Declarant and the electric company furnishing service, an electric distribution system will be installed in the subdivision which 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 service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at 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 at the property line of each tract. 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 service is maintained, the electric service to each lot in the 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.

ARTICLE III

ADMINISTRATION

A. Declarant has created the organization of a Texas non-profit, non-stock, membership corporation, which is named the "Victoria County Post Oak Estates Homeowners Association" (previously referred to in other restrictions as the Post Oak Estates Homeowners Association), hereinafter called the "Association", of which all owners of lots in the Properties must be a member, and an ARCHITECTURAL CONTROL COMMITTEE, hereinafter called "the Committee" or "the ACC". The Association and the Committee shall have the rights, powers and duties provided for herein. The Association shall be governed by its Articles of Incorporation and By-Laws. Until such time as Declarant has sold all of its interest in the Master Tract, Declarant shall reserve, retain and exercise all rights outlined to the Association or the Committee herein. After creation of these entities by Declarant, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, until such time as Declarant has sold all of its interest in the Master Tract, Declarant shall name the Directors of the Association and the Members of the Committee.

B. Declarant shall issue memberships in the Association to the owners of such lots as such owners are shown on its records. After Declarant has sold all of its interest in the Master Tract, the members of the Association shall thereupon and thereafter elect the Directors of the Association in accordance with its Articles and By-Laws, and the Association shall thereupon and thereafter name the members of the Committee.

In all votes of the Association as outlined herein, each lot owner 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. Each residential lot in the Property (exclusive of those owned by Declarant) shall be subject to an annual maintenance charge, hereinafter called "general maintenance charge", for the benefit of the Association, not to exceed \$360.00 per year or an amount in excess thereof agreed to by a majority of the lot owners. Lots owned by Declarant shall not be subject to any maintenance charges. The monies collected by the general maintenance charge may be used by the Association as deemed beneficial by its Board of Directors for the Property and its Owners.

In addition, the Board of Directors of the Association may

from time to time by the adoption of a resolution for such purpose, subject to ratification by the members of the Association as hereinafter provided, levy and impose a "special assessment" against each lot (except lots owned by Declarant), which is in addition to the annual maintenance charge, for a specific amount and in an equal amount for each such lot, for the purpose of raising additional monies for (1) enforcing restrictions or collecting maintenance fees or assessments, (2) repairs or maintenance to any Association property or (3) purchasing equipment or defraying the cost of constructing new capital improvements for the mutual benefit of all or substantially all of the Owners of the lots in the Property; provided, however, that before any such resolution shall become effective, it shall be ratified either (i) by the assent in writing of the members of the Association who in the aggregate then own at least Two Thirds (66.66%) of the Lots which are then subject to assessment if no meeting of the membership is held for ratification, or (ii) by the assent of Two Thirds (66.66%) of the votes of the members of the Association who are present and voting in person or by proxy at a special meeting of the membership called for this purpose and at which a majority of the Lots which are then subject to assessment are represented. The owner of each lot subject to such assessment shall pay his/her special assessment to the Association at such time or times and in such manner as provided for in such resolution.

Additionally, a special assessment may be made in accordance with Section G of this Article, without proceeding through the above procedure.

In addition, the Association may impose an Individual Assessment upon any Owner (except Declarant) for violations of the provisions of this Declaration or whose use or treatment of his/her lot is not in conformance with this Declaration.

Prior to imposing this Individual Assessment, the Association shall notify the violating Owner of such lot in writing, informing the Owner of (1) the violation(s) of this Declaration that is the basis for the Individual Assessment, (2) a reasonable time, in the opinion of the Association, for the Owner to cure the violation(s) and avoid the Individual Assessment (unless the Owner was given notice and a reasonable opportunity to cure a similar violation(s) within the preceding six months), (3) that attorney's fees and/or reasonable costs will be charged to the Owner, in addition to the Individual Assessment, if the violation(s) is not cured within the reasonable time stated above, and (4) explaining to the Owner of his/her rights, as presently outlined under Section 209.006 and 209.007 of the Texas Property Code, or as it may be amended, to submit a written request for a hearing to discuss and verify the facts pertaining to the violation and attempt to resolve the violation in issue with the Association.

The notice and hearing provisions of Section 209.006 and 209.007 of the Texas Property Code, or as it may be amended, with regard to the Individual Assessment do not apply if the Association files a lawsuit related to the violation seeking a temporary restraining order or temporary injunctive relief or for other reasons as presently allowed in Section 209.007(d) of the Texas Property Code, or as it may subsequently be amended.

The amount of each Individual Assessment shall be equal to the reasonable cost incurred by the Association in remedying the violation or non conformance with this Declaration or enforcing the provisions of this Declaration, which include reasonable attorney fees, plus ten percent (10%) of such costs for administration by the Association, and may be enforced in the manner provided for in enforcing any other type of assessment or maintenance charge, except as may be limited by law. For the purpose of remedying said violation or non conformance, the Association, through, its duly authorized agents, shall have the right to enter upon any lot or improvements.

Notice of any special or individual assessment may be given, but is not required, by the recordation in the Official Records of Victoria County, Texas of an affidavit regarding such assessment and lien, duly executed by an officer, manager, or attorney of the Association, setting forth the amount owed, the name of the last known owner or owners of record of the tract or tracts involved and the legal description of such tract(s).

BY ACCEPTANCE OF A DEED TO A LOT WITHIN THE PROPERTIES, EACH OWNER ACKNOWLEDGES PERSONAL LIABILITY FOR PAYMENT OF ANY GENERAL MAINTENANCE CHARGE, INDIVIDUAL ASSESSMENT OR SPECIAL ASSESSMENT ASSESSED AGAINST THE LOT THAT SAID OWNER OWNS, DURING THE TIME OF OWNERSHIP, AND AFTER SALE OR TRANSFER OF SAID LOT, UNTIL SAID LOT OWNER HAS NOTIFIED THE ASSOCIATION IN WRITING, BY HAND DELIVERY OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AT THE ADDRESS LISTED IN THE MANAGEMENT CERTIFICATE RECORDED IN THE OFFICIAL RECORDS OF VICTORIA COUNTY, TEXAS, OF THE NAME(S) AND ADDRESS OF THE THIRD PARTY TO WHOM SAID OWNER SOLD OR TRANSFERRED THEIR LOT.

The general maintenance charge, individual assessment and any special assessments (hereafter jointly referred to as "maintenance charge") shall be secured, collected, managed and expended as follows:

1. The general maintenance charge for each lot shall be due and payable annually, in advance, on the first day of January following the sale of such lot by Declarant, and on the first day of each January thereafter. The general maintenance charge for the year of the sale of a lot from Declarant shall be pro-rated and the purchaser's pro-rata share shall be paid to the Association upon the closing of the sale. No maintenance charge shall begin to accrue on any lot until the sale thereof by Declarant.

2. The general maintenance charge for each calendar year until changed is hereby fixed at \$100.00 per lot per year. The general maintenance charge may be adjusted by the Board of Directors of the Association from year to year, not to exceed the amount specified above, unless amended by the procedure as to making special assessments.

3. All maintenance charges shall, when paid, be deposited in a separate maintenance fund bank account. The maintenance fund shall be held, managed, invested and expended by the Association, at its discretion, for the benefit of the subdivision and the owners of residential lots therein. The Association may, by way of illustration and not by way of limitation, expend the maintenance fund for maintaining unoccupied or vacant lots in the subdivision, collection of garbage and refuse; patrol and security services, fogging and spraying for insect control; repair, remodeling, construction and maintenance of a park, recreational equipment, and other Association property, street lighting; collection of maintenance charges, enforcement of these restrictions, by action at law or in equity, or otherwise, paying court costs as well as reasonable and necessary legal fees; and for all other purposes which are, in the discretion of the Association, desirable in maintaining the character and value of the Properties and the residential lots therein. However, the maintenance fund cannot be used by Declarant to clear or maintain any of its lots or any its undeveloped parts of the Master Tract. The Association shall not be liable to any person with respect to the maintenance fund except for its willful misdeeds. It shall not be required to expend funds at any time but shall have the right to advance money to the fund, or borrow on behalf of the fund, paying then current interest rates.

4. 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 MCC REALTY, L.P. and assigned to the Association without recourse in any manner on MCC REALTY, L.P. for payment of such indebtedness. Said lien shall be enforceable through appropriate proceedings at law or in equity; provided, however, that such lien shall be junior, subordinate and inferior to any first lien mortgage (and renewals and extensions thereof) granted by the owner of any lot to secure the repayment of sums advanced to cover the purchase price for the lot or any first or second lien mortgage granted by the owner of any lot to secure the repayment of sums advanced to cover the cost of any permanent improvement to be placed thereon, but such lien shall not be junior, subordinate or inferior to any liens securing home equity loans. All maintenance charge liens as provided for herein may be enforceable through any appropriate proceeding at law or in equity,

whether by non-judicial or judicial foreclosure, except as limited by law; 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 charges or lien. Maintenance charges not paid within 30 days after being due or assessed shall bear interest at the rate of eighteen (18%) percent per annum and all Owners agree to said interest rate by the acceptance of ownership of any lot within the Properties. Also, should the Association be required to employ an attorney to collect the maintenance charges and interest, the lot owner agrees that they shall be required to pay reasonable costs and expenses, including but not limited to, reasonable attorney's fees and court costs, incurred by the Association to collect said charges and penalties or enforce the maintenance charge lien. In the event of a non-judicial foreclosure of the lien pursuant to Section 51.002 of the Texas Property Code, unless the foreclosure is prohibited by law, the Association shall be entitled to designate a Trustee by instrument recorded in the Office of the County Clerk of Victoria County, Texas, and upon such recording, each said Trustee shall, at the request of the Association, give notice of foreclosure sale as required by Section 51.002 of the Texas Property Code, and sell such lot to the highest bidder for cash at the designated place for non-judicial foreclosure sale at the Victoria County Courthouse in Victoria, Texas in accordance with the procedures outlined in said statute. At any foreclosure sale, whether judicial or nonjudicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, including but not limited to, interest, attorney fees and court costs (except as said attorney fees and costs may be limited as outlined in the Texas Property Code) and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed.

5. If a foreclosure sale is conducted in enforcing a maintenance charge lien and the foreclosed upon lot is sold to the Association or to a third party, the Association shall send the former owner of the lot foreclosed upon a written notice, as provided in the Texas Property Code, of their right to redeem their lot, as provided in the Texas Property Code, and must record an affidavit in the Official Records of Victoria County, Texas, stating the date on which said written notice was sent to the former owner and containing a legal description of the lot foreclosed upon. If the former owner does not redeem his/her lot within the time allowed by the Texas Property Code, the Association, if it purchased the lot at the foreclosure sale, shall record a second affidavit, stating that the former owner did not redeem the property within the time allowed by the Texas Property Code.

6. The provisions of this Section C shall remain in effect so long as these Restrictions, and any extensions and/or amendments hereof, are in force.

D. The Association shall function as the representative of the owners of the lots in the Properties 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, acting through the Committee, shall also approve or disapprove of plans of all improvements on the Properties, publish architectural standards guidelines, and perform such functions as herein provided for the Committee. The Association and the Committee may employ a consulting architect or architects to assist in the architectural aspects of subdivision control as they may deem appropriate, compensating such architect or architects out of the maintenance fund.

E. Declarant, 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 performance. These Restrictions can be altered or amended only as provided herein and no person is authorized to grant exceptions or make representations contrary to these Restrictions. No approval of plans and specifications and no publication or architectural standards Guidelines shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence will be built in a good, workmanlike manner. The acceptance of a deed to a residential lot in the subdivision shall be deemed a covenant and agreement on the part of the grantee, and grantee's heirs, successors and assigns, that Declarant, the Association and the Committee, as well as their agents, employees and architects, shall have no liability under these Restrictions except for willful misdeeds.

F. No improvements of any kind or character whatsoever shall be erected, or the erection thereof begun, or change made in the exterior design thereof after original construction, on any residential lot in the subdivision until the complete plans and specifications of the proposed improvements, plus a survey plot plan showing the location of the improvements on the lot in relation to other matters pertaining to the lot, such as the boundary lines, building lines, septic system, water wells, and driveway, have been approved by the Committee or its designated coordinating architect in accordance with the following procedure:

1. Two (2) complete sets of plans drawn to scale and

specifications along with applicable, non-refundable review fees, as set by the Committee, shall be delivered to the Committee. 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 set-back restrictions. Such approval is to be based on the applicable requirements and restrictions set out herein.

2. If found to be in compliance with these restrictions, 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.

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.

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

5. The Committee shall from time to time promulgate and publish Architectural Standards Guidelines, subject to the approval of the Board of Directors of the Association. 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.

G. Additionally, from time to time, the Committee, or its representatives, may be required to proceed to a lot or retain the services of the Committee's engineer to determine whether to approve of such matters related to the improvement of a specific owner's lot, such as trees requested by a lot owner to be removed in the no cut zones, as outlined in Article V, Section E herein, approvals or disapprovals regarding the location or design of driveways, culverts, water wells, septic tanks, or other improvements, or approvals or disapprovals of variances as may be allowed herein with the approval of the Committee. Each lot owner who requests such approvals and variances shall be liable to reimburse the Association for all expenses for the Committee, as they deem necessary, to consult with their engineers or consultants with regard to approving or disapproving these potential approvals and/or variances, and in addition, the Association may charge the requesting lot owner a fee per matter (not per lot) needing or

requested to be approved or disapproved ("approval fee"), as the Association deems necessary, based upon the amount of time necessary for the Committee to make a decision of whether to approve or disapprove such matter and/or the amount of trips that a Committee's representative may need to make to the requesting owner's lot in order for the Committee to determine whether or not to make said approval or not, but said approval fee shall not exceed \$200.00 per matter sought to be approved. A matter sought to be approved, for purposes of this paragraph, is a single item requested to be approved, such as approval of the water well location, approval of location of a driveway, etc. Payment of these approval fees and consultation expenses are deemed to be a special assessment against the lot owner and his/her lot for the year in which these fees and expenses are incurred and are due and payable to the Association within 30 days after said lot owner is billed with said fees and expenses. Additionally, payment of said special assessment is deemed part of the maintenance charge and secured by the maintenance charge lien outlined in Article III herein.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

A. Establishment of Architectural Control Committee. The Association shall establish and maintain an Architectural Control Committee (herein "the ACC") in accordance with its Articles, By-Laws and this Declaration.

B. Composition and Designation of Committee. After being created by Declarant, the ACC shall consist of (5) members: the chairman of the ACC ("Chairman") and four (4) regular members, except for as long as Declarant owns any interest in the Master Tract, said committee may be composed of only two members. Each member shall be appointed by the Declarant or the Association, as the case may be, as outlined in Article III above (being hereinafter referred to as "the Appointing Authority"). Except for Declarant, no more than one member of any family can serve on the ACC. The Appointing Authority shall have the right to remove and any and all members of the ACC at any time for any reason, with or without cause. In the event one (1) of the members of the ACC resigns or is no longer able to serve as a member, the Appointing Authority shall appoint a new member of the ACC so that there will continue to be five members of the ACC, except as provided above as to Declarant. The Appointing Authority may also appoint staff and consultants for the ACC, including, but not limited to architects, planners, engineers, attorneys and other individuals whose knowledge or skills will assist the ACC in carrying out its functions. Each member of the ACC shall hold office from the date of his appointment until January 31 of the succeeding calendar year and thereafter until such time as a successor has been appointed, unless, such member sooner resigns or is removed. As of January 31

of each year, the Appointing Authority shall review the composition of the members of the ACC and shall either re-appoint such members or shall remove one or more members and appoint new members. A record of the members of the ACC shall at all times be kept at the offices of the Appointing Authority and such information shall be provided to any Owner or prospective purchaser of any lot upon request. Members of the ACC need not be officers, directors or members of the Association. Members of the ACC shall not receive compensation for acting as such, but shall be reimbursed for reasonable out-of-pocket expenses incurred in their capacity as members of the ACC.

C. Duties and Functions of ACC. The duties, powers and responsibilities of the ACC shall be as follows:

(a) Plan Approval. The ACC shall have the right of specific approval or veto of all architectural, engineering, platting, planning and landscaping of any Improvement, as well as the general plan for development of any individual lot, within the Properties. All construction and development within the Properties is subject to its sole discretion, but prior to the construction plan approval, described in Section F of Article III above, impose standards of architectural and landscaping design, building setback lines or a general plan for development, which standards are greater or more stringent than standards prescribed in applicable building, planning or other governmental codes. Such approval may be subject to special conditions or requirements, including, without limitation, the date upon which all improvements are to be completed. In the event of any conflict between the standards imposed by local governmental and other controls and the standards imposed by the ACC, the more restrictive standards shall control; provided, however, that, if any standards imposed by the ACC are violative of any local governmental ordinances, then the standards imposed by the ACC shall control only to the extent that they are not violative of the local governmental ordinances.

(b) No Waiver of Future Approvals. The approval by the Architectural Control Committee of any plans and specifications for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

(c) Construction. Except as hereinafter expressly provided, no Improvements shall be constructed, erected, removed, planted or maintained, nor shall any addition to or any change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme and the location of same shall have been submitted to

terms of this Declaration. The ACC, on behalf of the Association, is specifically empowered to enforce the provisions of this Declaration, the Architectural Standards Guidelines, the conditions of all ACC approvals and all Supplemental Declarations by any legal or equitable remedy (including, but not limited to, the right to remove any unapproved Improvement which has not been completed within the time period provided in Subsection C above, and charge the offending Owner for the cost therefor), and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed Improvement, or to remove any unapproved Improvement, the prevailing party shall be entitled to recovery of all court costs, expenses and reasonable attorney's fees in connection therewith. All reasonable charges, court costs, expenses and attorney fees incurred by the Association in enforcement hereunder shall be assessed as an Individual Assessment against the offending Lot Owner and lot and said assessment is secured by the lien above described in Article III, Section C and able to be enforced as outlined above.

(f) Authority. A majority of the ACC may take any action of the ACC and may designate a representative to act for it. In the event of death, disability, removal or resignation of the Chairman of the ACC, the Appointing Authority shall designate a successor.

(g) Release. In each instance where Improvements have been erected, or the construction thereof is substantially advanced, in such manner that the same violates the restrictions contained in this Declaration, the Architectural Standards Guidelines, ACC approvals or any other covenants which the ACC has the power to enforce, or in such manner that the same encroaches on any easement, common area, building setback line, or upon request by an Owner in advance of construction, the ACC reserves the right (but shall not be obligated in any manner) to release said lot and owner from the restriction which he, she, or it violated and to grant an exception to permit the encroachment or violation so long as the ACC, in the exercise of its good faith discretion, determines that the release or exception will not materially and adversely affect the health, safety and appearance of the Properties. All such modifications, releases or exceptions shall be within the sole opinion and absolute discretion of the ACC. The ACC has the right but not the obligation, to grant waivers for minor deviations and infractions of this Declaration, the Architectural Standards Guidelines, any Supplementary Declaration. In making any of the foregoing determinations, the ACC shall adhere to the standards imposed upon Boards of Adjustment in granting variances under Article 1011(g), Revised Civil Statutes of Texas.

(h) Variances. The Architectural Control Committee may authorize variances from compliance with any of its guidelines

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(h) Variances. The Architectural Control Committee may authorize variances from compliance with any of its guidelines

when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental conditions require; however, such variances may only be granted, when unique circumstances dictate and no variance shall (1) be effective unless in writing, (2) be contrary to the restrictions set forth herein, or (3) estop the ACC from denying a variance in other circumstances.

(i) Architectural Standards Guidelines ("ASG"). The ACC shall promulgate the ASG by a majority vote together with the written consent of Declarant, so long as Declarant owns an interest in the Master Tract. All amendments, supplements, revocations and modifications shall also require a majority vote of the ACC together with the written consent of Declarant, so long as Declarant owns an interest in the Master Tract. The ASG shall be made available to all Owners and persons making application for approval to the ACC. The ASG shall be consistent with this Declaration and any Supplemental Declaration and shall supplement the Rules and Regulations of the Association. Additionally, in all instances where the ASG is in conflict with the development regulations of applicable Governmental Agencies, the most rigorous standard shall apply. In no event shall the ASG act to exempt any applicant or Owner from the regulations of any applicable Governmental Agency. The ASG will further set forth the application requirements, filing fees relative to seeking ACC approval, charges and other related matters for an Owner or prospective Owner to follow in connection with receiving approval for any development of any portion of the Properties. In the event of a conflict between the provisions of this Declaration and the provisions of the ASG, the provisions of the Declaration shall control.

D. Appeal to the Board of Directors. In the event that plans and specifications submitted for approval in accordance with the provisions hereof are disapproved by the ACC, the owner of a lot shall have the right to appeal the decision to the Board of Directors by written notice of appeal received by the President or Secretary of the Board within thirty (30) days after the date of disapproval. Procedures for such an appeal shall be determined by the Board of Directors. No action may be brought against the Association, its officers or directors, or the ACC or their members unless and until an appeal is made by a complaining owner and a decision on such an appeal is made by the Board of Directors.

ARTICLE V

GENERAL RESTRICTIONS

A. Permitted Use--Residential Purposes Only.

1. The Property shall be used only for private single family residential purposes, as shall more particularly be set forth in this Declaration. 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 three adults living and cooking together as a single housekeeping unit, though not related by blood, adoption, or marriage. The Association, acting through its Board of Directors, shall have the power to enforce such standards.

2. Only one residence shall be constructed on each lot. This provision shall not, however, prohibit the construction of one residence on a portion of two or more lots as shown by the plat of the subdivision, provided said lots are used solely for private single family residential purposes; in said event, the building lines in the center of said lots shall not apply.

3. The term "private single family residential purpose" as used herein shall be held without limitation to exclude duplex houses, rooming houses, boarding houses and apartment houses, trailer parks, and recreational vehicle parks and to exclude commercial, business, and professional uses, except for Declarant's lot sale program.

4. Except as to O'Rear, no building materials, tools or temporary building of any kind or character, including, but not limited to, tents, shacks, garages, barns or sheds, shall be placed or stored upon any lot on the Property until the Owner is ready to commence construction of Improvements thereon; any such temporary building or structure of any kind shall not be used for any purpose other than for construction purposes related to the building of the Improvements thereon. Any such buildings shall be maintained in a neat, attractive and clean condition.

Notwithstanding the preceding paragraph, the foregoing shall not restrict or prevent the construction and maintenance of temporary sales models and such other temporary facilities as are essential to the development and sale or lease of the Improvements constructed or to be constructed on any of the Property as long as such temporary facilities are in compliance with the requirements of applicable governmental agencies and have been approved by the ACC or Declarant.

5. No mobile homes, recreational vehicles, prefab homes, barns, motor homes, basements, shacks, tents, garages, or other outbuilding shall be used as a residence or living quarters on the Property.

B. Building Sizes, Location and Construction.

1. The living area of the main house or residential structure, exclusive of porches, open and screened terraces, patios, and garages, shall not be less than 2,000 square feet and not greater than two stories in height. Further, two story structures must have not less than 1600 square feet of living area on the first floor.

2. No building shall be located on any lot nearer to the front

or nearer to the side than the minimum building setback lines as shown on the recorded plat for the Property. If two or more lots are consolidated into a one building site for one residence, these building setback requirements shall apply to the resulting building site as if it were one original, platted lot.

3. No garage, shed or other building other than the residence may be greater in height or number of stories than the residence for which it is built. Garages, of sufficient size to accomodate not less that two cars, must be constructed.

4. No home shall be constructed prior to determining the FEMA 100 year flood plain and complying with all regulations governing such construction. Further, in no case shall any finished floor foundation be less than 18 inches above the highest centerline road elevation fronting the lot on which it is constructed. Variances to this requirement may be granted by the ACC.

C. Culverts. All culverts must be designed and constructed in accordance with the plans outlined in the Architectural Standards Guidelines (a copy of which is attached to these restrictions) unless a variance to said requirement is granted by the ACC.

D. Makeup and Location of Driveways. Each driveway must be designed so that it allows an automobile and truck to travel over it easily in all weather conditions (in other words, must be an all-weather road).

No driveway access is allowed to any lot onto Post Oak Circle with the exception of Lots 1 and 9 of Block 1. The ACC must approve of the driveway locations on all lots within the Property prior to the construction of the driveways. No lot is allowed more than one driveway access to a public road (no driveways with two entrances), unless a variance to said requirement is granted by the ACC.

E. Zones of Prohibited Removal of Trees and Brush. No trees, brush, or other woody vegetation may be cut in the area between the 60 foot front building lines on the respective lots along all streets and said streets, unless a variance to said requirements is granted by the ACC.

F. Partition of Lots. No lot shall be resubdivided or partitioned by any owner to make such lot smaller than its original size and no such owner shall divide one lot into multiple lots.

G. Prohibited Uses. No use of the Property shall be permitted which is offensive by reason of odor, fumes, dust, smoke, noise or pollution, or which is hazardous by reason of excessive danger of fire or explosion. No activity or use shall be permitted on or with respect to the Property which is obnoxious to or out of harmony with a distinctive community including, but not limited to any trailer houses and trailer parks, junk or scrap metal yard, industrial plant, waste material business, any dumping, disposal, incineration or reduction of garbage or refuse, sewage treatment or

other similar waste disposal system, except those on-site sewage facilities, which may be approved under an appropriate regulation then in effect in Victoria County, Texas, and any fire, bankruptcy or auction sale or operation. No burning of rubbish or trash shall be permitted at any time within the Properties, EXCEPT UPON SPECIFIC DAYS FROM TIME TO TIME ALLOWED BY THE ASSOCIATION.

No junk of any kind or character nor any accessories, parts or objects used with cars, boats, buses, trucks, trailers, house trailers, or the like shall be kept on the Property except in an enclosed garage or shed. Any non-operative vehicle left on any lot on the Property more than one month, but not secured from view from the public road within the Properties in a garage or similar structure may be removed by the Association at the Owner's expense.

H. Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No lot within the Property shall be used, in whole or in part, for the storage of any property or thing that will cause such property to appear to be in an unclean or untidy condition or that will be obnoxious or obscene to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Property, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, illegal, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property, except each Owner may keep weapons on the Property, which are approved by the Association in its sole discretion, as it determines an Owner may reasonably need for personal security on the Property or it determines is commonly used for hunting on other properties. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any of the Property unless required by law.

I. Disposal of Trash. No trash, rubbish, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any lot in the Property, nor shall any lot be used or maintained as a dumping ground for such materials. All such matter shall be placed in sanitary refuse containers constructed of metal, plastic, or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened from public view by

planting or fencing. All rubbish, trash, and garbage shall be regularly removed and not allowed to accumulate. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each lot shall remove such prohibited matter from his lot at regular intervals at his expense.

J. Fences, Walls and Hedges. No fence, wall or hedge shall be placed on any lot on the Property nearer to the front than the front building line. No fence, wall or hedge shall be higher than six feet, without the consent of the ACC. No wire or chain link fence is permitted on any lot in front of the residence except as approved by the ACC; however, such fences are permitted to the sides and in the rear of the residence on each lot. All fences must be kept repaired and maintained.

K. Maintenance of Grass, Weeds and Hedges. Grass and weeds shall be kept mowed to prevent unsightly appearance. Dead or damaged trees, which might create a hazard to property or persons, shall be promptly removed or repaired.

L. Owner's General Responsibility of Maintenance. Each Owner of a lot shall at all times be obligated to maintain his/her property and all improvements thereupon, so as to keep the same in a clean, neat, attractive, sightly and safe condition and to conform with all of these Restrictions.

M. Mineral Production. No oil drilling, oil development operations, refining, quarrying or mining operations of any kind shall be permitted within the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any of the Property. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any of the Property.

N. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or pastured on any lot, with the exception of dogs, cats or other usual and common household pets, not to exceed a total of five (5) pets; provided, however, those pets which are permitted to roam free, or which in the sole discretion of the Association, endanger health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners within the Property may be removed by the Association. No pets shall be kept, bred or maintained for any commercial purpose.

O. Signs. Except for a political sign as provided below, no signs or advertising device of any kind may be placed or kept on any lot other than one sign for advertising a certain lot for sale or rent, said sign not exceeding five (5) square feet in area and placed no more than 8 feet above ground. Notwithstanding the above,

contractors, architects, or lending institutions may place appropriate signs on a lot during construction. This paragraph does not apply to Declarant or O'Rear.

As to political signs, political signs, no larger than 4' by 6', may only be erected on any lot from on or after the 90th day before the election to which the sign relates until the 10th day after the election, so long as they are ground-mounted, they do not threaten the public health and safety, do not violate any law, do not contain language, graphics, or any display that would be offensive to the ordinary person and are not accompanied by music or other sounds or by streamers or are otherwise distracting to motorists or neighbors in the area.

P. Clothes Lines. No outside clothes lines or other outside clothes drying or airing facilities shall be maintained until after a residence is build on a lot and only behind the residence at the rear part of the lot.

Q. Gas Meters and Septic Tanks. All gas meters shall be located behind the building set back line. No home constructed in the Property shall be occupied until that home is connected to a functioning septic system approved by the Texas Natural Resources Conservation Commission. All septic tanks shall be located only at the locations as shown on the plat for the Property and approved by the ACC; variances to these requirements may be granted by the ACC. They shall comply with all federal, state, and local governmental regulation regarding their construction, operation, and maintenance. Septic systems shall be located to avoid conflicts with water well locations. All septic tank equipment must be enclosed as approved by the Architectural Control Committee.

R. Water Wells. All water wells must be located only at the locations as shown on the plat for the Property and approved by the ACC; variances to these requirements may be granted by the ACC. They shall comply with all federal, state, and local governmental regulation regarding their construction, operation, and maintenance. All water well equipment must be enclosed as approved by the Architectural Control Committee.

S. Motor Homes, Campers, Boats, and other Vehicles. No golf carts, mobile homes, motor homes, trailers of any kind or similar structure, trucks, campers, or boats shall be kept or placed on any lot, other than in a garage, for more than 5 days in any month. No golf carts, mobile homes, motor homes, trailers of any kind or similar structure, trucks, campers, or boats shall be repaired on any lot other than in a garage. No dismantling or assembling of a motor vehicle, boat, trailer, any truck or any other machinery of equipment shall be permitted in any driveway or yard. None of the above or any other vehicles may be left parked overnight on any street within the Property. No vehicle of any size which transports inflammatory or explosive cargo may kept within the Property at any

time. The provisions of the paragraph will not however apply to emergency vehicle repairs or temporary construction facilities maintained and used exclusively in connection with the reconstruction or repair of any work or improvements.

T. Damaged or Destroyed Improvements. Any building or other improvement on the Property that is destroyed partially or totally by fire, storm, or other means shall be repaired or demolished within a reasonable time and the land restored to an orderly and attractive condition.

U. Drainage. Nothing shall be erected, placed, maintained, done or permitted on any lot which interferes with surface water runoff in such a manner as to cause such water to be diverted onto another lot in the Property or to other properties or which causes flooding or erosion to any of said properties or to any roadway or ditch. The front 160 feet of each lot is a sanitary sewer control easement and no septic system shall be constructed within this area.

V. Excavations. Except as is necessary in conjunction with landscaping or construction of improvements thereon, the digging of dirt or the removal of dirt, sand, gravel, soil, or rock from any of the Property is prohibited.

W. Mailboxes. If individual mailboxes for each lot are allowed by the United States Postal Service within the Property, these mailboxes must be approved, prior to their erection in front of a respective home site, by the ACC and must be maintained and kept in a good, neat, and fully repaired condition.

ARTICLE VII

GENERAL PROVISIONS

A. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Association, Declarant and any Owner, their respective legal representatives, heirs, successors and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of such thirty (30) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, a majority of the total eligible votes of the membership of the Association cast at a duly held meeting of Members of the Association vote in favor of terminating or amending this Declaration, in part, at the end of its then current term. It

shall be required that written notice of any meeting at which such proposal to terminate or amend this Declaration is to be considered, setting forth the proposed termination or amendment, shall be given at least thirty (30) days and no more than sixty (60) days in advance of such meeting. In the event that the Association votes to terminate or amend this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum to adopt a resolution amending or terminating this Declaration, the total number of votes cast in favor of such resolution and the total number of votes cast against such resolution. The certificate shall be recorded in the Official Records of Victoria County, Texas, and may be prima facie evidence of the correctness of the facts contained therein as they relate to the termination or amendment of this Declaration.

B. Amendments by Declarant. Notwithstanding the above paragraph, until such time as Declarant does not own any interest in the Master Tract, the Declarant specifically reserves for itself, its successors and assigns, the absolute and unconditional right to unilaterally alter, modify, change, revoke, rescind or cancel, from time to time, any or all of the restrictive covenants contained in this Declaration or hereinafter included in any Supplemental Declarations or Additional Declarations, provided that the alteration, amendment, change, or revocation has no material adverse effect upon any right of any Owner, or the Owner or Owners so affected have consented thereto. Such right of modification expressly includes the right to release any portion of the Properties owned by Declarant from this Declaration.

C. Assignment of Rights and Duties. Any and all of the rights, powers and reservations of the Association or Declarant may be assigned to any person, corporation or association which will assume the duties of the Association or Declarant, as applicable, pertaining to the particular rights, powers and reservations assigned. Upon such assignee's evidencing its consent in writing to accept such assignment and assume such duties, it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Association or Declarant, as is applicable. Further, the Association or Declarant may from time to time delegate any and all of its rights, powers, discretion and duties hereunder to such agent or agents as it may designate.

D. Enforcement. Enforcement of the covenants, conditions and restrictions contained in this Declaration shall be accomplished by

any proceeding at law or in equity and may be instituted by the Declarant, its successors or assigns, the Association, its successors or assigns, or any Owner against any person or persons violating or circumventing or attempting to violate or circumvent any such covenant, condition or restriction, either to restrain violation or to recover damages, and to enforce any lien created by this Declaration. Failure by the Declarant, Association or any Owner to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. Until Declarant no longer has an interest in the Properties, if anyone other than Declarant intends to enforce such covenant, condition, or restriction, notice of intent to enforce a covenant, condition or restriction must first be given to Declarant at least ten (10) days prior to commencing such proceeding at law or in equity.

E. Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, subsection, paragraph, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court of other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Declaration a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

F. Interpretation. The Declarant (and after Declarant no longer has any interest in the Master Tract, the Board of Directors of the Association) shall have the right except as limited by any other provisions of this Declaration or Articles or By-Laws, to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and its good faith determination, construction or interpretation shall be final and binding.

G. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will perform no act nor undertake any activity which will cause it to lose its non-profit status under applicable state or federal law.

H. Number and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

I. Construction. The provision of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation and development of the Properties.

J. Mineral Reservation. Declarant hereby reserves and retains all rights, title and interest in all oil, gas, coal, coal tar, cement, limestone, gravel, sand, rock, caliche and other minerals in and to the Property; provided, however, Declarant shall not have the right to use any of the surface area of any portion of the Property for any exploring, mining, or drilling activity in connection with such minerals.

K. Merger and Consolidation. Upon a merger or consolidation of the Association with another non-profit corporation organized for the same or similar purposes, the Association's properties, rights, and obligations may be transferred to the surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties of the other association as one scheme. No merger or consolidation shall be permitted except with the consent of 75% of the lots which are then subject to assessment.

L. Cumulative Effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of any Supplemental Declarations; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Supplemental Declaration shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association.

IN WITNESS WHEREOF, this Declaration of Covenants,
Conditions and Restrictions is executed effective as of the
date listed above.

MCC REALTY, L.P.

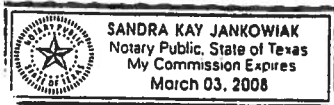
By: MCC DEVELOPMENT, LLC, General
Partner

By: Felix W. Covington, Manager

THE STATE OF TEXAS

COUNTY OF VICTORIA

This instrument was acknowledged BEFORE ME on this the 25
day of September, 2006, by Felix W. Covington,
Manager of MCC DEVELOPMENT, LLC, a Texas limited liability company,
as General Partner of MCC REALTY, L.P., a Texas limited
partnership.



Sandra Kay Jankowiak
NOTARY PUBLIC, STATE OF TEXAS

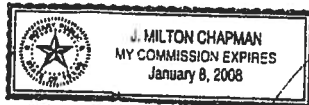
O'REAR CONSTRUCTION, INC.

By: [Signature]
Brian O'Rear, President

THE STATE OF TEXAS

COUNTY OF VICTORIA

This instrument was acknowledged BEFORE ME on this the 26th day of September, 2006, by Brian O'Rear, President of O'REAR CONSTRUCTION, INC, a Texas corporation, on behalf of said corporation.



[Signature]
NOTARY PUBLIC, STATE OF TEXAS