



DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS

PALOMA BLANCA ESTATES

THE STATE OF TEXAS

§

COUNTY OF SAN PATRICIO

§

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, VERDE VISTA, LTD., a Texas limited partnership ("Declarant") is the sole owner of certain real property located in San Patricio County, Texas, as more particularly described as Paloma Blanca Estates, Lots 1 through 21, being 123.559 acres of land out of the Malcolm McAuley Survey, Abstract No. 13, San Patricio County, Texas, and being more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (referred to herein as the "Property");

WHEREAS, Declarant desires to convey the Property subject to certain protective covenants, conditions, restrictions, liens, and charges hereinafter set forth; and

WHEREAS, Declarant desires to create and carry out a uniform plan for the improvement, development, and sale of the Property for the benefit of the present and future owners of the Property; and

NOW, THEREFORE, it is hereby declared: (i) that all of the Property shall be held, sold, conveyed, and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof; and (ii) that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions, and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

Article I

Definitions

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

- 1.01 Architectural Standards. "Architectural Standards" mean the standards and guidelines for improvements constructed on the Property adopted by the Declarant as modified and amended from time to time.
- 1.02 Declarant. "Declarant" shall mean Verde Vista, Ltd., a Texas limited partnership, its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.
- 1.03 Declaration. "Declaration" shall mean this instrument as it may be amended from time to time.
- 1.04 Developer. "Developer" means Declarant or a Person who has acquired a portion the Property from Declarant prior to such portion of the Property being subdivided (by final plat) into one or more legal Lots or who acquires one or more Lots and, with Declarant's consent, re-subdivides or re-plats such property into one or more legal Lots with the intent of construction of two or more Houses on such property.
- 1.05 Dwelling Unit. "Dwelling Unit" shall mean a residential unit with living area, a kitchen and bathroom (i.e., an area or space in which a person can live; for example a modular home, mobile home, or a House), being ten (10) years of age or newer at the time of installation.
- 1.06 House. "House" shall mean a detached or attached single family residence (a House 900 square feet or larger including a modular or mobile home) built or placed on a Residential Lot.
- 1.07 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to, buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers, and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.
- 1.08 Lot. "Lot" or "Lots" shall mean any parcel or parcels of land within the Property shown as a subdivided lot on the Plat of the Subdivision, together with all improvements located thereon.

- 1.09 Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.
- 1.10 Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.
- 1.11 Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include the Mortgagee or a Mortgage.
- 1.12 Person. "Person" or "Persons" shall mean any individual(s), entity or entities having the legal right to hold title to real property.
- 1.13 Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or erection of any Improvements, including but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to such Improvement.
- 1.14 Plat. "Plat" shall collectively mean Paloma Blanca Estates, an unrecorded subdivision.
- 1.15 Public Property. "Public Property" shall mean any Lot or Lots which are owned by a city, county, the State of Texas, the United State of America, or an agency, bureau, or instrumentality of one of the foregoing.
- 1.16 Public Purposes. "Public Purposes" shall mean the use of a Lot which is Public Property for a governmental or public purpose or function, such as fire house, police station or substation, or municipal offices.
- 1.17 Public School Property. "Public School Property" shall mean any Lot or Lots which are owned by a School District, improved or to be improved with school facilities, and used as (and only as) an elementary school or a secondary school and related uses.
- 1.18 Residential Lot. "Residential Lot" shall mean a Lot intended for Residential Use.
- 1.19 Residential Owner. "Residential Owner" shall mean the owner of the Residential Lot.

- 1.20 Residential Use. "Residential Use" shall mean the single family use of a House or attached residential dwelling for residential occupancy in accordance with this Declaration and applicable laws.
- 1.21 Restrictions. "Restrictions" shall mean this Declaration, as the same may be amended from time to time, together with the Architectural and Design Rules.
- 1.22 Residential Accessory Dwelling Unit. "Residential Accessory Dwelling Unit" shall mean a Dwelling Unit on a Residential Lot in addition to the House which constitutes the primary residence of the Owner and which is intended as a Dwelling Unit for other members of the Owner's family or household or for rental to a third party (subject to these restrictions); e.g., a garage apartment, also with a minimum of 800 square feet of living area.
- 1.23 School District. The term "School District" means an independent school district which is validly created and existing pursuant to the laws of the State of Texas and which owns and operates elementary and secondary public schools.
- 1.24 Subdivision. "Subdivision" shall mean Paloma Blanca Estates as described on Exhibit "A" attached hereto and made a part hereof for all purposes.

Article II
Development of the Property

- 2.01 Development by Declarant. Declarant may divide or subdivide the Property into several areas, develop some of the Property, and, at Declarant's option, sell any portion of the Property free of these restrictions.
- 2.02 Addition of Land. Declarant may, at any time and from time to time, add additional land to the Property and, upon the filing of a notice as hereinafter described, such land shall be considered part of the Property for purposes of this Declaration, and such land shall be subject to the terms, covenants, conditions, restrictions and obligations set forth in this Declaration. Notwithstanding the foregoing provision, a notice of addition of land may include modifications or amendments to the terms and provisions of the Declaration as applied to such additional land. To add land to the Property, Declarant shall be required only to record in the Official Public Records of San Patricio County, Texas, a notice of addition of land containing the following provisions:

- (a) A reference to this Declaration, which reference shall state the Document Number wherein this Declaration is recorded in the Official Public Records of San Patricio County, Texas;
- (b) A statement that such land shall be considered Property for purposes of this Declaration, and that all of the terms, covenants, conditions, restrictions and obligations of this Declaration shall apply to the added land; and
- (c) A legal description of the added land.

Article III
General Restrictions

All of the Property shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions:

- 3.01 Subdividing. No Lot shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey any easements or other interests less than the whole.
- 3.02 Hazardous Activities. No activities shall be conducted on the Property and no Improvements constructed on the Property, which are or might be unsafe or hazardous to any person or property.
- 3.03 Insurance Rates. Nothing shall be done or kept on the Property, which would increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located thereon.
- 3.04 Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth. **SAVE AND EXCEPT** for mineral estates conveyed prior to the execution of this Declaration and, provided that the Declarant is the Owner thereof.
- 3.05 Noise. No exterior speakers, horns, whistles, bells, or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

- 3.06 Animals. No pigs, hogs, swine, or wild animals may be kept, maintained, or cared for on the Property except up to 2 FFA animals at one time. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No animal shall be allowed to run at large, and all animals shall be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. No more than five (5) dogs or cats shall be allowed at any time excluding offspring under ten (10) weeks of age.
- 3.07 Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property, and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other property or to its occupants. Refuse, garbage, and trash shall be kept at all times in covered containers, and such containers shall be kept within enclosed structures or appropriately screened from view. Each Owner shall contract with an independent disposal service to collect all garbage or other wastes, if such service is not provided by a governmental entity. All garbage containers must be placed at the end of the driveway in alley for garbage collection days only and stored from view on all other days.
- 3.08 Maintenance. Each Owner shall keep all shrubs, trees, grass, and plantings of every kind on such Owner's Lot (and any portion of public right-of-way that is adjacent to the Owner's Lot and perceived as a part of that Lot) cultivated, pruned, free of trash, and other unsightly material. All improvements upon any Lot shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner of such Lot. Declarant shall have the right at any reasonable time to enter upon any Lot to replace, maintain, and cultivate shrubs, trees, grass, or other plantings as deemed necessary; to paint, repair, or otherwise maintain any improvements in need thereof; and to charge the cost thereof to the Owner of the Lot.
- 3.09 Temporary Structures. No tent, shack, or other temporary building, improvement, or structure shall be placed upon the Property; provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for architects, builders, and foremen during actual construction may be maintained.
- 3.10 Unightly Articles; Vehicles. No article deemed to be unsightly shall be permitted to remain on any Lot so as to be visible from adjoining property or from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, boats, tractors, recreational vehicles, campers, wagons, buses, motorcycles, motor scooters, all-terrain vehicles and garden maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view and no repair

or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other approved structures. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view, and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse or trash shall be kept, stored, or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view. No (i) racing vehicles, or (ii) other vehicles of any nature (including, without limitation, motorcycles or motor scooters) which are inoperable or do not have a current license tag shall be permitted to remain visible on any Lot or to be parked on any roadway within the Subdivision.

- 3.11 Compliance with the Restrictions. Each Owner, his or her family, occupants of a Lot, tenants, and the guests, invitees, and licensees of the preceding shall comply strictly with the provisions of the Restrictions as the same may be amended from time to time. Failure to comply with any of the Restrictions shall constitute a violation of this Declaration, and shall give rights to a cause of action to recover sums due for curing the same, actual and statutory damages, and injunctive relief, or a combination thereof. The Restrictions may be enforced by any Owner, Declarant, or the City in which the Lot is located, if any. In such action, the parties agree to waive any bond required to be placed by the City where the Lot is located, if any, or Declarant, or if waiver is not allowed by the court, to set the bond in an amount not exceeding \$100.00. Each Owner is strictly liable for the noncompliance of his family, occupants of a Lot, tenants, and the guests, invitees, and licensees of the preceding. To aid in the prevention of noncompliance, each Owner shall provide to his tenants, who shall sign a receipt for the same, a copy of the Restrictions and shall provide in each lease of a Lot, which lease shall be in writing, that violation of the Restrictions that is not cured within seven (7) days of the first notice sent by the Association, shall constitute a breach of the lease. Each owner, by acceptance of a deed to a Lot, hereby irrevocably appoints the City where the Lot is located, if any, and Declarant, as his attorney-in-fact to terminate the right of occupancy under the lease and evict any tenant or other occupant, not a part of the Owner's family living with the Owner on the Lot, in the event of an uncured violation. Said attorney-in-fact shall have right, but not the duty, to bring such eviction proceeding.
- 3.12 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms, or provisions. Any

Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms, or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

- 3.13. Dwelling Type; Size; Height; Building Materials. Only Site Built Homes or modular homes, or mobile homes are allowed. Any singlewide mobile homes or modular homes must be less than ten (10) years of age at the time of installation on the Lot. All dwellings shall contain not less than 900 square feet of gross area per Dwelling Unit. No dwelling may exceed three stories in height. All building materials shall be rock, brick, hardy board or horizontal siding. Composition shingles with a minimum warranty of twenty (20) years shall be used on all structures. All projections from a dwelling or other structure, including but not limited to chimney flues, vents, gutters, downspouts, utility boxes, perches, railings and exterior stairways shall match the color of the surface from which they project.

Article IV

Use and Construction Restrictions

- 4.01 Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage.

Article V

Easements

- 5.01 Reserved Easements. All dedications, limitations, restrictions, and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions, and related rights, made prior to the Property becoming subject to this Declaration are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other Person, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility purposes (including without limitation, gas water, electricity, telephone and drainage) in favor of any Person along any front, rear, or side boundary

line of any Lot, which said easements shall have a maximum width of ten (10) feet (provided, however, that easements along said yard lot lines shall straddle such lot lines with five [5] feet on each of the adjoining Owner's Lots).

- 5.02 Installation and Maintenance. There is hereby created an easement upon, across, over, and under all of the Property for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, wastewater, gas, telephones, and electricity lines and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service line, or other utility facilities or appurtenances thereto, on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any improvement. Notwithstanding any provision contained in this section, no electrical lines, waterlines, or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Committee. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.
- 5.03 Drainage Easements. Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of improvements thereon, require. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements as defined in this Declaration and shown on the Plat. There shall be no construction of improvements, temporary or permanent, in any drainage easement.
- 5.04 Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers. However, neither the Declarant nor any supplier of any utility service using any easement area shall be liable to any Owner for any damage done by them or either of them, or their respective agents, employees, servants, or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation, or repair of any facility in any such easement area.

Article VI Miscellaneous

- 6.01 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until January 1, 2037, unless amended as herein provided. After January 1, 2037, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished as set forth in Section 6.02 below.
- 6.02 Amendment/Extinguishment. This Declaration may be amended or extinguished by the recording in the Official Public Records of San Patricio County, Texas, of any instrument executed and acknowledged by the Declarant, its successors or assigns, setting forth the amendment or extinguishment.
- 6.03 Removal or Withdrawal of Property. Declarant may, at any time and from time to time, reduce or withdraw from the Property, and/or remove and exclude and/or permanently, temporarily, or conditionally exempt, from the burden of this Declaration or specific provisions hereof: (i) any portions of the Property which have not been included in a Plat; (ii) any portion of the Property included in a Plat if Declarant (or any Developers to whom Declarant has assigned all or a portion of Declarant's rights hereunder, a "Declarant Developer") owns all Lots described in such Plat; and (iii) any portions of the Property included in a Plat even if Declarant (or the applicable Declarant Developer) does not own all Lot(s) described in such Plat, provided that Declarant obtains the written consent of all other Owners of Lot(s) described in such Plat.
- (a) Effect. Upon any such withdrawal, removal, or exemption of Property, this Declaration and the covenants, conditions, restrictions, easements and obligations set forth herein shall no longer apply to the portion of the Property withdrawn (subject to any conditions or limitations provided for in the Notice of Withdrawal/Exemption, as defined below).
- (b) Procedure. To withdraw and/or exempt lands from the Property hereunder, Declarant shall be required only to record in the Official Public Records of San Patricio County, Texas, a notice of withdrawal and/or exemption of land (the "Notice of Withdrawal/Exemption") containing the following provisions:
1. A reference to this Declaration, which reference shall state the volume and initial page number and/or or the Document Number of the San Patricio County Official Public Records wherein this Declaration is recorded;
 2. A statement that the provisions of this Declaration shall no longer apply to the withdrawn land and/or that the land is

exempt (permanently, temporarily, or conditional) from the covenants, conditions, restrictions, easements and obligations of this Declaration (and, if any such exemption is temporary or conditional, the express terms pursuant to which the exemption may or will expire and/or the specific conditions which may result a termination or revocation of the exemption); and

3. A legal description of the withdrawn land.

Declarant's rights of withdrawal under this 6.03 shall apply to all portions of the Property.

- 6.04 Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either by certified mail, return receipt requested, or personally delivered and a written receipt received therefore. If delivery is made by certified mail, it shall be deemed to have been delivered on the date on which it was received by the person to which such notice was addressed.
- 6.05 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property and of promoting and effectuating the fundamental concepts of the Property set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.
- 6.06 Exemption of Declarant. Notwithstanding any provision in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be limited by this Declaration. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct any and alter drainage patterns and facilities, to construct any and all other types of improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales, and leasing anywhere within the Property.
- 6.07 Assignment of Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights, and duties under this Declaration to any other Person and may permit the participation, in whole or in part, by any other Person in any of its privileges, exemptions, rights, and duties hereunder.
- 6.08 Enforcement and Nonwaiver. Except as otherwise provided herein, any Owner at his own expense, the City in which the Lot is located, if any, and/or the Municipal Utility District having jurisdiction over the Property

shall have the right to enforce all of the provisions of the Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision. The failure to enforce any provision of the Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Restrictions.

- 6.09 Mediation. In the event of any dispute, controversy, or claim which arises from, relates to, or is connected with this Declaration, or any similar rules promulgated hereunder or under, which is between or among any Owner, or any person claiming by, through, or under an Owner, including without limitation any permitted tenant or lessee (each, an "Owner Party"), or any officer, member, or representative of any one or more of the foregoing, the parties to such dispute agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the dispute shall be submitted to mediation before the parties resort to arbitration or litigation and a mutually acceptable mediator shall be chosen by the parties to the dispute who shall share the cost of mediation services equally.
- 6.10 Arbitration. If any dispute, controversy, or claim as described in this Section 6.10 arises which is not resolved by mediation as provided above, then either the Owner Party may upon written request cause such dispute, controversy, or claim, including any claim based on or arising from an alleged tort, to be submitted to binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state law), the Rules of the American Arbitration Association, and the "Special Rules" set forth below. In the event of any inconsistency, the Special Rules shall control. Judgment upon any arbitration award may be entered in any court having jurisdiction. Any Owner Party or Declarant to any such dispute, controversy, or claim may bring an action, including a summary or expedited proceedings, to compel arbitration of any such dispute, controversy, or claim to which this Declaration applies in any court having jurisdiction over such action. The party that requests arbitration has the burden to initiate the arbitration proceedings pursuant to and by complying with the Real Estate Industry Rules of the American Arbitration Association and shall pay all associated administrative and filing fees.
- (a) The arbitration shall be conducted in the City of Austin, Texas, and administered by the American Arbitration Association. All arbitration hearings will be commenced within sixty (60) days of the written request for arbitration, and if the arbitration hearing is not commenced within the sixty (60) days, the party that requested arbitration shall have waived its election to arbitrate.

- (b) Nothing in this Declaration shall be deemed to limit the applicability of any otherwise applicable statutes of limitation or repose and any waivers contained in this Agreement.
 - (c) Acceptance by any person of a deed to any portion of the Property shall be deemed such person's agreement to these arbitration provisions.
- 6.11 Construction. The provisions of the Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections or articles hereof.
- 6.12 Conflict Resolution. In the event of any conflict between this First Amended Declaration and the original Declaration, this First Amended Declaration shall control.

EXECUTED this 20th day of January, 2012.

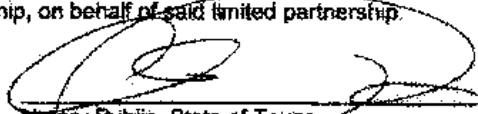
VERDE VISTA, LTD., a Texas Limited Partnership

BY: RATHGEBER INVESTMENT GP, INC.,
its General Partner

BY: Edward R. Rathgeber
Edward R. Rathgeber, President

THE STATE OF TEXAS §
 §
COUNTY OF SAN PATRICK §

This instrument was acknowledged before me on the 20th day of JANUARY, 2012, by Charles Dougherty, Trustee, of VERDE VISTA, LTD., a Texas limited partnership, on behalf of said limited partnership.


Notary Public, State of Texas

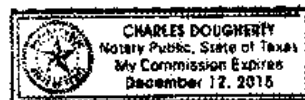


Exhibit "A"

Field notes of a being out of a 177.88 acre tract (Tract 2) of land described in Deed of Trust from Verde Vista, Ltd., to William H. Bingham, Trustee for the benefit of Rosa M. Rathgeber dated May 15, 2003, and recorded in Clerk's File No. S18474 of the Real Property Records of San Patricio County, Texas; and part of a second 177.88 acre tract (Tract 1) of land conveyed from Edward R. Rathgeber, Jr., to Verde Vista Ltd., a Texas Limited Partnership by Special Warranty Deed with Vendor's Lien dated December 20, 2002 and recorded in Clerk's File No. S14170 of the Real Property Records of San Patricio County, Texas;

Beginning at a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set in the south right-of-way line of County Road 1196 (Old County Road 36A), in the northerly east line of Verde Vista Addition - Section 1, as shown on map recorded in Clerk's File No. S11644, Env. A-339 & A-340, Tube No. 29-3 of the Map Records of San Patricio County, Texas; for the northwest corner of this tract; whence the northeast corner of said Verde Vista Addition - Section 1 bears N 03° 32' 19" W, a distance of 10.02 feet;

Thence N 86° 27' 41" E along the south right-of-way line of said County Road 1196 and the north line of this tract, a distance of 1148.07 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set for the northeast corner of this tract; whence the northeast corner of said first 177.88 acre tract bears N 04° 03' 23" W, a distance of 30.79 feet;

Thence S 04° 03' 23" E along the east line of said first 177.88 acre tract and an east line of this tract, a distance of 1126.33 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set for an angle corner of this tract;

Thence S 03° 46' 24" E continuing along the east line of said first 177.88 acre tract and an east line of this tract, a distance of 2161.48 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set for the southeast corner of this tract;

Thence N 76° 32' 03" W across said first 177.88 acre tract, across said second 177.88 acre tract, and along the south line of this tract, a distance of 2625.53 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set in the east line of a 22.35 acre tract conveyed to H. A. Rutledge by Deed recorded in Volume 450, Page 278 of the Deed Records of San Patricio County, Texas; and the west line of said second 177.88 acre tract, for the southwest corner of this tract;

Thence N 06° 23' 15" E along the west line of said second 177.88 acre tract, the west line of this tract, and along the east line of said 22.35 acre tract, a distance of 656.64 feet to a 5/8" iron rod found for the southwest corner of said Verde Vista Addition and the southerly northwest corner of this tract;

Thence S 89° 36' 45" E along a south line of said Verde Vista Addition and a north line of this tract, a distance of 145.00 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set for an interior corner of said Verde Vista Addition and an exterior corner of this tract;

Thence S 00° 23' 15" W along the southerly west line of said Verde Vista Addition and a west line of this tract, a distance of 44.41 feet to a point for the southerly southwest corner of said Verde Vista Addition and an interior corner of this tract;

Exhibit "A"
(Page Two)

Thence S 89° 36' 45" E along a south line of said Verde Vista Addition and a westerly north line of this tract, a distance of 350.00 feet to a 5/8" iron rod found for an the southerly southeast corner of said Verde Vista Addition and an interior corner of this tract;

Thence N 00° 23' 15" E along the southerly east line of said Verde Vista Addition and a west line of this tract, a distance of 513.18 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set at the beginning of a curve to the left, for an interior corner of said Verde Vista Addition and an exterior corner of this tract;

Thence in a northeasterly direction with said curve [Radius = 350.00 feet, Chord Bearing and Distance is N 65° 40' 58" E, 149.08 feet] to the left, along a southeast line of said Verde Vista Addition and a northwest line of this tract, a distance of 150.23 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence N 53° 23' 10" E continuing along a southeast line of said Verde Vista Addition and a northwest line of this tract, a distance of 8.20 feet to a 5/8" iron rod found for the northerly southeast corner of said Verde Vista Addition and an interior corner of this tract;

Thence N 36° 36' 50" W along a southerly northeast line of said Verde Vista Addition and a southerly southwest line of this tract, a distance of 145.00 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1907" set in the southeast right-of-way line of Paloma Drive, for an interior corner of said Verde Vista Addition and an exterior corner of this tract;

Thence N 53° 23' 10" E along a southeast line of said Verde Vista Addition; a southeast right-of-way line of said Paloma Drive, and a northwest line of this tract, a distance of 192.70 feet to a 5/8" iron rod found in a curve to the left on said Verde Vista Drive, for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence in a northeasterly direction with said curve [Radius = 58.00 feet, Chord Bearing and Distance is N 53° 23' 10" E, 102.13 feet] to the left, continuing along a southeast line of said Verde Vista Addition and a northwest line of this tract, a distance of 124.91 feet to a 5/8" iron rod found at the end of said curve to the left for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence N 53° 23' 10" E continuing along a southeast line of said Verde Vista Addition and a northwest line of this tract, a distance of 239.44 feet to a 5/8" iron rod found for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence S 81° 36' 58" E along a southwest line of said Verde Vista Addition and a northeast line of this tract, a distance of 28.28 feet to a 5/8" iron rod found for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence N 53° 23' 10" E along a southeast line of said Verde Vista Addition and a northwest line of this tract, a distance of 55.00 feet to a 5/8" iron rod found for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Exhibit "A"
(Page Three)

Thence N 08° 23' 10" E along a southeast line of said Verde Vista Addition and a northwest line of this tract, a distance of 28.28 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1987" set for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence N 36° 36' 50" W along a northeast line of said Verde Vista Addition and a southwest line of this tract, a distance of 55.00 feet to a 5/8" iron rod with surveyor's cap stamped "RPLS 1987" set for an interior corner of said Verde Vista Addition and an exterior corner of this tract;

Thence N 52° 23' 10" E along a southeast line of said Verde Vista Addition and a northwest line of this tract, a distance of 159.44 feet to a 5/8" iron rod found for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence N 36° 36' 50" W along a northeast line of said Verde Vista Addition and a southwest line of this tract, a distance of 40.69 feet to a 5/8" iron rod found at the beginning of a curve to the right, for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence in a northerly direction with said curve [Radius = 100.00 feet, Chord Bearing and Distance is N 20° 04' 15" W, 56.93 feet] to the right, along an east line of said Verde Vista Addition and a southwest line of this tract, a distance of 57.73 feet to a 5/8" iron rod found for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence N 03° 32' 19" W continuing along a east line of said Verde Vista Addition and a west line of this tract, a distance of 46.09 feet to a 5/8" iron rod found for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence N 41° 17' 41" E along a southeast line of said Verde Vista Addition and a northwest line of this tract, a distance of 28.28 feet to a 5/8" iron rod found for an angle corner of said Verde Vista Addition and an angle corner of this tract;

Thence N 86° 27' 41" E along a south line of said Verde Vista Addition and a north line of this tract, a distance of 168.54 feet to a 5/8" iron rod found for the northerly southeast corner of said Verde Vista Addition and an interior corner of this tract;

Thence N 03° 32' 19" W along the northerly east line of said Verde Vista Addition and the northerly west line of this tract, a distance of 670.0 feet to the point of beginning, containing 123.56 acres of land, more or less, subject to all easements of record.

Bearings are GPS, Texas Coordinate System of NAD 27, Texas South Zone.

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Gracie Rianiz-Gonzalez

Gracie Rianiz-Gonzalez, County Clerk
San Patricio Texas



January 20, 2012 04:25:51 PM

FEE: \$20.00
RESTRICTIONS

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