

AMENDED DECLARATION OF COVENANTS,
STIPULATIONS AND RESTRICTION OF
MARTIN ENTERPRISES SUBDIVISION

STATE OF TEXAS

COUNTY OF HIDALGO

This restatement of the Declaration of Covenants, Stipulations and Restrictions for Martin Enterprises Subdivision; Hidalgo County, Texas, is made this 2nd day of February 2002, by the undersigned lot owners, hereinafter called the Declarants.

SECTION I

Declarants are lot owners of certain property situated in Hidalgo County, Texas, which is described as follows:

Block 1, Lots 1-20, Block 2, Lots 1-23, Block 3, Lots 1-20, Block 4, Lots 1-23, Block 5, Lots 1-44, Block 6, Lots 1-32, Block 7, Lots 1-32, Block 8, Lots 1-44, Block 9, Lots '1-5 and Block 10 Lots 1-10, MARTIN ENTERPRISES SUBDIVISION, Hidalgo County, Texas. The subdivision is also known as DREAM VALLEY RANCH.

The above described property is subject to a Declaration of Covenants, Stipulations and Restrictions recorded in Volume 1710, Pages 276-232, Deed Records, Hidalgo, County, Texas. The properties in this subdivision have been held, sold, and conveyed subject to the covenants, stipulations and restrictions established in those recorded instruments, and said covenants, stipulations and restrictions run with the real property and are binding on all parties having right, title or interest in the described properties or any part thereof, their heirs, successors, and assigns, and inure to the benefit of each owner thereof.

The common areas of MARTIN ENTERPRISES SUBDIVISION have been conveyed to DREAM VALLEY RANCH, INC., a Texas non-profit corporation, for administration of said common areas.

SECTION II

In accordance with Paragraph 3, **GENERAL POSSESSORY**, of the Declaration of Covenants, Stipulations and Restrictions, Martin Enterprises Subdivision, the declaration may be amended during the first twenty-five year period by an instrument signed by the owners of at least 75% of the lots agreeing to such change. The undersigned declarants, consisting of 75% or more of the lot owners, desire to amend and restate the Declaration of Covenants, Stipulations and Restrictions as recorded in Volume 1710, Pages 276-2132, Hidalgo County, Texas.

SECTION III

Declarants for themselves, their successors, and assigns, hereby declare their intent to amend and restate the Declaration of Covenants, Stipulations, and Restrictions, for Martin Enterprises Subdivision as recorded as stated above. Declarants hereby declare that all of the properties described above shall be held, sold, and conveyed subject to the following Declaration of Covenants, Stipulations and Restrictions, as restated herein, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and binding on all parties having any right, title or interest in the above described properties, or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof. This restatement of the Declaration of Covenants, Stipulations and Restrictions shall

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Replace all prior Declarations and Amendments and shall operate as covenants running with the land for the benefit of each of the parties having any right, title or interest, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

SECTION IV

RESIDENTIAL SUBDIVISION FOR PERSONS OVER 55 YEARS OF AGE

The Lot Owners restrict the use of the property so that it is a private, residential Subdivision in which all of its lots are occupied by at least one person 55 years of age or older. The restrictions, stipulations and conditions set out below are designed to maintain this intent. Children under 18 year of age may visit the property for a period of not more than thirty (30) days in anyone calendar year. No children under 18 years of age. Shall be permitted to use the common area unless accompanied by their adult host.

(1) NO OWNER shall occupy or use his lot or residence and such outbuildings as are customarily appurtenant thereto or permit the same or any part thereof to be occupied or uses for any purpose other than as a Private Residence of the OWNER, his family, guests and tenants. NO OWNER shall collect rent for the usage of the outbuildings, guesthouse or recreational vehicles. Guest Houses and recreational vehicles may only be used by visiting family members and personal friends of the lot owners.

(2) THE MARTIN ENTERPRISES SUBDIVISION is intended and operated as a whole as housing for persons ages 55 and older and is planned, marketed and designed to meet the physical and social needs of older persons. There shall be no child or children under the age of 18 years of age in residency in the Subdivision. Occupancy is restricted to situations wherein at least one person who is 55 years of age or older, per residential unit, is in residence; temporary and limited absences excepted. Also exempted are instances where such qualifying occupancy involuntarily ceases due to death or physical or mental disability of the qualifying person 55 years of age or older. Also exempted from the provisions of this Subsection (2) shall be properties not in compliance with such provisions at the time of the recording of this Amendment to the Covenants; all instances of this exemption will cease upon any subsequent conveyance by sale, lease, or otherwise, of the lot or residence.

(3) No property in the Subdivision shall be conveyed whether by sale, lease, release or renewal of an existing lease to any party buying, leasing, releasing or renewing a lease *for* the benefit of an identified or prospective occupant grouping without at least one member of such identified or prospective occupant grouping being fifty-five (55) year of age or older. Nothing contained in this Subsection shall prohibit the conveyance of property to: (i) parties taking possession and/or ownership of such property for the benefit of one or more relatives age 55 or older and such relative or relatives in fact being the actual occupants of such property; (ii) households purchasing property for future occupancy for such future time as when at least one person belonging to such household is 55 years of age or older.

(4) By acceptance of a conveyance of property in this Subdivision, the Grantee or Grantees therein contract and agree to be bound by the above rules and prohibitions. Any owner who allows his Tenant or Tenants to violate these or any other covenants shall be liable and held responsible for his Tenant's acts.

SECTION V

Architectural Committee

1. No mobile home structures, drives, patios, awnings, or fences shall be placed on or erected or altered on any lot until construction plans and specifications and plot plans showing the location of the

mobile home and structures have been submitted to and approved by the Architectural Committee, as to quality of workmanship and materials, harmony of exterior design and suitability of location. The Architectural Committee shall be selected by the Board Directors of Dream Valley Ranch, Inc.

2. A majority of the committee may designate a representative to act for it and may also remove any member and designate a successor. Neither the members of the committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

3. If the committee or its 'designated representative fails to approve or disapprove any proposal submitted by 'owners, within thirty (30) days after the plans and specifications have been submitted to it, and in any event if no suit to enjoin the construction has commenced prior to completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

DREAM VALLEY RANCH FACILITIES/HALL

1. A recreation center, comprising of a recreation hall, swimming pool, shuffleboard courts, horse shoe pitching area and including the land designated for their construction shall be maintained by the Dream Valley Ranch, Inc., a Texas Non-profit Corporation.

2: Dream Valley Ranch, Inc. shall collect assessments necessary to properly maintain the recreation center, collect lot maintenance charges from lot owners and collect laundry percentage fee paid by laundry equipment owners. The Board of Directors of Dream Valley Ranch, Inc. shall control the scheduling and use of the recreation facilities for meetings, social gatherings, parties, etc.

3. Maintenance fees shall be assessed against each lot as set out in the bylaws of Dream Valley Ranch, Inc. Failure to pay such maintenance fees when due shall cause a maintenance and assessment lien to be placed upon such property until all fees, assessment and late charges are paid. All court costs, attorney's fees and incidental costs in securing said lien shall be at the lot owner's expense. Timely, payment of maintenance fees shall make each lot owner and his spouse a member of Dream Valley Ranch- Association, Inc. with all the rights and privileges accorded to its members.

4. All funds collected by the Dream Valley Ranch, Inc., will be deposited in an account under the name of Dream Valley Ranch, Inc. at a State or National Bank selected by the Board of Directors and shall be used as defined in Paragraph 2.

5. Lot owners shall have an equal proportionate share in the funds deposited in said account and said share shall be included in future sales by the lot owner and transferred to a new owner. Sale price of lots shall include shares in corporation.

SECTION VI

RESTRICTIONS

1. LOT USES

The subdivision shall be limited to and restricted to mobile homes, park models, recreational vehicles and approved additions. All additions must be approved by the Architectural' Committee.

2. YARD DIMENSIONS

Minimum set back in mobile unit of structures as follows:

Front Yard: Twenty-five (25 feet from front curb; Side Yard: Six (6') feet; Rear Yard: Five (5') feet. Fencing shall be limited to the rear fifty (50%) percent of lots (except easements), and foot less than Ten (10') feet from street right-of-way on corner lots with side streets, except recreational vehicle lots where set backs may be altered with approval of the Architectural Control Committee.

3. UTILITY EASEMENTS

Utility easements shall be kept clean and unobstructed and be accessible at all times for utility trucks and equipment when necessary. No trees or shrubs shall be planted in utility easements. No fencing shall be constructed less than ten feet (10') from any adjacent street.

4. LOT IMPROVEMENTS AND BUILDINGS

No permanently placed mobile home or park model, over seven (7) years old shall be placed on a lot without prior approval of the Architectural Committee. A permit is required from the Architectural Committee for all lot improvements, concrete drives, patios, awnings, structures and fences prior to start of construction.

5. VEHICLE PARKING

Lot owners shall provide a concrete driveway on their lot for parking of automobiles and a pad or runners are required for recreational vehicles and mobile homes. Persons owning lots shall park recreational vehicles, if on the premises, for a period in excess of seven (7) days on the rear fifty (50%) percent of the lots.

6. LOCATION OF UNITS

All mobile homes and recreational vehicles shall be located on the lot perpendicular to the street with the front or tongue of the unit facing the street. Side streets parallel with the length of the lot are not considered. Outside perimeter lots may be exempted due to their configuration and location. The location and direction of all units on these lots may vary but must be approved by the Architectural Committee.

7. CLOTHES LINE

Clothes lines shall be restricted to fourteen (14') feet in length and shall be constructed at rear of lots, or a location approved by the Architectural Control Committee.

8. SKIRTING

All mobile homes and park models shall be skirted within sixty (60) days of arrival with a suitable material approved by the Architectural Control Committee.

9. SHEDS

Sheds must be approved by the Architectural Committee and must maintain suitable finish at all times. All sheds must be on rear 50% of lots. Sheds may not be used as living quarters.

10. ANCHORING

All mobile homes and park models shall be anchored in accordance with Texas State Regulations, but in any event within six (6) months from the date they are placed on the lot.

11. MAINTENANCE

All lots maintenance shall be subject to Chapter 343 of Health and Safety Code, Vernon's Texas Code Annotated. All lots shall be kept free of debris, inoperative vehicles or wrecked vehicles (only minor auto repair shall be permitted). Storage of tires, boxes, appliances, etc. in the open lot shall be prohibited. Yards shall be established in grass or desert lawn, attractive year round and shall be mowed and maintained by the owner. Vegetable gardens shall be confined to the rear of lots, but not on easements. Mowing of overgrown lots shall be directed by the Board of Directors and the cost assessed to the lot owner at the then current prevailing rate.

12. OCCUPANCY

No lot shall be used for any purpose other than residential purposes and shall be occupied for single family use. Visits by minor children shall be limited to thirty (30) days and shall be supervised.

No obnoxious or offensive activities shall be carried on in any lot or on any street nor shall anything be done thereon that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

13. COMMERCIAL VEHICLES

No commercial trucks over one-ton capacity shall be parked in Dream Valley Ranch other than for deliveries.

14. PETS

No lot owner shall have more than two (2) dogs or two (2) cats, or a combination totaling two (2). Pets must be restrained with a leash or fenced at all times. No pets shall be allowed in the recreation hall or swimming pool area. Lot owners shall have the responsibility of keeping their pets quiet and shall pick up waste from their pets. No livestock or fowl shall be allowed.

15. GUEST USE OF RECREATIONAL FACILITIES

Recreation facilities shall be restricted to the use of Martin Enterprises Subdivision lot owners and their guests. Minor children must be supervised by an adult.

SECTION VII.

DURATION AND AMENDMENT

1. DURATION

The Regulations set forth herein shall continue and be binding upon Owner, Owner's successors and assigns for a period of thirty-five (35) years ("Primary Term") from this date, unless terminated or amended. At the expiration of the Primary Term, regulations shall automatically be extended for an additional ten (10) year period ("Extension Term") and for successive periods of the Extension Term thereafter, unless terminated or amended. After the expiration of the Primary Term, the owners of a majority of the lots may execute and acknowledge an agreement in writing terminating or revising the terms of this instrument and file the same in the Real Property records of each County in which the Subdivision property is located, or in such office as conveyance of real estate then may be required to be filed, and then and thereafter the Regulations set forth in this instrument shall be null, void and of no further force and effect, or shall be modified as such recorded instrument may direct.

2. Amendment

These Regulations may be amended, but not terminated, at any time by consent of not less than seventy-five percent (75%) of the record owners of fee simple title of all lots in the Subdivision, as such record ownership is reflected by the Real Property Records of the County or Counties in which the Subdivision property is located.

SECTION VIII.

ENFORCEMENT

1. Parties Bound

These Regulations shall be binding upon Owner, Owner's successors and assigns and all parties claiming by, through or under Owner and all subsequent owners of property in the Subdivision, each of whom shall be obligated and bound to observe the terms of this instrument; provided, however, that no such persons shall be liable except with respect to breaches committed during ownership of said property.

2. Limitations of impact on Mortgages

The violation of any term of provision of this instrument shall not operate to invalidate any mortgage, deed of trust or other lien acquired and held in good faith against any lot, or any part thereof, but such liens may be enforced as against any and all lots so encumbered.

3. Standing and Remedies

Owner or the owners of any lot or lots in the Subdivision shall have the right to enforce observance or performances of the provisions of this instrument. If any person violates or attempts to violate any term or provision of this instrument, it shall be lawful for the Board of Directors of Dream Valley Ranch, Inc., to prosecute proceedings at law or in equity against the person violating or attempting to violate any term or provision of this instrument, in order to accomplish anyone or more of the following: to prevent the owner, or their tenants, invitees or representatives from so doing; to correct such violation; to recover damages; or, to obtain such other relief for such violation as then may be legally available.

4. Result of Conflicting Regulations

These Regulations shall not permit any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictive covenants of record. In the event of any conflict, the most restrictive provisions of such laws, rules, regulations, restrictive covenants of record, or these Regulations shall govern and control.

5. Alternative Dispute Resolution Procedure

The parties agree to mediate in good faith to resolve any dispute under this instrument before filing a suit for damages. Following mediation, all unresolved issues shall be American Arbitration Association's Commercial Arbitration Rules.

SECTION IX.

MISCELLANEOUS

1. Attorney's Fees

Any party subject to this instrument who is the prevailing party in any proceeding, whether it is in negotiation, mediation, arbitration or litigation, against any other party brought under or in connection with this instrument or the subject matter hereof, shall be additionally entitled to recover all costs and reasonable attorney fees, and all other related expenses, including deposition costs, arbitrator and mediator fees, travel and expert witness fee from the non-prevailing party.

2. Binding Effect

This instrument shall be binding upon and inure. To the benefit of the parties hereto and their respective heirs, executors, representatives, successors and assigns where permitted by this instrument.

3. Choice of Law

This instrument shall be subject to and governed by the laws of the State of Texas. Excluding any conflicts-of-Law rule or principle that might refer to construction or interpretation of this instrument to the laws of another state. Each party hereby submits to the jurisdiction of the state and federal courts in the State of Texas and to venue in the County in which the Subdivision plat is recorded.

4. Effect of Waiver or Consent

No waiver or consent, express or implied, by any owner to or of any breach or default by any owner in the performance by such owner of the obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such owner of the same or any other obligations of such owner hereunder. Failure on the part of an owner to complain of any act of any owner or to declare any owner in default, irrespective of how long such failure continues, shall not constitute a waiver by such owner of the rights hereunder until the applicable statute of limitation period has run.

5. Legal Construction

In case anyone or more of the provisions contained in this instrument shall for any reason be invalid, illegal or unenforceable in any respect, to the extent such invalidity or unenforceability does not destroy the basis of the bargain among the parties, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this instrument shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Whenever required by the context, as used in this instrument, the singular number shall include the plural and the neuter shall include the masculine for feminine gender, and vice versa. The Article and Section headings appearing in this instrument are for convenience or reference only and are not intended, to any extent or for any purpose, to limit or define the text of any Article or Section. This instrument shall not be construed more or less favorably between the parties by reason of authorship or origin of language.

6. Lien holder

The owner and holder (whether one or more) of the only lien(s) covering the subject Subdivision property has executed this instrument to evidence its joined in, consent to, and ratification of the lien' of any mortgage made in good faith and for value upon any portion of the subject property; providing however, that any mortgagee in actual possession, or any purchaser at any mortgagee's foreclosure sale, as well as all other owners, shall be bound by and subject to these Regulations as fully as any other owners of any portion of the subject property.

7. Notices

Any notice of communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States, mail. Postage fully prepaid. Registered or certified mail, and addressed to the intended recipient at the address shown herein, and if not so shown, then' at the last known address according to the records of the party delivering the notice. Notice given in any other manner shall be effective only if and when received by the addressee. Any address for notice may be changed by written notice delivered as provided herein.

8. Recitals

Any recitals in this instrument are represented by the parties hereto to be accurate, and constitute a part of the substantive agreement.

9. Time

Time is of the essence. Unless otherwise specified, all reference to "days" shall mean and refer to calendar days. Business days shall exclude all Saturdays, Sundays, and Texas legal banking holidays. In the event the date for performance of any obligation hereunder shall fall on a Saturday, Sunday, or Texas legal banking holiday, then that obligation shall be performable on the next following regular business day.