

**2ND AMENDED
DECLARATION OF LIMITATIONS
AND RESTRICTIONS**

**MORNINGWOOD SUBDIVISION
SECTION I, II, & III**

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

On January 8, 2001 the undersigned Developer filed for record a document entitled Declaration of Limitations and Restrictions ("Declaration"). The document was filed under Hays County Texas Clerk's number 01000701 and at Volume 1757, Page 882 of the Real Property Records of Hays County, Texas. On March 15, 2002, the undersigned Developer, pursuant to the rights reserved in Section 21 of the Declaration, filed of record a document entitled "Amended Declaration of Limitations and Restrictions" ("Amended Declaration"). This document was filed under Hays County, Texas Clerk's number 08007150 and at Volume 1966 page 508 of the Real Property Records of Hays County, Texas and completely superseded the Declaration. The Developer and lot owners, pursuant to Article VI of the Amended Declaration, desire to amend the Amended Declaration and this document, the "2nd Amended Declaration" completely supersedes the Amended Declaration.

The property to which this Amended Declaration applies is:

Being all of Morningwood Subdivision, Section I, II and II, Hays County, Texas, according to the official maps or plats thereof recorded in Volume 8, Page 57, Volume 8, Page 58, Volume 8, Page 307, respectively of the Deed and Plat Records of Hays County, Texas, reference to which and the record thereof being here made for all pertinent purposes in aid of the description of such property

together with such other property as the Developer may subsequently develop and annex to the Morningwood Subdivision.

The following Declaration of Limitations and Restrictions shall apply and become a part of all contracts for sale, contracts for deed, deeds and other legal instruments whereby title or possession to any lot in the Morningwood Subdivision is, or has been, conveyed. Each person who accepts, or has accepted, a contract for deed, deed, or other legal instrument whereby title or possession to any lot in the subdivision is acquired, agrees to be bound by these restrictions and use limitations.

ARTICLE I

HOMEOWNERS ASSOCIATION

1. The Developer, which for all purposes of the document, will include both Acorn Land Corporation, Inc. and Country Affordable Homes, L.L.C. shall create a Homeowners Association to be known as Morningwood Homeowners Association, Inc. or name similar thereto. Every lot owner shall be a member of the Association. Ownership of a lot shall be the sole criteria for determining membership. The association shall be incorporated as a Non-Profit Corporation and shall be governed by a Board of Directors, who shall have the exclusive right to manage the Association.
2. Whenever any issue is to be decided by a vote of the members or lot owners, the rule shall be one vote per lot. If two or more members have a joint interest in a lot, they shall decide among themselves how to vote, and if they are unable to do so, their vote shall not be counted on that issue.
3. The Homeowners Association shall have among its powers the power:
 - (i) To adopt rules and regulations to implement the declarations and its bylaws.
 - (ii) To enforce these declarations, its bylaws, rules, and regulations.
 - (iii) To appoint and remove members to and from the Restriction Committee and any other committees it creates and to determine their terms and powers.
 - (iv) To prepare a balance sheet and operating income statement for the Association and deliver a report to the membership at its annual meeting.
 - (v) To establish and collect regular assessments to defray expenses attributable to the Association's duties, to be levied against each Owner, excluding Developer.
 - (vi) To establish and collect special assessments for capital improvements or other purposes.
 - (vii) To file in the Real Property Records of Hays County, Texas, liens and notices of past due amounts against unit owners because of nonpayment of assessments duly levied and to foreclose on those liens.
 - (viii) To receive complaints regarding violations of this Declaration, the bylaws, or the rules and regulations.
 - (ix) To pay taxes and assessments that are or could become a lien on the Common Area, if any.
 - (x) To pay the costs of any liability insurance for members of the Board.
4. Each lot owner is required to be a member of the Morningwood Homeowners Association, which will be formed by developer not later than January 1, 2002. Membership fees will be \$50.00 per year, per lot, but may be changed by majority vote of the members. In no event will developer be charged dues on lots owned by developer. Membership fees are the personal obligation of the owners of the lot. Payment of the fees is secured by a lien on the lot as provided in Article III hereof.

5. A Person purchasing a lot by means of a Contract for Deed or other similar arrangement is not considered a "lot owner" as the term is used in this document until the lot has been deeded to the purchaser. However, the Deed holder of the lot may delegate the right to participate in the Morningwood Homeowners Association, along with the obligation to pay dues, to the purchaser under the following terms and conditions:

Such delegation agreement must be in writing and must include:

The notarized signatures of all owners (including co-owners) of the lot and all purchasers (including co-purchasers) of the lot.

The purchaser's promise to pay the HOA dues related to the lot from the date the delegation agreement is received by the Homeowner's Association until cancelled.

A statement that the delegation agreement may be cancelled by either the purchaser or the lot owner by giving written notice to the Homeowners Association and to all other parties to the agreement, and

A statement that the lot owner is not delegating the right to amend the Restrictions provided in Article VI of the 2nd Amended Declaration of Limitations and Restrictions.

Until this delegation agreement is canceled, lot purchaser will have the right to participate in the Morningwood Homeowners Association, including the right to vote, which vote will not be considered a "proxy" as the term is used in the By Laws of Morningwood Homeowners Association.

The presence of such a delegation agreement does not shift or reduce the Deed Holder's final responsibility for compliance with the Restrictions outlined in this document.

ARTICLE II

RESTRICTION COMMITTEE

1. There is hereby created a Restriction Committee which shall initially be composed of one or more persons appointed by the Developer. Prior to January 1, 2002, the Developer will appoint at least three (3) members to the Restriction Committee who are lot owners, and the Developer will resign from the Restriction Committee. Thereafter, the Restriction Committee shall serve at the pleasure of the Homeowners Association.
2. The Restriction Committee shall act as a committee only, and no member of the Committee acting individually shall have any authority to approve the construction or location of any improvements in the subdivision, nor to grant any waiver or variance as to any matter contained within this Amended Declaration, the Bylaws, nor any rule or regulation adopted by the Homeowners Association.
3. One member will be designated as a Chairperson of the Committee, and the Chairperson or his or her designee shall act as the person to whom all applications for development in the subdivision shall be submitted. The Chairperson or the Chairperson's designee shall issue a written receipt stating the date upon which the application was received. The 15 day automatic approval rule mentioned herein shall not apply in any case for which a written receipt is not available. It shall be the applicant's duty to obtain the written receipt from the Chairperson or his or her designee. The Chairperson is not obligated to issue a receipt until the application is complete, including all required plans, specifications, and site plans.

4. The Restriction Committee shall have the right to propose reasonable rules and application forms to carry out the intent of these Declarations, and submit those rules to the Association for its approval. When approved by the Association, those rules and forms shall be enforceable by the Association and Restriction Committee.
5. The Restriction Committee shall review applications for purposed work in order to (1) ensure conformity of the proposal with these covenants, conditions, and restrictions, and (2) ensure harmony of external design in relation to surrounding structures and topography. An application can be rejected for providing insufficient information. The Committee shall have broad, discretionary authority to interpret and apply these standards. In rejecting an application, the Committee should detail the reasons for rejection and suggest how the applicant could remedy the deficiencies.

ARTICLE III

LIEN

1. All membership fees and other assessments levied by the Association, together with attorney fees incurred in the enforcement of these Declarations and interest thereon at the maximum rate of interest allowed by law, shall be secured by a lien on the lot in question, superior to all other liens and encumbrances, except as otherwise expressly subordinated herein, but only to that extent.
2. Notwithstanding anything to the contrary, these restrictive covenants shall not be construed so as to prevent the Veterans Land Board or the State of Texas from deeding an acre to the Veteran for a home site. Also, they will not be construed so as to assess the Veterans Land Board or the State of Texas with any fees, nor shall any liens attach to the Veterans Land Board's interest in any part of this subdivision. Any such fees will be considered a personal obligation of a purchaser, and any lien can attach to his or her interest.

ARTICLE IV

USE RESTRICTIONS

1. Each of the lots in the subdivision shall hereafter be used only for the placing or construction of one single family residence, or main dwelling unit thereon, including other appurtenant structures permitted under the terms hereof, with it being intended that no commercial (as defined by the Restriction committee in their sole discretion) use of any such lots shall be permitted and, specifically, that no signs shall be placed on any such lot indicating a commercial use thereof, and that each main dwelling unit hereafter constructed or placed on each such lot shall contain at least the following: In the case of a permanently constructed home, such home shall contain a minimum of 1,000 square feet of main dwelling area, exclusive of porches, garages and breeze ways and shall be constructed with such workmanship and material as approved by the Restriction Committee. Mobile homes, modular homes and pre-manufactured homes must be sided with vinyl or wallboard siding (no metal siding) and may be placed on any lot in said subdivision only after written approval has been received from the Restriction Committee. Such mobile homes, modular homes and pre-manufactured homes must be "double wide" or larger and shall contain a minimum of 1,000 square feet, and shall have been manufactured either as a HUD Code manufactured home or industrialized housing as defined from time to time by Texas Civ. Stat Art. 5221f-1. No such mobile, modular, or pre-manufactured home

shall be older than three (3) years old at the time it is installed on a lot in Morningwood Subdivision unless approved in writing by either the Developer or the Restriction Committee. It is in the intent of these restrictions that only one mobile home, modular home, pre-manufactured or permanent home shall be located on any lot in said subdivision.

2. The entire exterior of all main dwelling units constructed in said subdivision, together with the driveways, sidewalks and other exterior appurtenances thereto, must be completed within nine (9) months after the commencement of work thereon or the placing of materials therefore on such property, whichever occurs the earliest.
3. Prior to the construction of or placing of any improvements on any lot in the subdivision, plans and specifications therefore, including a plot plan showing the proposed location thereof, must be submitted to the Restriction Committee for approval therefore. Improvements shall include, but not be limited to porches, rooms, structures, and fences. The construction or placing of improvements on any lot in said subdivision without the prior approval of such Restriction Committee will be conclusively presumed to be in violation of these restrictions. The intention of the provisions herein is that the Restriction Committee, in furtherance of a uniform plan for the development of said Subdivision, shall be vested in the authority to control the location and type of construction of any improvements located in said subdivision in order to protect the development of the subdivision as a high-class residential area. Notwithstanding the foregoing, it is expressly understood that the failure of the Restriction Committee to give notification of its disapproval of any such plans and specifications for any such improvements, including a plot plan showing the location thereof, within fifteen (15) days after receipt thereof shall be deemed for all purposes under the provisions hereof as the approval thereof. This covenant and use restriction shall not apply to the Developer.
4. No garage, shack or temporary building shall be constructed or placed on any lot in said subdivision as living quarters thereon. No camping of any kind will be permitted on any lot. Except for burning of brush by developer, no trash burning or other open fires (with the exception of standard barbecue pits) are allowed in the subdivision.
5. Any attachments made to a manufactured home or industrialized home, such as patio covers, awnings, etc., shall be of regularly manufactured materials normally found in manufactured home subdivisions. The area between the bottom of the manufactured, mobile, modular or permanent home and the ground level shall be enclosed, within thirty (30) days from the date the home is installed on the lot, with a completely non-transparent material (lattice type materials are not acceptable).
6. No fence of any kind may be constructed within twenty (20) feet of property lines fronting on Hilliard Road, except the fence constructed by Acorn Land Corporation, its affiliates and successors. No fence may be built within fifty (50) feet of any public road without written approval of Restriction Committee. No solid fence (one that substantially blocks one's sight) may be built between any house and any public road without written approval of Restriction Committee. Fences must be built out of white painted board, natural redwood, cedar, "ranch fence" materials including Cedar posts or Steel T posts and slick-wire (not barbed wire), or other material approved by Restriction Committee. Electric wires for animal or pet control may be placed on the inside of an approved fence. Temporary or one or two strand electric fencing will not be permitted anywhere within the subdivision. Clothes-lines for drying of household laundry shall be located on the lot only to the rear of the main dwelling an in no case between the street and the main dwelling unit. All driveways entering lots which border Hilliard Road will be located at least fifty (50) feet from Hilliard Road.
7. No water wells may be drilled in the subdivision except those owned and operated by Acorn Land Corporation, its affiliates and successors or by the public water company serving the subdivision.
8. All sewage disposal systems constructed in the subdivision shall be by septic tank or other system approved by the State of Texas and the local licensing authority having jurisdiction. No person shall reside, live or otherwise occupy any lot until the septic or sewage system is installed and approved by the appropriate governmental unit. In no event will outside toilets, cesspools or privies be permitted on

any lot. All toilet facilities, kitchen sinks, washing machines, bathroom drains, etc., shall be connected to an approved septic tank or sewage collection line as described above. The draining of septic tanks onto a lot or into road ditches is prohibited. All sewage disposal systems will be maintained according to local governmental requirements and kept in good working order at all times. No garbage or other waste shall be kept except in sanitary containers.

9. No animals or fowl will be permitted on any lot in the subdivision other than those normally found in a suburban residential subdivision, with it being specifically understood that no hogs, pigs of any variety, or other large animals including, but not limited to, horses, cows, ostriches, emus or other "exotic birds," will be permitted on any part of the subdivision and that no animal or fowl commercial feeding, kennel, breeding or sales operation will be permitted on any tract of said subdivision. All animals must be fenced to prevent them from running at large in the subdivision and in no event may more than two (2) animals of any kind or character be kept or maintained in a lot in the subdivision without the written approval of the Restriction Committee, which may be revoked with 30 days written notice. No dogs or breed of dogs shall be permitted to be kept, harbored, maintained, or boarded on any lot nor anywhere else in the subdivision that are or have the reputation of being known as "vicious dogs." These breeds would include, but not be limited to: (i) Pit Bulls; (ii) Rottweilers; (iii) Dobermans; (iv) Chows. The Restriction Committee shall have the right to exercise discretion in determining if any particular dog is a vicious dog and whether any breeds other than those mentioned above are to be considered a vicious breed.
10. No part or portion of said subdivision shall be used as a junkyard or as an area for the accumulation of scrap (including dirt and rock extracted from the ground when a septic system is installed and brush cleared from a lot) or used materials and no part of the subdivision shall be used for any purpose that is obnoxious or offensive to the owners of other lots in the subdivision, nor shall anything be done in said subdivision that becomes an annoyance or nuisance to the owners of other lots in said subdivision. All lawn mowers, tools, garbage cans, dog houses and other such items shall be stored behind the house so as not visible from the street in front of the house.
11. No lot in the subdivision shall be re-subdivided, except that at any time Acorn Land Corp, Inc. owns fee simple title, it may re-subdivide and/or re-plat existing lots, at its discretion.
12. Any structures, except fences, erected or placed in said subdivision shall be set back at least fifty (50) feet from the front property line and fifteen (15) feet from the rear and side lines of each lot unless otherwise approved in writing by the Restriction Committee. Fences may be placed as approved by the Restriction Committee or as otherwise set forth herein. In the case of a corner lot, each line adjacent to the road shall be considered as a front line. Each house must be set on its lot so that it faces and is parallel to street at front of lot, unless otherwise approved in writing by the Restriction Committee. On a corner lot, where Morningwood Drive is one of the streets making the corner, the house must be placed so that it faces Morningwood Drive unless otherwise approved in writing by the Restriction Committee. No access will be permitted from the subdivision onto Hilliard Road except on public roads.
13. Exploration, drilling or mining for oil, gas or other minerals will not be permitted on any lot or tract in the subdivision.
14. Hunting shall not be allowed in the subdivision, and the discharge of firearms in the subdivision and on the adjacent property owned by Acorn Land Corporation is strictly prohibited.
15. No sign, billboard, poster or advertising device of any character shall be erected on any building site, lot or tract within the boundaries of the subdivision, except that a "For Sale" sign not exceeding four (4) square feet in size to advertise a particular tract for sale may be located on a lot. The Homeowners Association may place signs of a reasonable size on property owned by the Homeowners Association and on property on which permission has been granted by the property owner as needed to carry out the operations of the Homeowners Association. The developer of the subdivision shall be allowed to

maintain a sales office on any platted lot with appropriate signs, as well as sales signs at or near entrance to the subdivision.

16. With the exception of recreational vehicles, no vehicles with gross vehicle weight in excess of 8,000 pounds are allowed in the subdivision. Inoperative automobiles and other similar vehicles which are inoperative for over thirty (30) days may be removed by the Restriction Committee, at the expense of the Owner upon whose lot such vehicle, or vehicles, are located. If the Owner of said property, after receiving fourteen (14) days written notice by Certified Mail from the Restriction Committee, fails or refuses to remove such vehicle, or vehicles, then the right of entry is specifically granted to the Restriction Committee, or its representatives, to enter upon said property for the purpose of inspecting and removing such inoperative vehicle, or vehicles. Upon removal of such vehicle, or vehicles, the Restriction Committee's entire responsibility will be to place the vehicle in an enclosed storage area normally used for that purpose and to pay the first sixty (60) days rental thereon. No liability for damage to the vehicle, or vehicles, or to the property on which it rests, will accrue to the benefit of the Owner of the property or the Owner of the vehicle, or vehicles, should they be different, against the Restriction Committee, or its representatives. Furthermore, any costs incurred by the Restriction Committee, or its representatives, by reason of such action shall be paid on demand by the owner of the lot from which the vehicle was removed and to secure the payment thereof, the association shall have an enforceable lien as set forth in Article III.
17. After sixty (60) days notice to the owner thereof, the Homeowners Association shall have the right to clear lots of unsightly tall grass and weeds (but only in areas of the lot that have been cleared and are no longer in a "natural" state) trash or refuse, including dirt and rock extracted from the ground when a septic system is installed, and the Homeowners Association shall have the right to do such clearing at the expense of the particular lot owner whose lot is cleared. To secure the payment of these expenses, the Homeowners Association shall have a lien as set forth in Article III hereof.
18. Mail boxes must be of a type approved by the United States Postal Service and must be permanently affixed to the ground and may not be mounted in tires or buckets filled with concrete or by any other temporary method and must be maintained in good repair. Each mailbox or supporting structure must include the address in clearly readable numerals not less than 2 inches in height.
19. If through error or oversight an owner of a lot in said subdivision builds, or causes to be built, any improvement thereon which does not conform to all of the limitations and restrictions herein recited, it is expressly here provided that such non-conformity shall in no way affect these limitations or restrictions insofar as they apply to any and all other lots in said subdivision. Any delinquency or delay on the part of the party or parties having the right to enforce these restrictions shall not operate as a waiver of such violation, and such delinquency or delay shall not confer any implied right on any other owner or owners of lots in said subdivision to change, alter or violate any of the restrictions herein contained.
20. The purchase of a manufactured or industrialized house typically includes a set of temporary steps for entry into the house. These steps shall be replaced within ninety (90) days after the placement of a house on a lot. They shall be replaced with permanent steps that are attached to the house. Plans for the permanent steps shall be submitted to the Restriction Committee. The Restriction Committee shall have the right to adopt standards for the construction and materials to be used for the permanent steps.
21. All vehicles permitted in the subdivision shall be parked in a garage or paved or caliche parking spot, but not on any street in the subdivision. No vehicle, boat, camper, travel trailer, recreational vehicle or other equipment of like nature shall be parked in a yard nor occupied as living quarters. All such equipment, other than automobiles, shall be kept behind the residence, so they are not visible from the street in front of the house.
22. Trash set out for pick up must be enclosed in a solid closed container which is resistant to animals and may not be set out in plastic bags, cardboard boxes or similar containers. Trash containers may not be placed on the street more than 24 hours before scheduled pick-up time and must be removed from the

street within 24 hours after scheduled pick-up time. No other trash such as brush and furniture may be placed on the street except 24 hours before a special pickup scheduled for such trash.

23. Outdoor lights other than public lighting approved by the Restriction Committee must be installed not higher than 10 feet off the ground and must be pointed in a downward direction and should not (as determined by the Restriction Committee) substantially illuminate areas outside the lot boundaries.

ARTICLE V

DURATION OF RESTRICTIONS

1. The restrictive covenants and use limitations herein published and impressed on all lots in said subdivision shall be binding on all the owners of properties in said subdivision for a period of twenty (20) years from and after date hereof, and from and after such date shall be automatically extended for an additional term of twenty (20) years unless specifically terminated by vote. Such vote to terminate will require a three-fourths (3/4) majority of the owners of lots in said subdivision. The election shall be conducted as provided in Paragraph 3 below.
2. Each and all of the restrictive covenants and use limitations shall terminate after the second twenty (20) year period unless specifically extended for a like period by a simple majority of votes cast in the manner hereinafter provided.
3. Within six (6) months before the expiration of said second twenty (20) year period, any five lot owners in the subdivision may call an election to be held at any building within the subdivision. The action taken by any group in calling an election shall be binding on all owners of land in the subdivision where the owners are notified by written notice by certified or registered mail at their last known address, according to the records of the Homeowners Association, thirty (30) days before any such election. The thirty days referred to shall commence running on the date the notice is mailed. The question to be presented for decision at the election is: "Shall the limitations and restrictions governing use of lots in the Morningwood Subdivision be continued for a further term of twenty (20) years?" If a majority of the votes cast in the election favor the continuance of the limitations and restrictions, the results of the election shall be set forth in a written instrument which shall be signed and acknowledged by one of those who called the election, and filed for record in the office of the County Clerk, Hays County, Texas before the expiration of the second twenty (20) year period, and the limitations and restrictions shall thus be continued in full force and effect for the further period of twenty years. Any three of those who called the election shall conduct the election and shall act as the judges thereof.
4. In case the first election is declared illegal by the court or considered irregular by said judges, a second election may be held in a similar manner as the first, at any time within six (6) months after such final decision, whether before or after the expiration of the second twenty (20) year period herein provided for, and the results shall be likewise binding for a twenty (20) year period if carried by a majority of the votes in such election.
5. In the event such election is held and the majority of the votes cast in such election is held and the majority of the votes cast in such election shall be cast against the continuation of the limitations and restrictions herein contained, then and in such event, all restrictions, limitations, and conditions herein contained shall become null, void and of no further force and effect from and after the expiration of the applicable term.
6. At the end of the third twenty (20) year period, if such restrictions and limitations are imposed for such period, another election can be held in a similar manner to determine whether or not such restrictions

and limitations shall be extended for a fourth twenty (20) year period, with the results to be determined in the same manner as described above. Subsequent elections may be held each and every twenty (20) years thereafter as long as the owners of property in said subdivision desire to continue to impose such limitations and restrictions as are herein contained. If no election is called at the end of the second or subsequent twenty (20) year period, then said restrictive covenants and use limitations will automatically terminate at the end of such period.

ARTICLE VI

AMENDMENT TO RESTRICTIONS

The covenants, conditions, and restrictions of this Declaration may be amended by an instrument signed by the Developer and by the owners of not less than fifty-one (51%) percent of the lots. When the Developer no longer owns any lot in the subdivision and is owed no debts secured by land in the subdivision, the Developer will, on request, execute a recordable document to that effect, and the Developer's consent will not be required to amend these covenants. No amendment shall be effective until recorded in the Official Public Records of Hays County, Texas, nor until the approval of any governmental regulatory body which is required shall have been obtained. Undersigned Developer may, but is not required to, extend these restrictions to include additional sections of Morningwood Subdivision. In addition, until January 1, 2002, Developer reserves the right to amend this Amended Declaration.

ARTICLE VII

ENFORCEMENT OF RESTRICTIONS

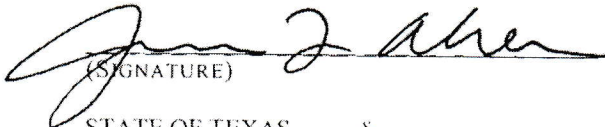
1. The restrictive covenants and use limitations herein provided for in said subdivision are hereby declared to be covenants running with the land and shall be fully binding upon all persons acquiring possession or title to property, including the right to acquire title to property by contract or otherwise, in said subdivision whether by decent, devise, purchase or otherwise, and any person by acceptance of possession or title to any lot in said subdivision, including any person procuring the right by contract to acquire title to any lot in said subdivision, shall hereby agree and covenant to abide by and fully perform the foregoing restrictive covenants and use limitations on said subdivision, and shall be conclusively presumed to have constructive notice of the restrictive covenants and use limitations herein provided for on said subdivision by virtue of the filing hereof in the Real Property Records of Hays County, Texas, and with this being true without regard to whether or not such person has actual notice of these restrictions and use limitations on said subdivision by reference hereto in the instrument or instruments under which he acquired title to any lot or lots in said subdivision or otherwise.

It is expressly understood that the undersigned, the undersigned's legal representatives or assigns, The Hays County Texas Commissioner's Court, Morningwood Homeowners Association, or any one or more of the owners of properties in said subdivision, shall have the right, but not the obligation, to enforce the restrictive covenants and use limitations herein provided for said subdivision by injunctions, either prohibitory or mandatory or both, in order to prevent a breach thereof or to enforce the observance thereof, which remedy, however, shall not be exclusive and the undersigned, its legal representatives and assigns, The Hays County Texas Commissioner's Court, or any other person or persons owning property in said subdivision, injured by virtue of the breach of the restrictions and use limitations herein provided for on said subdivision shall accordingly have their remedy for the

damages suffered by them as the result of any breach and in connection therewith it is understood that in the event of a breach of these restrictions and use limitations by the owner of any lot or lots in said subdivision, it will be conclusively presumed that the other owners of lots in said subdivision have been injured thereby. There shall be no reversion of title from violation of said restrictions, the violation being compensated for by injunction and/or damages. It is further expressly understood that the undersigned developer of said subdivision and The Hays County Texas Commissioner's Court shall continue to have the same right to enforce said restrictions after all property has been sold; provided, however, that it is further understood that all expenses, attorney's fees and court costs incurred in connection with the enforcement of these restrictions shall be paid by the party or parties seeking to enforce the same or against whom they are enforced; and that the developer shall have no obligation to bear such expense, although it may contribute to such expense if it so desires. The enforcement of these restrictions is strictly a matter of right and, as such, is not in any way a mandatory obligation on the part of any of the undersigned.

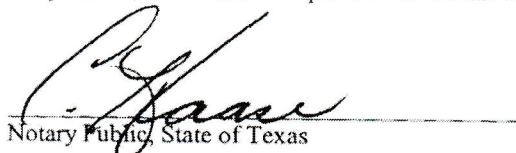
2. Should any of these restrictions and use limitations be held by any Court of competent jurisdiction to be invalid, void or non-enforceable for any reason, it is expressly understood that any such adjudication or holding shall in no way affect, impair or restrict any of the other restrictions and use limitations herein on said subdivision.
3. All of the restrictions and use limitations herein contained on said subdivision shall extend to and accordingly be binding upon, the heirs, assigns, devisees, contract holders, and owners of every kind who may acquire any real property interest of any type, nature or kind in said subdivision.

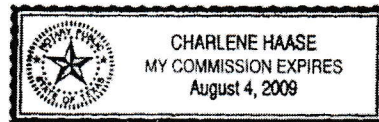
EFFECTIVE the 20th day of June 2008

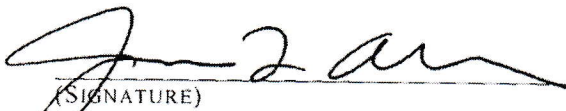

(SIGNATURE)

STATE OF TEXAS §
COUNTY OF HAYS §

This instrument was acknowledged before me on July 12, 2008 by James L. Ahern, President of Acorn Land Corporation, Inc a Texas Corporation on behalf of said Corporation.

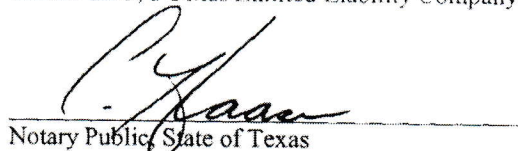

Notary Public, State of Texas




(SIGNATURE)

STATE OF TEXAS §
COUNTY OF HAYS §

This instrument was acknowledged before me on July 12, 2008 by James L. Ahern, Manager of Country Affordable Homes LLC, a Texas Limited Liability Company, on behalf of said Company.


Notary Public, State of Texas

