

THE STATE OF TEXAS

COUNTY OF BLANCO

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, JIM MARTIN, TRUSTEE, is the Owner and Developer (hereinafter referred to as Developer) of all that certain real property in Blanco County, Texas, and described as "STONEGATE SUBDIVISION," a subdivision in Blanco County, Texas;

WHEREAS, JIM, MARTIN, TRUSTEE, is the owner of all property constituting the said subdivision and for the benefit of himself and of any subsequent owner or owners of any lot therein, desires to make certain restrictions in regard to the use, occupancy and construction in said addition;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the following constitute the restrictions in regard to the use, occupancy and improvements upon said subdivision:

PREAMBLE

The Stonegate Subdivision is located on a unique tract of land in the Hill Country of Central Texas. The concept of development revolves around the idea of integrating the residents of the subdivision into a pre-existing terrain, as aesthetically as possible, with due regard to the natural beauty of the tract, while seeking to preserve and promote the conservation and growth of native plants and wildlife.

RESTRICTIONS

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to the Stonegate Property Owners Association, its successors and assigns, provided for in Article V hereof.

Section 2. "Properties" shall mean and refer to the Stonegate Subdivision, subject to the Reservations set forth herein and/or in the Subdivision Plats, and any additional properties made subject to the terms hereof, pursuant to the provisions set forth herein.

Section 3. "Lot" and/or "Lots" shall mean and refer to the lots shown upon the Subdivision Plats which are restricted hereby to use for residential purposes, except Lots One (1) and Twenty-Two (22) which are hereby reserved for commercial purposes.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of title to any Lot which is a part of the Properties, including contract sellers, but excluding those having interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.

Section 5. "Subdivision Plats" shall mean and refer to the maps or plats of Stonegate Subdivision, recorded in the Map or Plat Records of Blanco County, Texas.

Section 6. "Architectural Control Committee" shall mean and refer to the Stonegate Subdivision Architectural Control Committee provided for in Article IV hereof.

ARTICLE II

Reservations, Exceptions and Dedications

Section 1. The Subdivision Plats dedicate for use as such, subject to the limitations set forth therein, the streets and easements shown thereon, and such Subdivision Plats further establish certain restrictions applicable to the properties, including, without limitation, certain minimum setback lines.

Section 2. Developer reserves the easements and rights-of-way as shown on the Subdivision Plats for the purpose of constructing, maintaining and repairing, a system or systems of electric power, water, and telephone line or lines, or any other utility Developer sees fit to install in, across and/or under the Properties.

Section 3. Neither Developer nor any utility company using the easements herein referred to shall be liable for any damages done by them or their assigns, their agents, employees or servants, to fences, shrubbery, trees or flowers, or other property of the Owner situated on the land covered by said easements.

Section 4. It is expressly agreed and understood that the title conveyed by Developer to any Lot or parcel of land within the Properties by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, electric power, water or telephone purposes, and shall convey no interest in any pipes, lines, or conduits or in any utility facility or appurtenances thereto constructed by or under Developer or any easement owner, or their agents, through, along or upon the premises affected thereby, or any part thereof, to serve said land or any other portion of the Properties, and where not affected, and the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency, or to any public service corporation or to any other party, is hereby expressly reserved.

ARTICLE III

Use Restrictions

Section 1. Land Use and Building Type. All Lots shall be known and described as Lots for residential purposes only (hereinafter sometimes referred to as "Residential Lots") except Lots One (1) and Twenty-Two (22), which are reserved for commercial uses, and no structure shall be erected, altered, placed or permitted to remain on any Residential Lot other than one single-family dwelling not to exceed two (2) stories in height or more than three (3) cars. After the construction of a residence, it is understood that there also may be constructed guest quarters, green houses and other outbuildings, so long as each is of neat appearance and Section 2 herein has been complied with. As used herein, the term "residential purposes" shall be construed to prohibit the use of said Lots for duplex houses, garage apartments or apartment houses; and no Lot shall be used for business or professional purposes of any kind, nor for any commercial or manufacturing purpose, except as herein provided. No building of any kind or character shall ever be moved onto any Lot within said Subdivision, it being the intention that only new construction shall be placed and erected thereon.

Section 2. Architectural Control. No building shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the structure thereon have been approved by the Architectural Control Committee as to quality of workmanship and materials, as to harmony with existing structures, with respect to exterior design and color, as to location with respect to topography and finished grade elevation, and as to compliance with minimum construction standards more fully provided for in Article IV hereof.

Section 3. Dwelling Size. The ground floor area of the main residential structure, exclusive of open porches and garages, shall not be less than 1,400 square feet for a one-story dwelling, nor shall the ground floor area, plus the upper floor area of the main residential structure of a one and one-half (1 1/2) or a two-story dwelling be less than 1,600 square feet when measured to exterior walls. "A" Frame dwellings are prohibited.

Section 4. Type of Construction, Materials and Landscape. No structure with an exterior or made of materials other than wood, stone, rock, logs, bricks or comparable materials of masonry shall be allowed on any tract, except that greenhouses

and other horticultural buildings may be constructed, after application to and approval of the Architectural Control Committee. All butane/propane tanks must be either enclosed with materials harmonious with the residential structure or placed underground.

Section 5. Lot Lines. No dwelling shall be located closer than one hundred feet (100') from the front of the tract (meaning adjacent to the road), or fifty feet (50') of either side line unless one structure is constructed on two adjacent tracts; however, upon written application to the Architectural Control Committee, a variance may be granted with the application shows "good cause" as to non-compliance due to construction hardship on a particular tract due to adverse topography, but in no instance shall any dwelling be constructed closer than fifty feet (50') from the front of the tract. No structure shall be used until the exterior thereof, as approved pursuant to Section 2 herein, and sanitary sewage disposal facilities (complying with Article VII, Section 6), are completely finished.

Section 6. Minimum Lot Area. No Lot shall be re-subdivided by any subsequent Owner.

Section 7. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may become an annoyance to the neighborhood.

Section 8. Temporary Structures. No trailer, tent, shack, garage, barn or other outbuilding or structure of temporary character shall at any time be left on a tract except during construction of a permanent structure. A trailer may be used on a very temporary basis such as a weekend or a vacation outing of no more than two weeks duration. No mobile homes or other prefabricated metal dwellings shall be allowed on any tract.

Section 9. Signs. No "For Sale" or "For Rent" signs may be displayed without the prior written approval of Developer, and no other type of sign or advertising may be displayed.

Section 10. Lot Line Fences. All construction of lot line fences shall meet the approval of the Architectural Control Committee. Lot line fences made of materials other than logs, split rails, wood, rock or stone shall not be allowed on any tract. (This is not to be construed that wire fencing materials are excluded from these categories.)

Section 11. Completion of Construction. With reasonable diligence, and in all events within nine (9) months from the commencement of construction (unless completion is prevented by war, strikes or act of God), any dwelling commenced shall be completed as to its exterior and all temporary structures shall be removed.

Section 12. Firearms. The use or discharge of firearms is expressly prohibited.

Section 13. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary lids or covers. All equipment for the storage or disposal of such waste materials shall be kept in clean and sanitary condition. No Lot shall be used for the open storage of any materials whatsoever, which storage is visible from the road, except that any new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. The incineration of garbage or trash on any Lot in this Subdivision is expressly prohibited.

ARTICLE IV

Architectural Control Committee

Section 1. Approval of Building Plans. No building shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the structure have been approved in writing as to

quality of materials, as to structural soundness, as to harmony of exterior design and color with existing structures, as to location with respect to topography and finished ground elevation, and as to compliance with minimum construction standards by the Stonegate Architectural Control Committee. A copy of the construction plans and specifications and a plot plan, together with such other information as may be deemed pertinent, shall be submitted to the Architectural Control Committee, or its designated representative, not less than seven (7) days prior to the proposed date for the commencement of construction. The Architectural Control Committee may require the submission of such plans, specifications and plot plans, together with such other document as it deems appropriate, in such form and detail as it may elect in its entire discretion. In the event the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the same are submitted to it, approval will not be required and the requirements of this Section will be deemed to have been fully complied with. Said Committee shall be responsible for approval of landscape layouts and plans on each Lot. Also, the Committee shall be responsible for road and boundary maintenance as described in Article VII of these restrictions.

Section 2. Committee Membership. The Architectural Control Committee shall be initially composed of JIM MARTIN, RALPH MOSS and MAX WEBB, who may, by majority vote, designate a representative to act for them.

Section 3. Replacement. In the event of death or resignation of any member or members of said Committee, the remaining member or members shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans submitted or to designate a representative with like authority.

Section 4. Minimum Construction Standards. The Architectural Control Committee may, from time to time, promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline and such Architectural Control Committee shall not be bound thereby.

Section 5. Term. The duties and powers of the Architectural Control Committee and of the designated representatives shall cease on and after ten (10) years from the date of this instrument; after which time, the members of the Stonegate Property Owners Association, by vote, shall elect four (4) representatives from its members, to serve on the said Committee for an additional term of years to be decided by the Association, until such time when by two-thirds vote of the members present and voting, the Association membership decides to terminate the Committee.

ARTICLE V

Stonegate Property Owners Association

Section 1. Membership. Every person or entity who is a record owner of any of the Properties which are subject to or which become subject to maintenance charge assessment by the Association, including contract sellers, shall be a member of the Stonegate Property Owners Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association. Ownership of such land shall be the sole qualification for membership.

Section 2. Non-Profit Corporation. Stonegate Property Owners Association, a non-profit corporation, shall be organized and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

Section 3. By-Laws. The Association may make whatever rules or by-laws it may choose to govern the organization; provided that the same are not in conflict with the provisions hereof.

Section 4. Inspection of Records. The members of the Association shall have the right to inspect the books and records of the Association at reasonable times during normal business hours.

Section 5. Annexation of Property. Additional residential property outside of the Stonegate Subdivision may be annexed to the Properties covered by the Association, and subject to the jurisdiction and benefits of the Association, with the consent of two thirds (2/3) of each class of membership of the Association.

ARTICLE VI

Maintenance Charge

Section 1. Each Lot in Stonegate Subdivision is hereby subjected to an annual maintenance charge and assessment for the purpose of creating a fund to be designated and known as the "maintenance fund," which maintenance charge and assessment will be paid by the Owner or Owners of each Lot within Stonegate Subdivision to Stonegate Property Owners Association on or before January 1 of each year, in advance annual installments. The rate at which each Lot will be assessed will be determined annually and may be adjusted from year to year by the Association as the needs of the Subdivision may, in the judgment of the Association, require; provided that such assessment will be uniform (except as hereafter provided) and in no event will such assessment or charge exceed \$12.50 per Lot per month, or \$150.00 per Lot per year, except that Developer and any builder to whom Developer sells a Lot shall not be liable to the payment of maintenance charge or assessment for any Lot until such Lot has been improved, so that it is prepared for the construction of improvements thereon, and from and after such time, Developer and any builder to whom Developer sells a Lot shall be liable for one half (1/2) of the maintenance charge or assessment for all other Lots until such time as a home is substantially completed on such Lot. From and after the time a home is substantially completed on any Lot, regardless of the ownership of such Lot, the Owner thereof shall pay the full assessment thereon. The Association shall use the proceeds of said maintenance fund for the use and benefit of all residents in the Stonegate Subdivision. The uses and benefits to be provided by said Association shall include, by way of clarification and not limitation, at its sole option, any and all of the following: maintaining paths, parks, parkways, easements, esplanades, cul-de-sacs and other public areas, payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions and conditions affecting the Properties to which the maintenance fund applies, payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment, caring for vacant Lots, and doing other things necessary or desirable, in the opinion of the Association, to keep the Properties in the Subdivision neat and in good order or which is considered of general benefit to the Owners or occupants of the Properties, it being understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation that any of the above will, in fact, be provided by the Association. The proceeds of the assessments shall not be used to finance or to reimburse the Developer for any capital expenditures incurred in construction or other improvements or recreational facilities within the Subdivision, nor for the operation or maintenance of any such facilities incurred prior to conveyance, unencumbered, to the Association of such facilities, it being understood that there is no representation or warranty that there will be recreational facilities conveyed to the Association or owned by the Association. Each person who accepts a deed to a Lot or Lots agrees, by the acceptance of same, to pay such maintenance charge and assessments as herein provided.

Section 2. To secure the payment of the maintenance fund, established hereby and to be levied on individual residential Lots, there shall be reserved in each deed (whether specifically stated therein or not) by which the Developer will convey such Lots, the vendor's lien for the benefit of the Association, said lien to be enforceable through appropriate proceedings at law by such beneficiary; provided, however, that each such lien shall be secondary, subordinate and inferior to all liens, present and future, given, granted and created by or at the instance and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the construction of improvements on any such Lot to the extent of any such maintenance fund charge accrued and unpaid prior to foreclosure of any such purchase money lien or

construction lien; and further, provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting first mortgage lien, for the aforesaid purpose and purposes, the Association shall give the holder of such first mortgage lien sixty (60) days' written notice of such proposed action, which notice shall be sent to the nearest office of such first mortgage lienholder, the Association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular Lot covered by such first mortgage lien to the holder thereof.

Section 3. The above maintenance charge and assessment will remain effective for the full term (and extended term, if applicable) of the within covenants.

Section 4. The Association shall have two classes of voting memberships, designated as "Class A" and "Class B", who shall be composed of and having voting rights as follows:

Class "A" members shall be all Owners with the exception of Developer, its successors and assigns, if such successors or assigns should acquire more than one unimproved Lot within the Properties for the purpose of either development and sale thereof or of constructing improvements for resale thereon; each of which Owner shall be entitled to one vote for each Lot owned by him. When more than one person owns a fee interest in a Lot, all such interested persons shall be members; however, the vote for such Lot in which more than one person owns a fee interest shall be cast by the person or persons having a majority interest, and in the event the persons having a majority interest are not able to agree with respect to a vote on any matter, then such Owners shall not have a right to vote on such subject, as there shall be no fractional vote.

Class "B" members shall be the Developer, its successors and assigns, if such successors or assigns shall acquire more than one unimproved Lot within the Properties for the purpose of either development and sale thereof or of constructing improvements for resale thereon. Class "B" members shall be entitled to three votes for each Lot owned by them, whether improved or unimproved. The Class "B" membership shall cease and be converted to Class "A" membership (subject to revival of same, as hereinafter provided), upon the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class "A" membership equals the total votes outstanding in the Class "B" membership; or

(b) January 1, 1995;

provided, however, that upon the annexation of additional property to the Association, the Class "B" membership shall be revived until such time as the conditions provided for herein are met once again, with the understanding that this shall continue upon each additional annexation.

ARTICLE VII

General Provisions

Section 1. Animals. No animals other than house pets shall be maintained on any Lot in the Subdivision, except that domestic animals will be allowed to be maintained in certain areas of the Subdivision, should the need arise, and express approval is granted by the Architectural Control Committee.

Section 2. Drainage Structures. Drainage structures under private driveways shall always have a net drainage opening area of sufficient size to permit the free flow of water without backwater.

Section 3. Unsightly Storage. If open carports are used, no unsightly storage shall be permitted therein that is visible from the roads. No boats, trucks or unsightly vehicles shall be stored or kept for the purpose of repairs on any tract except in an enclosed garage or in facilities protected from the public's view or that of other residents.

Section 4. Off-Road Parking. Both prior to and after the occupancy of a dwelling on any tract the Owner shall provide appropriate space for off-the-road parking for his vehicle or vehicles.

Section 5. Driveways. All driveways shall be paved with the same or similar materials as the roads in the Subdivision, for at least the first fifty feet (50') from the road.

Section 6. Sewage. No outside toilet will be permitted. No installation of any kind for the disposal of sewage shall be allowed which would result in raw or untreated sewage being carried onto adjacent property. No means of sewage disposal may be used or installed except a septic tank, a composting toilet or similar or approved sanitary method of sewage disposal meeting the requirements of and approval of the proper governmental authorities having jurisdiction with respect thereto. The drainage of septic tanks or other sewage disposal facilities into any road, ditch or surface easement, either directly or indirectly, is prohibited.

Section 7. Utility Easements. A fifteen foot (15') perpetual easement is hereby reserved over and across all tracts, where such tracts intersect with the road through the Subdivision for the purpose of installing, repairing and maintaining or conveying such easements to proper parties so that they may install utilities to all tracts of the Subdivision.

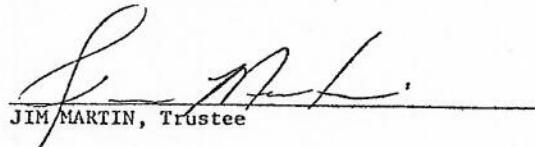
Section 8. Trees. Except as herein provided, no tree or shrub with a trunk diameter greater than three inches (3"), measured one foot (1') above the ground, shall be cut on any Lot without the express approval of the Architectural Control Committee. Where it is necessary to remove a tree or trees for the purpose of installing or laying the foundation of a structure, permission from the Architectural Control Committee shall not be needed, as long as Article III, Section 2 herein has been fully complied with.

Section 9. Term of Restrictions. These restrictions shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by a majority of the then Owners of the Lots has been recorded agreeing to change or terminate said covenants in whole or in part. These covenants, or any of them, may be amended by an instrument signed in writing by the Owners of a majority of the Lots and the recording of said instrument with the County Clerk of Blanco County, Texas. Any such instrument shall show the Lots owned by each Owner signed same, and, in case the property is owned by a man and wife as community property, the signature of the husband alone shall be sufficient, except that in cases where the husband resides elsewhere, or has abandoned his wife, her signature alone shall be sufficient.

Section 10. Covenants Running with the Land. All of the restrictions, covenants and easements herein provided for and adopted apply to each and every Lot, and shall be covenants running with the land. In order to prevent a breach or to enforce the observance or performance of same, Developer shall have the right, in addition to all legal remedies or remedies elsewhere provided herein, to an injunction, either prohibitive or mandatory. The Owner of any Lot shall likewise have the right to either prevent a breach of any such restriction or covenant or to enforce the performance thereof.

Section 11. Partial Invalidity. Invalidation of any covenant or restriction (by Court judgment or otherwise) shall not affect, in any way, the validity of all other covenants and restrictions, all of which shall remain in full force and effect. Acquiescence in any violation shall not be deemed a waiver of the right to enforce against the violator or others the conditions so violated or any other conditions; and Developer shall have the right to enter the property of the violator and correct the violation, or to require that the same be corrected.

EXECUTED on this the 11/11 day of October, 1985.


JIM MARTIN, Trustee

THE STATE OF TEXAS
COUNTY OF BLANCO

BEFORE ME, the undersigned authority, on this day personally appeared JIM MARTIN, Trustee, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 11th day of October, 1985.



Deborah L. McLendon

Notary Public in and for Blanco County,
Texas

FILED FOR RECORD OCTOBER 18th, 1985 at 2:48 P.M.
DOROTHY UECKER, CLERK, BLANCO COUNTY, TEXAS
RECORDED OCTOBER 21, 1985 at 3:40 P.M.

930156

AMENDED RESTRICTIONS
STONEGATE SUBDIVISION

STATE OF TEXAS)

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BLANCO)

WHEREAS, STONEGATE SUBDIVISION is a subdivision of Blanco County, Texas, as shown of record in Vol. 1, Pages 119-121, Amended in Vol. 1, Page 127-129, Amended Revised in Vol. 1, Pages 130-132, Plat Records of Blanco County, Texas;

WHEREAS, the original Restrictions of Stonegate Subdivision are found of record in Vol. 118, Page 745 et seq. of the Deed Records of Blanco County, Texas;

WHEREAS, William M. Watson, and wife, Joy Watson, are the owners of a majority of Stonegate Subdivision as described in Deed recorded in Volume 142, Page 507 of the Deed Records of Blanco County, Texas;

WHEREAS, William M. Watson, and wife, Joy Watson, desire to make and amend the Restrictions of Stonegate Subdivision in regard to use, occupancy and improvements in said subdivision,

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the following constitute amended restrictions in regard to the use, occupancy and improvements in Stonegate Subdivision:

AMENDED RESTRICTIONS

ARTICLE I

Definitions

Section 1. "Properties" shall mean and refer to the Stonegate Subdivision, subject to the Reservations set forth herein and/or in the Subdivision Plats, and any additional properties made subject to the terms hereof, pursuant to the provisions set forth herein.

Section 2 "Lot" and/or "Lots" shall mean and refer to the lots shown upon the Subdivision Plats which are restricted hereby to use for residential purposes.

Section 3 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of title to any Lot which is part of the Properties, including contract sellers, but excluding

those having interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.

Section 4 "Subdivision Plats" shall mean and refer to the maps or plats of Stonegate Subdivision, recorded in the Map or Plat Records of Blanco County, Texas.

ARTICLE II

Reservations, Exceptions and Dedications

Section 1 The Subdivision Plats dedicate for use as such, subject to the limitations set forth therein, the streets and easements shown thereon, and such Subdivision Plats further establish certain restrictions applicable to the properties, including, without limitation, certain minimum setback lines.

Section 2 Neither Developer nor any utility company using the easements herein referred to shall be liable for any damages done by them or their assigns, their agents, employees or servants, to fences, shrubbery, trees or flowers, or other property of the Owner situated on the land covered by said easements.

Section 3 It is expressly agreed and understood that the title conveyed by Developer to any Lot or parcel of land within the Properties by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, electric power, water or telephone purposes, and shall convey no interest in any pipes, lines, or conduits or in any utility facility or appurtenances thereto constructed by or under Developer or any easement owner, or their agents, through, along or upon the premises affected thereby, or any part thereof, to serve said land or any other portion of the Properties, and where not affected, and the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency, or to any public service corporation or to any other party, is hereby expressly reserved.

ARTICLE III

Use Restrictions

Section 1. Land Use and Building Type All Lots shall be known and described as Lots for residential purposes only (hereinafter sometimes referred to as "Residential Lots"), and no structure shall be erected, altered, placed or permitted to remain on any Residential Lot other than one single-family dwelling not to exceed two (2) stories in height or more than three (3) cars. After the construction of a residence, it is understood that there also may be constructed guest quarters, greenhouses and other outbuildings, so long as each is of neat appearance. As used herein, the term "residential purposes" shall be construed to prohibit the use of said Lots for duplex houses, garage apartments or apartment houses; and no Lot shall be used for business or professional purposes of any kind, nor for any commercial or manufacturing purpose, except as provided in Article III, Section 10. No building of any kind or character shall ever be moved onto any Lot within said Subdivision, it being the intention that only new construction shall be placed and erected thereon.

Section 2. Dwelling Size The ground floor area of the main residential structure, exclusive of open porches and garages, shall not be less than 1,250 square feet for a one-story dwelling, nor shall the ground floor area, plus the upper floor area of the main residential structure of a one and one-half (1-1/2) or a two-story

dwelling be less than 600 square feet when measured to exterior walls. "A" Frame dwellings are prohibited.

Section 3. Type of Construction, Materials and Landscape. No structure with an exterior made of materials other than wood, stone, rock, logs, bricks or comparable form of masonry shall be allowed on any tract, except that greenhouses and other horticultural buildings may be constructed. All butane/propane tanks must be either enclosed with materials harmonious with the residential structure or placed underground.

Section 4. Lot Lines. No dwelling shall be located closer than one hundred feet (100') from the front of the tract (meaning adjacent to the road), or fifty feet (50') of either side line unless one structure is constructed on two adjacent tracts. No structure shall be used until the sanitary sewage disposal facilities (complying with Article IV, Section 5), are completely finished.

Section 5. Minimum Lot Area. No Lot shall be re-subdivided by any subsequent Owner.

Section 6. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may become an annoyance to the neighborhood.

Section 7. Temporary Structures. No trailer, tent, shack, garage, barn or other outbuilding or structure of temporary character shall at any time be left on a tract except during construction of a permanent structure. A trailer may be used on a very temporary basis such as a weekend or a vacation outing of no more than two weeks duration. No mobile homes or other prefabricated metal dwellings shall be allowed on any tract.

Section 8. Completion of Construction. With reasonable diligence, and in all events within nine (9) months from the commencement of construction (unless completion is prevented by war, strikes or act of God), any dwelling commenced shall be completed as to its exterior and all temporary structures shall be removed.

Section 9. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary lids or covers. All equipment for the storage or disposal of such waste materials shall be kept in clean and sanitary condition. No Lot shall be used for the open storage of any materials whatsoever, which storage is visible from the road, except that any new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

Section 10. Allowable Business and Professional Use. Use of a Lot for a business or profession that is conducted solely within the house situated on the Lot is allowable (i.e. bookkeeping service, child care, etc.) and which must not be objectional to adjoining Lot owners. No advertising sign is permitted.

ARTICLE IV

General Provisions

Section 1. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except for individual riding horses and livestock or poultry raised for the purpose of 4H and/or FFA exhibition, which must be kept under fence and which must not become objectionable to abutting landowners, and except for dogs, cats, or other household pets which may be kept so long as same do not become objectionable to abutting landowners, provided all such animals, livestock poultry and/or household pets excepted herefrom shall not be kept, bred, or maintained for any commercial purpose.

Section 2. Drainage Structures. Drainage structures under private driveways shall always have a net drainage opening area of sufficient size to permit the free flow of water without backwater.

Section 3. Unsightly Storage. If open carports are used, no unsightly storage shall be permitted therein that is visible from the roads. No boats, trucks or unsightly vehicles shall be stored or kept for the purpose of repairs on any tract except in an enclosed garage or in facilities protected from the public's view or that of other residents.

Section 4. Off-Road Parking. Both prior to and after the occupancy of a dwelling on any tract the Owner shall provide appropriate space for off-the-road parking for his vehicle or vehicles.

Section 5. Sewage. No outside toilet will be permitted. No installation of any kind for the disposal of sewage shall be allowed which would result in raw or untreated sewage being carried onto adjacent property. No means of sewage disposal may be used or installed except a septic tank, a composting toilet or similar or approved sanitary method of sewage disposal meeting the requirements of and approval of the proper governmental authorities having jurisdiction with respect thereto. The drainage of septic tanks or other sewage disposal facilities into any road, ditch or surface easement, either directly or indirectly is prohibited.

Section 6. Utility Easements. A fifteen foot (15') perpetual easement is hereby reserved over and across all tracts, where such tracts intersect with the road through the Subdivision for the purpose of installing, repairing and maintaining or conveying such easements to proper parties so that they may install utilities to all tracts of the Subdivision.

Section 7. Term of Restrictions. These restrictions shall run with the land and shall be binding upon all parties and all persons claiming under them. These covenants, or any of them, may be amended by an instrument signed in writing by the Owners of a majority of the Lots and the recording of said instrument with the County Clerk of Blanco County, Texas. Any such instrument shall show the Lots owned by each Owner.

Section 8. Covenants Running with the Land. All of the restrictions, covenants and easements herein provided for and adopted apply to each and every Lot, and shall be covenants running with the land. In order to prevent a breach or to enforce the observance or performance of same, Developer shall have the right, in addition to all legal remedies or remedies elsewhere provided herein, to an

injunction, either prohibitive or mandatory. The Owner of any Lot shall likewise have the right to either prevent a breach of any such restriction or covenant or to enforce the performance thereof.

Section 9. Partial Invalidity. Invalidation of any covenant or restriction (by Court judgment or otherwise) shall not affect, in any way, the validity of all other covenants and restrictions, all of which shall remain in full force and effect. Acquiescence in any violation shall not be deemed a waiver of the right to enforce against the violator or others the conditions so violated or any other conditions; and Developer shall have the right to enter the property of the violator and correct the violation, or to require that the same be corrected.

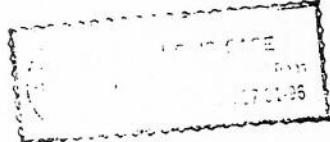
EXECUTED this the 22nd day of January, 1993.

William M. Watson
William M. Watson

Joy Watson
Joy Watson

THE STATE OF TEXAS)
COUNTY OF BLANCO)

This instrument was acknowledged before me on the 22nd day of January, by William M. Watson, and wife, Joy Watson.



Peris Page
Notary Public, State of Texas

PERIS PAGE
Printed Name of Notary

My commission expires: 2-31-96

Page 5 Stonegate Subdivision Amended Restrictions

FILED FOR RECORD JANUARY 22, 1993 at 10:51 A.M.
DOROTHY UECKER, CLERK, BLANCO COUNTY, TEXAS
RECORDED JANUARY 26, 1993 at 4:05 P.M.

990681
AMENDED RESTRICTIONS
STONEGATE SUBDIVISION

STATE OF TEXAS }

COUNTY OF BLANCO}

KNOW ALL MEN BY THESE PRESENTS:

Whereas, Stonegate Subdivision is a subdivision of Blanco County, Texas, as shown of record in Volume 1, Pages 119-121, Amended in Volume 1, Pages 127-129, Amended Revised in Volume 1, Pages 130-132, Plat Records of Blanco County, Texas;

Whereas, the original Restrictions of Stonegate Subdivision are found of record in Volume 118, Page 745 of the Deed Records of Blanco County, Texas;

Whereas, the undersigned are the owners of a majority of Stonegate Subdivision and desire to make and amend the Restrictions of Stonegate Subdivision in regard to us, occupancy and improvements to said subdivision.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the following constitute amended restrictions in regard to the use, occupancy and improvements to Stonegate Subdivision:

Section 4. Lot Lines. No dwelling shall be located closer than fifty feet (50') from the front of the tract (meaning adjacent to the road) or fifty feet (50') of either side line unless one structure is constructed on two adjacent tracts. no structure shall be used until the sanitary sewage disposal facilities (complying with Article IV, Section 5) are completely finished.

Executed this the 12th day of March, 1999.

Mrs. Louis Calvez
Mrs. Louis Calvez
Louis Calvez
Louis Calvez
Burl Pipes
Burl Pipes
James B Taylor
James B Taylor
Barbara C Taylor
Barbara C. Taylor

Terri D. Brooker
Terri D. Brooker
L.D. Brooker
L.D. Brooker

State of Texas
County of Blanco

This instrument was acknowledged before me on the 1st day of March, 1999 by Mrs Louis Calvez



Deborah K. Sammons
Notary Public, State of Texas

041028
SECOND AMENDED
RESTRICTIONS FOR STONEGATE SUBDIVISION

STATE OF TEXAS)
COUNTY OF BLANCO)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, STONEGATE SUBDIVISION is a subdivision of Blanco County, Texas, as shown of record in Vol. 1, Pages 119-121, Amended in Vol. 1, Page 127-129, Amended Revised in Vol. 1, Pages 130-132, Plat Records of Blanco County, Texas;

WHEREAS, Amended Restrictions of Stonegate Subdivision are found of record in Vol. 143, Page 122 et seq. of the Deed Records of Blanco County, Texas;

WHEREAS, a majority of the property owners of Stonegate Subdivision desire to amend the Restrictions of Stonegate Subdivision in regard to allowable uses of certain lots in said Subdivision;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the following shall constitute an amended restriction in regard to the use of certain lots in Stonegate Subdivision and shall be added to and in addition to prior Restrictions described above:

Amended Restrictions

ARTICLE IV

GENERAL PROVISIONS

Section 1A. Animals on multiple lots. As to Lots One (1) through Five (5) inclusive ONLY, and for so long as title to said lots are held under common ownership, horses and livestock (cows, sheep and/or goats) may be bred, maintained, grazed and/or kept for agricultural purposes, so long as said livestock is kept under fence and which usage must not become objectionable to abutting owners. However, no commercial feedlot shall be located on the property.

This restriction remains in effect as to the remaining lots in Stonegate Subdivision.

Amended Restrictions of Stonegate Subdivision are found of record in Vol. 143, Page 122 et seq. of the Deed Records of Blanco County, Texas are hereby confirmed in all respects other than those mentioned.

Filed this 16th day of April 2004

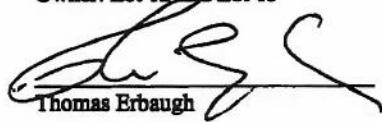
8:02 A.M.

KAREN NEWMAN
County Clerk, Blanco County, Texas
By Karen Newman *Clerk*

WL0295ME905

Executed on the date of our acknowledgment hereto.

Owner: Lot 12 and Lot 13



Thomas Erbaugh

THE STATE OF TEXAS

COUNTY OF BLANCO

Acknowledged this 22nd day of March, 2004, by Thomas Erbaugh.



Miriam A. Corbin
Notary Public, State of Texas

14.0295w:906