

Default

If you default under your purchase contract with us prior to settlement (such as failing to make your payments at settlement), we may, at our option, terminate the contract and retain your pre-settlement payments (i.e. earnest money) as liquidated damages.

After settlement, we will expect the conditions of your deed of trust and promissory note to be satisfied in full. Failure to satisfy the terms of your promissory note and deed of trust may result in foreclosure according to the terms of the deed of trust, and a subsequent deficiency judgment entered against you for any amount of indebtedness that remains outstanding. Alternatively, we may declare all payments immediately due and may initiate suit against you for the full balance of the purchase price.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

The restrictive covenants for the entire subdivision and supplemental restrictive covenants for Unit One and Unit Two have been prepared and are recorded in the Office of the Clerk of the County Court of Gonzales County, Texas.

A complete copy of these restrictions is available upon request. The major provisions of these restrictions will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the covenants and should not be a substitute for a careful study of these restrictions by you.

Lots in this subdivision may be used for single-family residential purposes only. The restrictive covenants require that your plans and specifications for any structure or improvement to the lot be approved by the Architectural Review Board. The Committee may disapprove any plans submitted to it if they are not in accordance with the restrictions and they may review the plans as to their quality or workmanship and materials, harmony of external design with existing structures, and location with respect to topography and finish grade elevation. All dwellings must enclose at least 1,800 square feet of heated/cooled living space with no less than 1,000 square feet of heated/cooled living space on the ground floor of one and one half or two story homes. In all Units, the restrictions require that all exterior construction be completed within twelve (12) months after being started. Proper maintenance of yards and the exteriors of structures are required.

The restrictions generally prohibit commercial activity, any nuisances, and mineral development on the surface of the property except that mineral development may occur on the identified drill sites or surface locations. Mineral development may occur under the surface of the property, but all mineral activity shall be limited to the drill sites and surface locations as shown on the final plat. The restrictions allow limited agricultural and livestock uses on the lots in addition to the residential uses of the lots, subject to approvals by the Architectural Review Board.

The restrictions also provide for the payment of maintenance fund assessments

and special assessments as discussed under "Property Owners' Association" in this Property Report, and the restrictions provide for the enforcement of such assessment obligations by the imposition of liens on individual lots.

Easements

The lots in this subdivision are subject to the following easements as indicated. You will not be allowed to construct any permanent structure other than fences on the area affected by the easements, but each lot includes a suitable building site exclusive of such areas.

There is a 50-foot building line along all back lot lines unless otherwise shown on the plat.

There is a 25-foot building line along all side lot lines unless otherwise shown on the plat.

There is a 100-foot building line along all roads.

There is a 30-foot drainage easement centered on all natural runoff channels, creeks or swales unless otherwise noted on the plat.

There is a 20-foot public utility, drainage and embankment/backslope easement along both sides of all right-of-ways unless otherwise shown on the plat.

There is a 20 foot utility easement along all back and side lot lines.

There is a 20-foot side and back lot drainage easement on all lots unless otherwise shown on the plat.

There is a 30' x 100' variable drainage easement on Lots 142, 149, 155, 161, 173, 176, 178, 179, 180, 182, 211, 216, 224, and 249.

There is a 30' x 50' variable drainage easement on Lots 135, 165, 168, 170, 191, 195, 199, 208, 209, 231, 244, and 257.

There is a 30' x 80' variable drainage easement on Lot 202.

There is a 50' x 56' variable drainage easement on Lot 206.

There is a 25' x 50' variable drainage easement on Lot 171.

There is a 15' x 100' variable drainage easement on Lots 158 and 159.

There is a 28' x 6' variable drainage easement on Lot 236.

The following lots have restricted building areas, as designated on the plat, as these areas could be subject to inundation by storm water runoff: 148-155, 158-161, 163-169, 173, 174, 176, 178-181, 183, 184, 191, 192, 196, 199, 202, 203, 211, 212, 216-219, 221, 230-232, 241-243, 246 and 247.

Any public utility, including Gonzales County, shall have the right to move and keep moved all or part of any building, fences, trees, shrubs, and other growths or improvements which in any way endanger or interfere with the construction, maintenance, or efficiency of its respective systems on any of the easements shown on the plat. Any public utility, including Gonzales County, shall have the right at all times of ingress and egress to, from and upon said easements for the purpose of construction, reconstruction, inspection, patrolling, maintaining and adding to or removing all or part of its respective systems without the necessity at any time of procuring the permission of anyone.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

The subdivision plats for all of the lots in Unit One and Unit Two have been approved and recorded in the public land records of Gonzales County, Texas.

Zoning

There are no local zoning ordinances affecting the subdivision. The subdivision restrictions limit the use of the lots in the subdivision to single-family residences.

Surveying

Each lot in the subdivision will be surveyed and the corners of each lot marked at our expense prior to sale.

Permits

You must obtain the following permits or approvals prior to the construction of your home:

The Settlement at Patriot Ranch Architectural Review Board
PO Box 896
Wimberley, Texas 78676

(Approval of proposed building plans -- cost to you is \$100)

Jerry Akers
Gonzales Building Official
414 St. Josephs St., Suite 100
Gonzales, Texas 78629
830-672-7642

(Septic system permit -- estimated cost to you is \$210)

No other permits are needed to use the lots for the purpose for which they are being sold.

Environment

We are not aware of any governmental environmental impact study which has been prepared on this subdivision. However, an environmental study was undertaken by SWCA. They investigated the potential for hazardous substances on the property to pose development constraints. The studies concluded that the property has a low probability for environmental risk or for harm to endangered species. A copy of such report is available upon request and upon payment of a nominal administrative fee to cover copying costs.