

RESTRICTIONS AND COVENANTS

(MASSIE RANCH PROPERTIES)

In order to carry out a general plan of development and preserve the character and natural beauty of this land, this agreement is subject to the covenants hereby made by the sellers, and made and accepted subject to the restrictions and conditions upon the premise hereby for as follows, to-wit:

1. That these covenants are to run with the land and shall be binding on the Purchaser and all persons claiming under him until January 1, 2006 at which time said covenants shall be automatically extended for successive periods of ten year, unless a vote of the then owners of the majority of the land in this ranch, it is agreed to change said covenants in whole or part.
2. The above property herein shall not be used for commercial hunting, nor business purposes, nor have any commercial or manufacturing purposes.
3. That no automobile, truck, trailer, or other vehicle shall be abandoned on this property nor there any dumping or placing of unsightly objects of any kind on the property.
4. A property owners association shall be formed in the manner herein set forth.
(This association has been formed and this item be discussed in another paragraph)
5. That any sewage disposal system constructed shall be built in full compliance with regulations and specifications of government units having jurisdiction in such matters.
6. That no disposal of any kind shall be allowed that would pollute any stream or body of water or which would be unsightly, offensive, or otherwise adversely affect the natural beauty and value of the property.
7. That no swine shall be allowed.
8. No hunting blinds, feeders or structures (temporary or permanent) will be permitted within 200 feet of any property line or roadway easement.
9. Hunting or discharge of firearms from any easement road within the ranch is strictly prohibited.
10. All roads in the development are private roads for the express use of the property owners and shall be maintained in the manner hereinafter set forth.
11. Since road Improvement, maintenance, and security in this development are of importance to all property owners, PURCHASER hereby authorizes SELLER to improve and maintain such roads for the common good and to charge each property owner fee of \$3.00 per acre per year.

Such charge shall not be more than \$300.00 per tract per year and only for such a period of time until the County accepts roads for maintenance. SELLER is authorized but not obligated to perform collections and road maintenance.

(Such charge shall not be more than \$400.00 per tract per year. BOARD OF DIRECTORS is authorized to perform collections and road maintenance.)

- * If at any time after the present date, it is required for any reason that the roads must be maintained or improved to a greater degree than at present, purchaser agrees that the cost of such maintenance or improvements shall be the immediate obligation of the then property owners of the ranch on a pro rata acreage-owned basis.

(Above paragraph to be eliminated...covered by By-Laws, Article XI Assessments, Section 2 Special Assessments and Section 3 Record of special Assessments) Note: if schedule is approved then Article I, Assessments, Section 1. Assessments would need revision.

Such charge shall be made by direct billing to the property owner or PURCHASER hereby authorizes SELLER, at his option, to deduct such charge from payments made by PURCHASER, and any such charge so deducted shall not be credited to the payment on the balance due on the purchase price, principle or interest. It is understood and agreed that this road maintenance charge (if no paid within 60 days of billing date) shall become a bona fide lien against the above described tract. [ROAD MAINTENANCE WAS OFFICALLY TURNED OVER TO THE MASSIE RANCH PROPERTY OWNERS ASSICATION BY LETTER DATED DECEMBER 3, 1999, SIGNED BY GORDON H. MONROE]

(Direct billing shall make such charge to the property owners by the BOARD OF DIRECTORS cover the tax year of June 1st through May 31st the following year)

12. AT such time as 90% of the tracts in the ranch have been sold or contracted for sale, the Developer shall have the authority to notify each tract owner of the time, date and place of a meeting of all tract owners to be held for the purpose of organizing a Property Owner's Association. [THIS WAS DONE BY REGISTERED MAIL, LETTER DATED JULY 28, 1999] A majority of the votes of the tract owners in attendance at such meeting in person or by written proxy shall be sufficient to transact the business of such meeting.

(Above paragraph shall be eliminated and replaced as follows:

12. Massie Ranch Property Owners Association, Inc., was formed as non-profit corporation. Membership in the Massie Ranch Property Owners Association, Inc., is mandatory of each owner including those owners of a resale of the tract. September 23, 1999 the corporation was granted exemption from payment of the Franchise Tax. However the corporation does not qualify for exemption from the limited sales, excise and use tax when purchasing taxable items or services)

Each tract owner, including the Developer attending or represented by written proxy at such meeting shall have one vote for each tract owned by such owner on all business to come before the meeting. [SEPTEMBER 3, 1999 MEETING, 15 OF THE 23 OWNERS WERE PRESENT. MEETING WAS HELD IN THE COMMUNITY ROOM OF THE NORWEST BANK BUILDING (WELLS-FARGO BANK), 301 JUNCTION HIGHWAY, KERRVILLE, TEXAS]

Upon the creation and organization of such association, as non-profit corporation, or otherwise, the Developer shall transfer and assign to such association the current balance of the road improvement and maintenance fund and all rights and authority for road improvement and maintenance which were granted to them by the original sale of the property.

(Above paragraph shall be eliminated. Voting rights are covered in the By-Laws Section 4, Voting Rights.)

Thereafter such association shall have the power, authority and obligation to supervise, regulate, control, operate, improve and maintain the roadways, of the ranch and shall have the right, power and authority to make such reasonable assessments against each tract in the ranch as may be required to support, operate, improve and maintain such roadways.

All such assessments upon any tract in the ranch shall have the personal obligation of the owners of such tract and such association shall have and is hereby granted a lien upon each lot to secure the payment of such assessments and such assessments shall be obligation running with the land. Purchaser hereby makes application for membership in Property Owners Association.

(Item 13 is no longer valid and should be removed)

13. Votes at the initial meeting of tract owners to organize the Property Owner's Association shall be acted upon at such meeting, in addition to such other issues as may properly come before the meeting, shall be:

a. The form of the organization, e.g., non-profit corporation, informal association, etc. [ELECTED TO BE AN NON-PROFIT ASSOCIATION, INCORPORATED - SEPTEMBER 3, 1999]

b. Election of officers to fill the offices of President, Vice-President, Secretary, and Treasurer for the first one year period of the association's operation. [SEPTEMBER 3, 1999]

c. Election of a committee to prepare and adopt the by-laws or rules and regulations for operation. [SEPTEMBER 3, 1999]

d. To set the time, date and place of the next meeting of the members of the association, which shall be not later than one year from the date of the initial meeting. There shall be a meeting of the members of the association at least once each year. [IT WAS AGREED TO HAVE A MIDYEAR MEETING ON THE LAST SATURDAY OF APRIL AND AN ANNUAL MEETING ON THE LAST SATURDAY IN OCTOBER]