

**DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS
AND RESTRICTIONS
CRYSTAL MOUNTAIN, LTD.**

THE STATE OF TEXAS

KNOWALL MEN BY THESE PRESENTS:

COUNTY OF BLANCO

THAT WHEREAS, Otis Cable, General Partner of CRYSTAL MOUNTAIN, LTD., hereinafter called "Declarant," is the owner of all that certain real property located in Blanco County, Texas, described as follows:

CRYSTAL MOUNTAIN, a subdivision in Blanco County, Texas.

S 7012

NOW, THEREFORE, it is hereby declared that all of the property described above shall be HELD, SOLD and CONVEYED subject to the purpose of protecting the value desirability and attractiveness of and which shall run with, the real property, and any portion thereof, and shall be binding on all parties having any rights, title or interest in or to the above described property or any part thereof, and their heirs, successors and assigns, and which covenants and restrictions shall inure to the benefit of each owner thereof. The real property described herein above shall hereinafter be referred to and known as CRYSTAL MOUNTAIN, which shall hereafter be subject to the following:

A. LAND USE

1. All tracts in CRYSTAL MOUNTAIN are restricted to use for residential purposes only. No signs shall be placed on any part of these residential tracts indicating a commercial or non-residential use thereof.

2. No animals or fowl shall be permitted other than those types of animals or fowl normally found on rural property which are raised for personal family use and/or pleasure on a strictly non-commercial basis. Permitted types of animals shall include horses, chickens, and household pets. No swine shall be permitted, nor shall any cattle feeding, fowl feeding or other feeding or commercial operations, expressly including commercial kennels, are not permitted, except animals for 4-H or FFA purposes. If any member of an owner's family is under the age of nineteen (19) and is a bonafide member of a 4-H Club or Future Farmers of America Club, then one animal per each member (but not in excess of three) shall be permitted for the purpose of raising such animal for competition or as part of a club project, provided, however, that (1) such animal shall be kept in a sightly pen or other enclosure, (2) the lot shall be kept clean and in a sanitary and odorless condition, and (3) the animal shall be removed from the lot

upon completion of the competition or club project. Chickens (no guinea fowl or peafowl) shall be permitted provided their number is limited to three (3) per acre. Animals such as horses, cows, goats, or donkeys shall be limited in number to one (1) horse, one (1) cow, one (1) goat, or one (1) donkey per acre, or any combination thereof may be kept as long as the maximum number of the above stated animals does not exceed one (1) per acre and does not become a nuisance or threat to other owners. Shelter for these animals shall be located in the rear one-third (1/3) of the property, not visible from the road, a minimum of fifty feet (50') from the side property line, and neatly maintained. Any and all animals, including household pets, require appropriate fencing to confine them to their lot. No animal shall be permitted until this appropriate fencing is completed.

3. No junk or junkyards of any kind or character shall be permitted, nor shall accumulation of scrap, used materials, inoperative automobiles, or machinery, or other unsightly storage of personal property be permitted.

4. No portion of the property shall be used in a manner that adversely affects adjoining property owners or creates an annoyance or nuisance to other property owners. This shall include noise pollution such as barking dogs, loud music, or any animal or fowl that causes a nuisance.

5. No hunting shall be permitted. No fireworks shall be permitted.

6. No residence shall be erected on any part of said property or building site having less than two thousand (2000) square feet of floor space livable area in main building with one-half (1/2) thereof of masonry construction, with exception of Log homes which will not require one-half (1/2) of masonry construction.

7. All buildings erected on the premises shall be of new construction and materials. No buildings or portion of building of old material may be moved into said subdivision.

8. It is the intent of the undersigned that all dwellings and other structures have a neat and attractive appearance. The entire exterior walls of all dwelling units or other buildings hereafter constructed must be completed within one year after the commencement of work thereon or the placing of materials therefor on said property, whichever occurs the earliest, and in connection therewith it is understood that by the use of the word "completed", is also meant the finishing of all such exterior walls.

9. With the exception of the Estate Section Tracts, no more than one residence shall be erected per tract. However, one guest/servant house may also be built provided said guest/server house must contain a minimum of 500 square feet and be built after or while the main dwelling is being built and be approved by the architectural control committee.

10. No outside toilets, privies or cesspools will be permitted, and no installation of any type of sewage disposal device shall be allowed which would result in raw or untreated or unsanitary sewage being carried into any water body; all septic tanks must conform to the regulations of the State and County concerning septic systems. Inspection and certification by each of the foregoing named regulatory governmental entities shall be required only if an individual regulatory body requires separate inspection and certification; otherwise, a certification made by an appropriate regulatory body which is accepted by another regulatory body for compliance purposes hereunder.

11. No tents, campers or trailers shall be used on any of the property for residential purposes, on a temporary or permanent basis. No pre-manufactured, modular, trailer or any other structure not built on site shall be permitted

12. All tracts shall be kept in a clean and orderly condition at all times, and all trash, garbage and other waste shall be kept in sanitary containers. Waste placed by the roadway for pickup shall be in disposable containers.

13. No structures used for storage purposes shall be erected or placed upon any parcel which will be visible from any roadway, unless placed within the most rear one-third (1/3) of the parcel, that being such portion farthest away from any roadway. All such structures shall be neatly maintained.

14. With the exception of Tracts located in the Estate Section, no re-subdivision of any tract shall be permitted except that this restriction shall not apply to any tract acquired by the Veterans Land Board of the State of Texas nor to any tract mortgaged for construction purposes and subsequently foreclosed upon.

15. In the Estate Section, no more than one residence per five (5.0) areas shall be erected. Tracts in the Estate Section may be re-subdivided into tracts of five acres or more. Each re-subdivided tract will then be subject to and shall adhere to all of the restrictions governing tracts in Section I and II of Crystal Mountain. Any such re-subdivision could result in the loss of the agricultural exemption and a rollback tax which will be the responsibility of the tract owner.

16. Through December 31, 2002, Crystal Mountain LTD intends to either maintain a cow/calf cattle operation or to lease the Estate Section land for such cattle operation. Crystal Mountain LTD or its lease assignee will maintain the exterior fencing of all tracts in the Estate Section in return for the grass lease for their cattle. At the end of 2002, all Estate Section owners will have the option of either jointly leasing their grazing rights or individually establishing their own agricultural basis for continuing their agricultural exemption. Any purchaser of any tract of land in the Estate Section who elects not to have cattle grazed upon his property will need to fence off his property. Any change of use of the property could result in the loss of the agricultural exemption and a rollback tax which will be the responsibility of the tract owner.

B. EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are located in a strip thirty (30') feet in width adjacent to the sixty (60') foot road easement, as shown on the plat of the subdivision and a ten (10') foot easement along all the property lines of each tract. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow or surface water drainage in the easements. Within such easements the right of use, ingress and egress shall be had at all times for the installation, construction, operation, maintenance, repair, replacement, relocation or removal of any utility and drainage facility, together with the right to remove any obstruction or improvements that may be placed within any such easement which may interfere with the use of such easement for the purposes herein set forth. The easement area of each tract and all improvements in it shall be maintained continuously by the owner of the tract, except for those improvements for which a public authority or utility company is responsible. A utility easement may be used for any and all utilities, water, sewage disposal, telephone, gas and/or electricity unless expressly limited to a specific use on the recorded plat of the subdivision or stated in the conveyance out of Owner. Any owner who purchases two or more contiguous tracts shall have the right to abandon the interior lot line easement or easements without the consent or approval of the Architectural Control Committee or the Association provided that the utility companies do not foresee a need for the easement. Also, there will be an equestrian/walkway easement within the sixty (60') foot road easement. Horses will not be allowed to roam the easement unoccupied or to be tied up in the easement without the consent of the adjacent landowner and for a period not to exceed eight (8) hours.

C. LANDOWNERS' AGREEMENT

At such time that one hundred (100%) percent of the tracts have been sold and conveyed by Declarant or when it is deemed reasonable and proper by Declarant, a Property Owners Association shall be created to be made up of the Owners of the property within CRYSTAL MOUNTAIN (the subdivision). A governing board of at least three (3) officers shall be elected by owners within the subdivision. Election of officers shall be made annually. The initial Association shall require the approval of a majority of the votes of property owners. Amendment of the by-laws shall require a three-fourths (3/4) vote of the property owners.

One Declarant shall have authority to serve as the Architectural Control Committee, until such time as all of the property within the subdivision has been sold by Declarant or when declarant deems necessary. The member shall be appointed by Declarant.

In order to provide for the repair, and maintenance of any roads within the subdivision, Declarant, for the benefit of itself and each successor owner of a tract within the subdivision, hereby binds Declarant and Declarant's successors and assigns, as follows:

At any time and from time to time as any of the common areas in the subdivision are not being maintained by Blanco County, a city, or other type of taxing authority within which the subdivision is located, Declarant may convey such roads to a nonprofit corporation, or other organization, formed by Declarant for the purpose of owning, maintaining, operating and repairing the common areas (the "Association") which shall have such supervisory authority to provide for the property maintenance, repairs and operation of the common areas as may be appropriate to the subdivision. The Association shall not be liable to any owner of any interest in such subdivision for any damage, claim or expense, for the manner in which said common areas are operated, maintained and repaired, or for failure to operate maintain or repair such common areas.

Every owner of a tract within the subdivision shall be a member of the Association and such membership shall be appurtenant to and may not be separate from ownership of a tract. Each tract owner shall have one vote per tract. ONLY the Declarant, at his sole judgment, shall change, add to, make amendments, or give variances to the restrictive covenants until all lots are sold. Thereafter, such changes, additions, or amendments shall require the consent of two-thirds (2/3rds) of the property owners, provided however, the Architectural Control Committee shall grant variances when required to maintain the integrity of the property, enhance the property, save trees, or utilize a better building site.

Additional property and common areas may be annexed to or associated with the subdivision at any time, subject to Declarant.

In order to provide a fund for the proper maintenance of such common areas (hereinafter called "Maintenance Fund") including, but not limited to payment of taxes on common areas and maintenance of roadways, there is hereby imposed upon each tract in the subdivision an annual maintenance charge which initially shall not exceed two hundred (\$200) dollars per tract. When a tract in the Estate Section is re-subdivided, each resultant re-subdivided tract shall be subject to the same two hundred (\$200) dollar maintenance charge and all privileges, responsibilities, and obligations of all other tract owners. The annual assessment may not be increased by more than 10% per year prior to the formation and assumption of control by the Property Owners Association and then without the approval of a majority of the association. Once assessed such maintenance charge shall be payable at such intervals as selected from time to time by the Declarant or the Association by each owner of a tract in the subdivision. Any delinquent maintenance charge shall accrue interest at any annual rate determined from time to time by the Declarant or the Association (which shall not exceed the maximum lawful annual interest rate) from the date of delinquency until paid. The maintenance charge hereby imposed shall not apply to Declarant, or to any tract to which Declarant owns both the record and beneficial title.

Neither Declarant nor the Association shall be liable or responsible to any party for failure or inability to collect the maintenance charge or any part thereof from any party.

The Declarant, until such time as he deems necessary, may use the Maintenance Fund or any part thereof, for developing, improving, operating and maintaining any and all of the common areas which the owners and/or occupants of tracts may be privileged or shall have the right to use, regardless of who may own such common areas and regardless of their location. It is agreed and understood that the judgment of the Declarant, as custodian and administrator of said Maintenance Fund, when used in good faith in the expenditure of said funds, or any part thereof, shall be binding, final and conclusive upon all parties in interest.

The payment of the maintenance charge hereby imposed shall be secured by an express lien in favor of the Declarant or Association, as custodian and administrator of the Maintenance Fund, which lien is placed and imposed upon each tract in the subdivision subject to such charge. There is hereby granted unto the Declarant or Association an express lien against each tract of the subdivision to secure all obligations of the owner or owners of said tract imposed upon such owner, or tract, under the provisions hereof. Such lien may be foreclosed in the same manner as a deed of trust lien (V.T.C.A. Property Code 51.002) or a vendor's lien, without prejudice, however, to any other rights, powers or causes of action which the holder of said lien may have against any party who is then or who has heretofore been the owner of the property affected thereby. The payment of the maintenance charge shall be prorated and paid at closing and continue thereafter every January 1st of the following years. Said lien and all other provisions of this agreement shall be secondary and subordinate, however, to any liens, deeds of trust and encumbrances whatsoever given to secure all or any portion of the purchase price of any tract or any part thereof, or given to any party, agency or department of the State of Texas, bank, savings and loan association, insurance company, trust company, fraternal benefit organization, or corporation with banking or related powers, lawfully lending money for the purposes of making repairs or constructing dwellings or any other improvements whatsoever on any portion of any tract or acquiring any promissory note or other evidence of indebtedness previously made for any such purpose. If any such lender or party acquiring such indebtedness should be in doubt as to the purpose for which such loan was made, or indebtedness incurred, or as to whether the lien herein granted is subordinate to any lien or deed of trust given for the purpose of securing any such mortgage or indebtedness, such lender or party acquiring such indebtedness may rely conclusively upon the written statement of the Declarant or Association, with respect thereto. The Declarant or Association may release or subordinate said lien and any other provision of this agreement, in whole or in part, for any reason whatsoever, without affecting said lien insofar as it applies to any other tract or tracts within the subdivision.

Notwithstanding anything contained herein to the contrary, if record title to any tract is acquired by the Veteran's Land Board of the State of Texas (the "VLB") then so long as record title to such tract is held by the VLB, such tract shall not be subject to or encumbered with a lien to secure payment of the maintenance charge; however, payment of the maintenance charge shall remain the personal obligation of the party purchasing such tract from the VLB and upon the conveyance of record title out of the VLB such tract again shall be subject to the lien herein created to secure payment of the annual maintenance charge.

Any person negligently or willfully damaging or destroying all or any portion of the common areas shall be responsible to the Declarant or Association for damages, and the Declarant or Association shall use any funds collected by claim, lawsuit, or settlement agreement arising out of such damage or destruction, to repair such damage or destructions, to the extent of such funds.

The Declarant or Association shall have, and it is hereby granted, the full right, power and authority to dedicate and/or convey all of its rights, titles and interests in and to the common areas or any part thereof and the Maintenance Fund as well as all of its powers, rights, liens, responsibilities, duties and authority under the terms hereof to a

public or quasi-public corporation or entity with the power to tax such as a city, Blanco County or a public district having such powers. All references to Declarant or Association shall apply with equal force and effect to any successor in interest to Association.

D. CONSTRUCTION AND ARCHITECTURAL CONTROL

1. Architectural Control: No structure, building, fence or driveway shall be erected, placed or altered on any tract until the construction plans and specifications and a plan showing the location of the structures has been approved by the Architectural Control Committee (Declarant) to quality of workmanship and as to location with respect to topography and finish grade elevation. The Architectural Control Committee is composed of Otis Cable, James R. Rau, Jack Waters and Larry Loessin. The Committee as required for these covenants, shall indicate approval or lack of it in writing. In the event the committee or its designated representative, fails to approve or disapprove within thirty (30) days plans and specifications that have been submitted to it, approval will not be required and the related covenants shall be deemed to have been fully complied with. The duties of this office shall be turned over to the Property Owner's Association at such time as all the property within the subdivision has been sold by Declarant or when Declarant deems necessary. Two sets of plans must be submitted in order that one can be kept on file for any future references.

2. All walls and fences on boundary lines fronting any subdivision roads shall be approved by Architectural Control Committee and shall not be closer to street property lines than the Tract boundary line. Any fence or wall must be constructed of generally accepted new fencing materials and completed in a professional manner. No chain-link fencing shall be allowed. Fences and walls shall be completed within two (2) months of commencement date.

3. All dwellings, exclusive of open porches, garages, carports and patios, shall be of at least two thousand (2000) square feet.

E. BUILDING SET BACK LINES

1. Building set back lines shall be a guide to locating the house and varies as to location. This line is not meant to encourage all houses to be aligned but to retain the estate concept and place houses away from the roadway. It is encouraged for building sites to be a minimum of one hundred (100') feet from the front property line.

2. No building shall be located on any lot or tract less than fifty (50') feet from front property line, no less than twenty-five (25') feet from side property line. No structure shall be located nearer than fifty (50') feet to any side street. Barns and out buildings must be built to the rear of the main house and within one hundred (100') feet of the back property line.

3. No campers, buses, boats or recreational vehicles of any type shall be permitted on front one-half (1/2) of the lot or be visible from the roadway. No structure other than fencing shall be permitted closer than twenty-five (25') feet from any side property line.

F. MISCELLANEOUS

1. No commercial oil drilling, oil refining, quarrying, or mining operation of any kind shall be permitted upon or in any tract.

2. Since Crystal Mountain is designed to be a private, secure, and tranquil residential development, all owners and visitors will be restricted to a 25 miles per hour speed limit in order to protect walkers, joggers, cyclist, and horses.

3. If, through error or oversight or mistake, any owner of a parcel or land builds, or causes to be built, any structure thereon which does not conform to all the limitations and restrictions herein recited, it is expressly herein provided that such non-conformity shall in no way affect these limitations or restrictions insofar as they apply to any and all other parcels of said land. 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 parcels of said land to change, alter or violate any of the restrictions and limitations herein contained.

4. Declarant hereby retains the right, in the furtherance of the uniform plan for the development of such property as a residential neighborhood, to execute amendments to, including granting variances from and on, the aforesaid restrictive covenants and use limitations on such property imposed by this instrument, provided he, in the exercise of his best judgment and discretion, is of the opinion that any such amendment or variances would enhance the plan for the development of such property, save trees or utilize a better building site.

5. The restrictive covenants and use limitations herein provided for on such land are hereby declared to be covenants running with the land and shall be fully binding upon all persons acquiring title to any such parcels, including the right to acquire title to any such parcels by contract or otherwise of said land whether by descent, devise, purchase or otherwise, and any person procuring the right by contract to acquire title to any parcel of such land, shall thereby agree to the covenants and use limitations herein provided for on such land by virtue of the filing hereof in the Deed Records of Blanco County, Texas, and with this being true without regard to whether or not such person has actual notice of these restrictive covenants and use limitations on such land by reference hereto in the instrument or instruments under which he acquired the title to, or the right to acquire title to, any parcel of land.

6. The restrictive covenants and use limitations herein published and impressed on all parcels of said land shall be binding on all of the owners of parcels or portions of said land for a period of twenty (20) years unless by a vote of the owners of two-thirds (2/3rd) of the property herein described, taken prior to the expiration of said twenty (20) years and filed for record in the Deed Records of Blanco County, Texas, it is agreed that these restrictive covenants and use limitation shall terminate as to said land. The same percentage shall be required to amend these restrictions, with the exception that Declarant reserves the right to amend this instrument and grant variances as set out in Paragraph No. F2 above.

7. It is expressly understood that the undersigned, it's successors, legal representatives or assigns, or any one or more of the owners of parcels of said land, shall have the right to enforce the restrictive covenants and use limitations herein provided for on such land by injunction, 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, it's successors, legal representatives and assigns, or any other person or persons, owning parcels of said land, injured by virtue of any breach of the restrictive covenants and use limitations herein provided for on such land shall accordingly have their remedy for the damages suffered by any breach, and in connection therewith it is controllingly understood that in the event of a breach of these restrictive covenants and use limitations by the owner of any parcel of said land it will be conclusively presumed that the owners of other parcels of said land have been injured thereby.

Witness our hands the 10TH day of July, ²⁰⁰⁰~~1999~~. 67c

CRYSTAL MOUNTAIN LTD., a Texas Limited Partnership

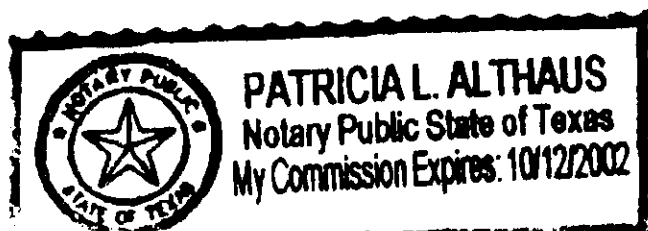
By [Signature]
Otis Cable, General Partner

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF BLANCO

²⁰⁰⁰~~1999~~ This instrument was acknowledged before me on this 10th day of July,
~~1999~~, by OTIS CABLE, General Partner of CRYSTAL MOUNTAIN, LTD., a Texas
Limited Partnership.



[Signature]
NOTARY PUBLIC, State of Texas

(print or stamp name of Notary)
My commission expires _____

This 10 day of July, 2000
11:49 A.M.
DOROTHY UECKER
COUNTY CLERK, BLANCO COUNTY, TEXAS
[Signature]

Any provisions herein which restricts the sale, rental or use of the described property because of color or race is invalid and unenforceable under Federal law.
STATE OF TEXAS
COUNTY OF BLANCO
I hereby certify that this instrument was FILED in File Number Sequence on the date and the time stamped hereon by me and was duly RECORDED in Official Public records of Real Property of Blanco County, Texas on

JUL 12 2000



[Signature]
COUNTY CLERK
BLANCO COUNTY, TEXAS