

DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR THE HILLS OF SHADY GROVE SUBDIVISION

Sections 1,2,3,4,5,6,7,8,9

Amended May 11, 2007

WHEREAS, SHADY GORVE PROPERTY OWNERS ASSOCIATION, INC. (HEREAFTER REFERRED TO AS SGPOA) intends to see that the development of this property serves the maximum benefit and pleasure of the owners of lots and homes in the area referred to, and intends to maintain the property values thereof, and does hereby set forth these protective covenants regarding the use of said land. The developer, Stehling Ways & Means Inc. will select a Board of Directors to serve on the SGPOA and the Board of Directors will appoint an architectural committee to review all plans and report back to the SGPOA. After 60% of the lots are sold, a Board of Directors will be elected from the property owners. The new property owner's board will then govern and maintain the restrictions set forth.

A \$50.00 annual assessment fee per calendar year shall run against each lot in the subdivision for the purpose of maintaining and improving public areas, and enforcement of the restrictions herein. Each property owner shall pay one fee and have voting rights as established herein. The SGPOA shall have the right to reduce or increase the assessment should it be deemed necessary to make minor repairs and /or improvements.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENT: That SGPOA does hereby make and file the following declarations, reservations, protective covenants, limitations, conditions and restrictions regarding the use of lots located in The Hills of Shady Grove Subdivision.

I

All lots in the Hills of Shady Grove Subdivision shall be used solely for single-family residential purposes with the exception of Section 1, Lot 7, which will be zoned commercial. Use designation shall have the meaning set forth in the zoning ordinance and shall be utilized only for storage units, storage of boats, storage of motor homes, and trailers. Before construction of the above described storage complex, builder shall be required to construct a six foot high solid wood or masonry fence to obscure all contents from view of residential lots and/or the public. This storage complex will be accessed from County Road 200.

No lots shall be subdivided, although more than one or any portion in excess of one lot may be combined into one residential lot. If adjoining lots are owned by the same person, persons, or entity, the setback restriction which would otherwise apply to common property lines of such adjoining lots shall not apply and the common lot lines and improvements which otherwise conform to these restrictions may be constructed over such common lot lines.

II

Sections #1,2,3,7,8&9 – No building other than a single-family residence containing not less than 2,000 square feet of living area or a two-story dwelling containing a ground floor living area of not less than 1,600 square feet and a total living area of not less than 2,200 square feet, exclusive of porches, breezeways, and garages, shall be erected on any lot within Sections Number One (1), Two (2), Three (3), Seven (7), Eight (8) or Nine (9) of the Hills of Shay Grove Subdivision.

Sections #5&6 – No building other than a single-family residence containing not less than 2,300 square feet of living area or a two-story dwelling containing a ground floor living area of not less than 1,600 square feet and a total living area of not less than 2,500 square feet, exclusive of porches, breezeways, and garages, shall be erected on any lot within Sections Number Five (5) or Six (6) of the Hills of Shay Grove Subdivision. In the event any noxious, offensive, or otherwise undesirable development, building, construction, or other activity that is inconsistent with the Development occurs on the property or properties adjoining the eastern boundary line, a fence may be constructed along the eastern boundary of lots #2,3,4 and 5 of Section #5, provided said fence does not exceed eight (8) feet in height and is of an approved material and high quality construction as determined by the SGPOA Architectural Control Committee.

Section #4 – No building other than a single-family residence containing not less than 2,000 square feet of living area or a two-story dwelling containing a ground floor living area of not less than 1,600 square feet and a total living area of not less than 2,500 square feet, exclusive of porches, breezeways, and garages, shall be erected on lots #21,22,23,24,25 and lot #1, Block 6 and lot #1 Block 7 within Sections Number Four (4) of the Hills of Shay Grove Subdivision. The building requirements on lots #26 Section Four, will be required to have a minimum of 3,000 square feet of living area. To protect the view of lot #25, the home on lot #24 must be either single level or split level construction and the roof pitch shall not exceed 8/12. Because of the size of the house required and the contours of lot #26, the guest house or servants quarters may be constructed on either side of the primary residence and not necessarily restricted to the rear 1/3 of the lot. All plans and specifications for guest houses or servants quarters must be approved as described in Article #3 and cannot exceed 1,000 square feet of living area. In the event any noxious, offensive, or otherwise undesirable development, building, construction, or other activity that is inconsistent with the Development occurs on the property or properties adjoining the eastern boundary line, a fence may be constructed along the eastern boundary provided said fence does not exceed eight (8) feet in height and is of an approved material and high quality construction as determined by the SGPOA Architectural Control Committee. The attached garage requirement and detached garage requirement contained herein are waived for Lot #26.

The following restrictions apply in their entirety to The Hills of Shady Grove Subdivision:

All buildings shall be built in place. Mobile Homes, Double-Wide Mobile Homes, HUD Code Manufactured Homes and similar buildings are prohibited within the subdivision. Servant quarters and guest houses may only be constructed on the rear one-third (1/3) portion of a lot after completion of the permanent residence. All plans and specifications must be approved as described in Article #3 of these restrictions. Servant's quarters and guest houses are to be occupied only by domestic employees or guests of the resident of the primary house.

All building exteriors must be completed no later than six months after laying the foundation. The exterior of all residence shall be constructed with a minimum of 75% masonry or brick. For the purposes of these restrictions, masonry shall be considered native stone, brick or stucco. Hardy board or other similar material shall not be considered masonry. In computing said percentage, window and door openings shall be excluded from the total of the first story exterior walls. Roofs must have a minimum 7/12 pitch and shall have at least three different elevations or ridgelines. Roofing materials must be approved by the Architectural Control Committee or its successors, provided that approval shall be granted only for high grade and high quality roofing materials which are consistent with exterior design, color, and appearance of other improvements within the Subdivision. Minimum acceptable roofing materials will be a thirty (30) year dimensional shingle. Metal roofs are acceptable, but must be of a non-reflectant material and approved by the Architectural Control Committee before installation. Fences must be of approved quality material and shall not exceed five (5) feet in height nor extend past the front side of the residence. The fence height restriction shall be applicable, provided it is not consistent or contrary to any insurance requirements or city, state, or federal laws, regulations or ordinances that may be required for a swimming pool or other feature where fencing might be required. Mailboxes shall not be constructed, since a central mailbox center has been established.

Only one driveway entrance shall be permitted with the exception of circular driveways. Driveways must be constructed of concrete, asphalt with concrete ribbon curb, or other materials approved by the Architectural Control Committee. Natural driveways of loose granite or like material are not permitted. In conjunction with City Ordinances, a three (3) foot wide sidewalk is to be constructed while constructing the driveway next to the existing curb, with the exception of where the sidewalks have been waived by the A.D.A. and the City of Burnet.

Each residence shall contain an enclosed attached garage with a minimum width of twenty-two (22) feet and minimum length of twenty-two (22) feet, thus providing parking space for two automobiles. Garage doors shall remain closed when garages are not in use. Carports are not permitted. At the time of submittal of plans to the SGPOA, a variance may be requested for a detached garage, which shall be architecturally similar in design and construction to the primary residence and connected to the primary residence by a breezeway of similar architectural design and construction as the primary residence.

The setback requirements for each lot shall be as established on the recorded final plat as originally approved by the City of Burnet.

Builders designated by the Developer may construct model homes to use for business purposes. However, this business use will be limited to the sale of houses and home sites owned or under contract to the builder and/or the Developer.

III

All plans and specifications must be presented to The Shady Grove P.O.A. and approved by the Architectural Control Committee prior to any construction start. The plans must consist of two (2) sets of to scale architectural quality working drawings for each structure showing all four (4) elevations, exterior materials, roofing material, and plot plans. All plans will be submitted in two copies directly to the SGPOA President or Vice-President. In his or her absence, the plans should be delivered to a member of the Architectural Control Committee, which shall have fourteen (14) days from the date of submission of plans and specifications to issue their approval or objection to same. If any changes to plans affecting the exterior of a structure are to be made after the plans have been approved, new plans showing the changes must be submitted prior to construction. Any addition to a present structure must be designed to complement and/or give the appearance that this addition was part of the original structure and must be submitted to the Architectural Control Committee for review and approval, prior to construction.

IV

No house or buildings shall be moved onto any lot in the Subdivision. Storage area, workshops, etc. must be attached to the main structure of the house or attached by a breezeway and be of the same material and architectural design as the residence and meet all setback requirements.

V.

No motor vehicle, mobile home, camper, recreational vehicle, prefabricated house, manufactured housing, tent, shack or garage shall be used as a dwelling either on a temporary basis or permanent basis. Recreational vehicles may be stored on a lot only after a permanent residence has been built, provided it is in an enclosed structure designed and constructed following the same guidelines as workshops and storage areas described in Restriction #4. To accommodate guests or for the purpose of routine maintenance, recreational vehicles may be parked in the driveway for no longer than four (4) consecutive nights with a maximum of six (6) nights total per month. Unless otherwise provided for herein, no boats, trucks, trailers, or unsightly vehicles shall be stored or kept for the purpose of repair on any lot except in enclosed garages or storage facilities not visible to other property owners or from the street.

VI

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on said lot. Domestic animals normally regarded as house pets may be kept, provided they do not collectively number more than three (3) per residence, are kept in controlled area, and do not create a nuisance to other residents.

VII

No noxious or offensive activity shall be permitted on any lot in the Subdivision, nor shall anything be done or permitted to be done thereon which may be or become a nuisance in the neighborhood. No offensive, unlawful, or immoral use shall be made of the premises. All homes and premises must be kept in a good state of repair and maintenance, including the mowing of lawns and maintaining of shrubbery. The maintenance shall be the responsibility of the owner. No part of any lot shall be used as a dumping ground for trash, debris, or garbage. Garbage must be stored in a sanitary container and this container can only be on the street side of the house on the date of pickup. At all other times, this container shall be enclosed or kept inside the garage. If enclosed, it shall not be in-front of the house and shall be out of sight. Propane tanks shall be buried or fenced so as to not be visible.

VIII

All lots are subject to easements and restrictions of record and are subject to any applicable zoning rules of Burnet County, the State of Texas, the City of Burnet, and/or federal regulations. As shown on the final recorded plats, there shall also be reserved a perpetual easement for utilities along each and every property line for the purpose of installing and maintaining all utilities, including sewer system lines. The roadway shall be used as a general easement for the installation of utilities. It shall be the responsibility of the builder to repair any damage caused by the builder during construction.

IX

Variances to these restrictions may be granted by a majority vote of the Board of Directors of the SGPOA, (except Restriction #1) provided however, that the request for such variance is submitted in writing to the Board prior to the property owner's violation of such restriction. Each request for variance will be judged on its own merit and circumstances, and the approval or disapproval shall not be considered as setting a precedent for future requests.

These covenants and restrictions are to run with the land and shall be binding to the Declarant, its Assigns, and Successors in the interest of all parties and all persons claiming under them and shall be effective from the date of May 11, 2007, hereof; however, such restrictions may be altered, amended, or canceled by two-thirds vote of the property owners at a specially called meeting for such a purpose. Each property owner shall have one vote per each lot owned. Property owners owning a portion of one lot shall have a corresponding proportional percentage of one vote Developer will have one vote for each lot owned. Violations of any one or more of

these restrictions and/or protective covenants shall in no way affect the enforcement of any of the remaining restrictions and/or covenants herein contained. Violators of these restrictions will be responsible for any and all expenses related to enforcing these restrictions.

Witnessed this _____ day of _____, 2007.

SGPOA/Stehling Ways & Means Inc.
Herb Stehling, President

State of Texas
County of Burnet

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____,
2007.

(SEAL)

Notary

My commision expires _____