

BY-LAWS
OF
INLAND ESTATES ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is INLAND ESTATES ASSOCIATION, INC. (hereinafter referred to as the "Association"). The principal office of the Association shall be located at 2620 FM 3159, Box 101 (201 Cedar Park), Canyon Lake, Texas 78133, but meetings of members and directors may be held at such places within the State of Texas, County of Comal, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Declaration" shall mean and refer to the Restrictive Covenants for Inland Estates Subdivision, a recorded Subdivision in Comal County, Texas recorded in Volume 285, Page 459, of the Deed Records of Comal County, Texas, and any amendments thereto. Terms used in these By-Laws shall have the same meaning as in the Declaration.

Section 2 "Member shall mean and refer to those persons entitled to membership as provided in the Declaration and Articles of Incorporation of the Association

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the second Saturday in September, 1991, at 10:00 a.m., and subsequent annual meetings shall be held on the second Saturday in each September thereafter at 10:00 a.m.; The Board of Directors may postpone the annual meeting of the members by up to twenty days, upon written notice in accordance with Section 3 of Article III. In the event the Board of Directors fails to call the annual meeting at the designated time, any member may make demand that such meeting be held within a reasonable time, such demand to be made in writing by registered mail directed to any officer of the Association. If the annual meeting of members is not called within sixty (60) days following such demand, any member may compel the holding of such annual meeting by legal action directed against the said Board.

Section 2 Special Meetings. Special meetings of the members may be called at any time by the President of the Association or Board of Directors, or upon written request of the members who are entitled to vote ten percent (10%) of all of the votes of the membership.

Section 3. Notice of Meetings. No written notice will be required for the annual meetings of the members, except as

required by Section 1 for a postponed annual meeting. Written notice of each special meeting of the members shall be given by the Secretary or person authorized to call the meeting. Notice shall be mailed, postage prepaid, at least ten (10) and no more than fifty (50) days before such meeting to each member entitled to vote. Notice shall be addressed to the member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, date, hour and purpose of the meeting.

Section 4. Quorum. The presence, in person or by proxy, at the meeting of the members entitled to cast sixty percent (60%) of the votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, Declaration or these By-Laws. If, however, a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than an announcement at the meeting until a quorum shall be present or represented; provided that notice shall be required when a special meeting of members called for the purpose of considering annual or special assessments is adjourned for lack of a quorum, and the required quorum at any such subsequent meeting shall be the presence, in person or by proxy, of members entitled to cast thirty percent (30%) of the votes of the membership, but further provided that

such reduced quorum requirement shall apply only for the purpose of considering such annual or special assessments. The vote of the majority of the votes entitled to be cast by the members present, or represented by proxy, at a meeting at which a quorum is present, shall be the act of the members' meeting, unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or these Bylaws.

Section 5. Voting at Meetings. The voting membership of the Association shall be composed of one class of membership as defined in the Articles of Incorporation. Each member shall be entitled to one vote for all lots in which he holds the full fee interest. When the full fee interest in any Lot is held by more than one person or entity, and all such persons or entities are members, then the vote for such Lots shall be exercised in person or by proxy as they among themselves shall determine, or, in the absence of any such determination, by a majority of such persons or entities; but in no event shall more than one vote be cast with respect to any Lot, nor shall fractional votes be cast.

Section 6. Proxies. Each member may vote either in person or by proxy executed in writing by the member and filed with the Secretary at least twenty-four hours prior to the commencement of the meeting. When the full fee interest in any Lot is held by multiple persons or entities, then the signature of all such persons or entities shall be required in order for the proxy

to be effective. Every proxy shall be revocable unless expressly provided therein to be irrevocable, and all proxies shall become invalid eleven (11) months after execution or upon conveyance by the member of his Lot.

Section 7. Action Without a Meeting. Any action required or permitted by statute to be taken at a meeting of the members of the Association may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof. Any action so approved shall have the same force and effect as though taken by unanimous vote at a meeting of members.

ARTICLE IV

BOARD OF DIRECTORS, SELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association nor residents of this State or the United States.

Section 2. Term of Office. At the first annual meeting the members shall elect one director to Directorship No. 1 for a term of one year, one director to Directorship No. 2 for a term of two years, and one director to Directorship No. 3 for a term of three years; and at each annual meeting thereafter, directors shall be elected for terms of three years.

3. Section 3. Removal and Vacancies. Any director may be removed from the Board, with or without cause, at a special meeting or at an annual meeting of the Association, by members entitled to vote more than two-thirds (2/3) of the aggregate of the votes of the membership. In the event of death, resignation or removal of a director, his successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4. Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

5. Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval and consent of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be

a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to each annual meeting of the members. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and Declaration; a member may not cumulate his votes for directors. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice at such place and hour as may be fixed from time to time by the Board. One of such regular meetings shall be held immediately after the adjournment of the annual meeting of the Association. Should any of said meetings fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors fixed by these By-Laws present in person shall constitute a quorum for the transaction of business, and every act or decision done or made by a majority of the directors present in person or by proxy at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Proxies. A director may vote in person or by proxy executed in writing by such director, but directors present by proxy at a meeting of the Board may not be counted toward a quorum. No proxy given by a director shall be valid after three (3) months from the date of its execution.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) suspend the voting rights of a member for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for infractions of published rules and regulations; provided, however, that such member shall be given written notice five

(5) days before the date such suspension is to take effect, and upon his written request to any member of the Board of Directors, shall have the right to a hearing prior to such effective date;

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; and

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 2. Duties. It shall be the duty of the Board of Directors to cause to be kept a complete record of all its acts and corporate affairs and to present a reasonably detailed statement thereof to the members at the annual meeting of the members; and, when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote at any special meeting provided that all such requesting members shall bear a pro rata portion of expenses incurred thereby.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, who may also be directors, and such other officers and assistant officers having such authority and performing such duties as the Board may, from time to time, by resolution designate. Any person may be elected or appointed to more than one office, so long as the position of President and Secretary shall not be held by the same person.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 4. Removal. Any officer may be removed from office, with or without cause, by the Board.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by a majority of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, shall sign all instruments on behalf of the Association and may sign all checks.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board or the President.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of special meetings of the Board and of special meetings of the members; keep appropriate records showing the members of the Association together with their addresses; and perform such other duties as required by the Board or the President.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to

be presented to the membership at its regular annual meeting. Copies of these documents shall be available for purchase at a reasonable cost.

ARTICLE IX

COMMITTEES

The Board of Directors by resolution adopted by a majority of the directors in office shall appoint a Nominating Committee as provided in Article VI and such other committees as deemed appropriate provided that committees which are to have and exercise the authority of the Board of Directors in the management of the Association must be composed of two or more persons, a majority of whom are directors.

ARTICLE X

BOOKS AND RECORDS

The books and records of the Association, including a record of the names and addresses of members entitled to vote, shall for any proper purpose be subject to inspection by any member during reasonable business hours. The Articles of Incorporation and By-Laws of the Association, and the Declaration shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost.

ARTICLE XI

CORPORATE SEAL

The Association shall have the power, but shall not be required, to have a corporate seal in such form as the Board of Directors may determine.

ARTICLE XII

DIVIDENDS PROHIBITED

No dividend shall be paid and no part of the income of the Association shall be distributed to members, officers or directors. Reasonable compensation may be paid to members, officers or directors for services rendered.

ARTICLE XIII

INDEMNIFICATION

Each person who may have served as a director or officer of the Association shall be indemnified by the Association against any liability imposed upon him and for any expense reasonably incurred by him in connection with any claim made against him, or any action, suit or proceeding to which he may be a party by reason of his being, or having been, such director or officer, and against such sums as counsel selected by the Board of Directors shall deem reasonable payment made in settlement of any such claim, action, suit or proceeding primarily with a view to avoiding expenses of litigation; provided, however, that no director or officer shall be indemnified with respect to matters as to which

he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of duty, or with respect to any matters which shall be settled by the payment of sums which counsel selected by the Board of Directors shall not deem reasonable payment made primarily with a view to avoiding expenses of litigation, or with respect to matters for which such indemnification would be unlawful or against public policy. Any right of indemnification granted by this Article XIII shall be in addition to and not in lieu of any other such right to which any director or officer of the Association may at any time be entitled under the laws of the State of Texas; and if any indemnification which would otherwise be granted by this Article XIII shall be disallowed by any competent court or administrative body as illegal or against public policy, then any director or officer with respect to whom such adjudication was made, and any other officer or director, shall be indemnified to the fullest extent permitted by law and public policy, it being the express intent of the Association to indemnify its officers and directors to the fullest extent possible in conformity with these By-Laws, all applicable laws, and public policy.

ARTICLE XIV

RESIGNATIONS

Any director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at any

time specified therein, or, if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE XV

AMENDMENTS AND CONFLICTS

Section 1. These By-Laws may be amended, at any annual or special meeting of the members, by a majority vote of a quorum of members present in person or by proxy.


Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI

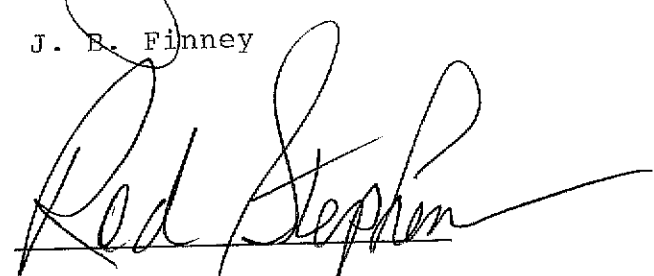
MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of September and end on the 31 day of August of every year, except that the first fiscal year shall begin on the date of incorporation.


IN WITNESS WHEREOF, we, being all of the directors of
Inland Estates Association, Inc., have hereunto set our hands
this 11 day of Aug, 1991



J. B. Finney



Rod Stephen



William M. Milton

Enclosure (2)

Subject: Revision of Article III and Article IV of Deed Restrictions.

Any changes to our Deed Restrictions requires at least 75% of our members voting and approving, it also involves a very tedious and time consuming effort. Determining the will of the membership is the first step, but by far the most important.

The following proposals were overwhelmingly approved by attendees to our 1995 annual meeting. The decision to revise could not be acted upon however because we failed to achieve a quorum. That is why it is so important that you return your proxy vote if you are unable to personally attend the meeting. The proposals are designed to strengthen our restrictions with regard to size and appearance of future homes and to prevent the placement of homes which will detract from the value and desirability of our neighborhood.

Article III as presently stated in Deed Restrictions:

The main dwelling unit constructed on all tracts must contain at least 1000 sq. ft. of area exclusive of porches, garages, and breezeways. All plans and specifications for all main buildings and outbuildings must be approved by the Restriction Committee (as provided below) in writing prior to the commencement of construction.

Proposed changes to read as follows:

Article III. The main dwelling unit must be constructed on-site. The only exception is wood roof trusses and pre-formed girders and beams. Metal or aluminum siding is specifically prohibited on home construction. The main dwelling unit must contain a minimum 1500 sq. ft. of area, excluding porches, garages and breezeways. All plans and specifications for all main buildings and out buildings must be approved by the Restriction Committee or the Board of Directors (as provided below) in writing prior to the commencement of construction.

Article IV as presently stated in Deed Restrictions:

That no trailer house or mobile home shall be placed or otherwise permitted on any tract for use as living quarters, in connection with which, however, it is understood that one vacation type mobile home may be parked etc.

Proposed change as follows:

Article IV. No dwellings are allowed to be moved onto the property. That no trailer house, mobile, manufactured or modular home shall be placed or otherwise permitted on any tract for use as living quarters, in connection with which, however, it is understood that one vacation type mobile home may be parked etc.

Enclosure (3)

Subject: Proposal to increase annual dues from \$12.00/year to \$20.00/year.

Our current annual dues barely meet our postal and administrative needs. On prior occasions, the Association has accepted assistance from members where needs existed and insufficient funds were available. This modest increase will allow us to conduct business when required, without having to wait until annual dues time. Even with this increase we will continue to have the lowest Homeowner Association dues at the Lake.

*Wm. Milton
Copy*

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HELENE S. HUBBARD
COUNTY CLERK COMAL COUNTY
*Doyalyn B.
Lambert*
19.00pl

RESTRICTIONS

THE STATE OF TEXAS §
COUNTY OF COMAL §

KNOW ALL MEN BY THESE PRESENTS:

THAT INLAND ENERGY COMPANY, ("Grantor"), the owner of the property described in Exhibit "A" hereto attached and made a part hereof for all purposes ("the Property"), does hereby impress all of the Property with the following restrictions:

I.

All tracts in the Property and in permitted subdivisions of such tracts shall be used only for the placement or construction of one single-family residence (with appropriate outbuildings) thereon, including other appurtenant structures permitted under the terms hereof. No business of any kind shall ever be operated in whole or in part from the Property except from tracts with road frontage on Highway 3159 or Old Cranes Mill Road.

II.

That no garage, shack or temporary building shall be constructed on any tract as living quarters thereon, except that detached servant's quarters or a garage apartment without any floor space limitation may be constructed thereon provided it is built in conjunction with (and no more than 9 months prior to) or after the main dwelling unit to which it is appurtenant is constructed.

III.

The main dwelling unit constructed on all tracts must contain at least 1000 sq. ft. of area, exclusive of porches, garages,

and breezeways. All plans and specifications for all main buildings and outbuildings must be approved by the Restriction Committee (as provided below) in writing prior to the commencement of construction.

IV.

That no trailer house or mobile home shall be placed or otherwise permitted on any tract for use as living quarters, in connection with which, however, it is understood that one vacation type mobile home may be parked at or near a main dwelling unit on a tract provided it is not used as permanent quarters. Camping for up to one month per year is permitted, but only when sanitary facilities are available. Picnic tables and lawn furniture shall be permitted to remain on the tracts prior to construction of the main residence.

V.

That the entire exterior of all main dwelling units constructed on all tracts together with the driveways, sidewalks, and other exterior appurtenances thereto, must be completed within one year after the commencement of work thereon or the placing of materials therefor on such tract, whichever occurs the earliest.

VI.

Any fencing constructed on all tracts shall be permanent in nature, and specifically, no temporary or electric fences will be permitted.

VII.

No part or portion of any tract shall be used as a junk-yard or as an area for the accumulation of non-operating automobiles, household trash, scrap or used materials and no part of any tract shall be used for any purpose that is obnoxious or offensive to the owners of other tracts in the Property, nor shall anything be done on said Property that becomes an annoyance or nuisance to the owners of other tracts in the Property.

VIII.

After the sale of any tract in the Property no resub-division of any such tract into parcels of less than one acre will be permitted. Any parcel thus formed is subject to all restrictions and limitations set forth herein.

IX.

On or before January 1, 1982, Grantor shall appoint a committee (to be known as the Restriction Committee) of three (3) property owners owning tracts in the Property, and any adjoining tract conveyed by Grantor subject to the same or similar restrictions to serve for a three (3) year period; after the expiration of this three (3) year period, the committee will consist of three (3) property owners elected by majority of the owners of said property and a new election shall be held each three (3) years thereafter. In the event an election is not held at the time specified, the then existing committee shall continue to serve until a new one is duly elected. Any vacancies will be filled by choice of the remaining committee members. Grantor shall serve in the capacity of Restriction

Committee until 3 property owners are appointed or until January 1, 1982, whichever occurs earliest. The Restriction Committee (or Grantor serving in capacity thereof) and all owners of property in the Property shall have the right to bring an action in a court of competent jurisdiction to enforce any violation of these restrictions.

X.

No sign of any kind will be displayed to public view on any tract except one professionally made sign of not more than five square feet advertising real estate for sale or rent.

XI.

No outside toilets shall be erected, placed or used upon any tract, but one or more septic systems which must comply with the State, County and Community Departments of Health shall be installed to accommodate sewage.

XII.

Horses and household pets in normal numbers may be kept on any tract, provided that they are not kept, bred or maintained for any commercial purpose. Other domestic animals may be kept if prior approval is obtained from the Restriction Committee but no hogs may ever be kept on any tract. All such pets and animals must be controlled by pens and fences.

XIII.

All storage tanks of all types (except one propane tank not to exceed 400 gallons and one water tank in the event a

tract owner shall drill a water well for the use of the single-family residence located on said tract) on all tracts shall be buried beneath ground level and completely covered.

XIV.

A utility easement five feet in width is reserved by Grantor around the inside perimeter of each tract.

XV.

If through error or oversight or mistake an owner of any portion of a tract herein conveyed builds, or causes to be built any structure thereon which does not conform to all of the limitations and restrictions herein recited, it is expressly here provided that such non-conformity shall in no way affect these limitations or restrictions insofar as they apply to the remainder of the tracts in the Property. 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 or portions of the tracts in the Property.

XVI.

These restrictions and use limitations shall be binding for a period of thirty (30) years from the date they are filed for record in the Deed Records of Comal County, Texas, unless

changed or amended as provided herein. They shall be automatically extended, upon the expiration of said term, for successive periods of ten (10) years each. The record owners of legal title of seventy-five (75%) percent of the tracts as shown by the Deed Records of Comal County, Texas, may amend or change these restrictions in whole or part at any time. Any change or amendment shall be set forth and evidenced by a successor instrument bearing the signatures of the requisite number of record owners and the recording of same in the office of the County Clerk of Comal County, Texas.

XVII.

The restrictive covenants and use limitations herein provided for are hereby declared to be covenants running with the land and shall be fully binding upon all persons renting, leasing, using or visiting the tracts in the Property, all persons acquiring title to tracts in the Property, including the right to acquire title to property by contract or otherwise, in said tract whether by descent, devise, purchase or otherwise, and any person by the acceptance of title to any tract in the Property, including any person procuring the right by contract to acquire title to any tract in the Property, shall thereby agree and covenant to abide by and fully perform the foregoing restrictive covenants and use limitations and shall be conclusively presumed to have constructive notice of the restrictive covenants and use limitations herein provided for by virtue of the filing hereof in the Deed Records of Comal County, Texas, and with this being true without regard to whether or not such person has actual notice of these restrictions

and use limitations by reference hereto in the instrument or instruments under which he acquired title to, or the right to acquire title to, any portion of said tract in the Property, or otherwise.

XVIII.

It is expressly understood that the undersigned, and his heirs, legal representatives or assigns and all owners of tracts in the Property shall have the right to enforce these restrictive covenants and use limitations 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, its heirs, legal representatives and assigns, or any other person or persons owning tracts in the Property, injured by virtue of any breach of these restrictions and use limitations shall accordingly have their remedy for the damages suffered by them as the result of any breach, but there shall be no reversion of title from a violation of said restrictions, the violation being compensated for by injunction and/or damages, plus court costs and reasonable attorney's fees, which shall be paid by the person violating these restrictions.

XIX.

Should any breach of these restrictions and use limitations hereby provided for be held by any Court of competent jurisdiction to be invalid, void or non-enforceable for any reason, then it is expressly understood that any such adjudication or holding shall in no way affect, impair or restrict any of the other restrictive covenants and use limitations herein.

EXECUTED this 15th day of Aug., 1979

INLAND ENERGY CORPORATION

BY: [Signature]
Lukin Gilliland

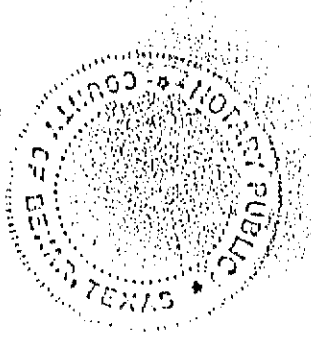
THE STATE OF TEXAS X
COUNTY OF BEXAR X

BEFORE ME, the undersigned authority, on this day personally appeared Lukin Gilliland, Vice President of INLAND ENERGY CORPORATION, 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 on this the 1st day of Aug., 1979.

[Signature]
Notary Public in and for Bexar County, Texas

BEVERLY PARTNEY
Notary Public, Bexar County, Texas
My Commission Expires 7/3/81



FIELD NOTES describing 658.43 acres of land situated partly (641.845 acres) in Tract 1, called 1153.575 acres in a conveyance recorded in volume 276, page 821, B. F. Smithson Survey No. 926, A-849, and partly (16.585 acres) in Tract 2, called 16.585 acres in a conveyance recorded in volume 276, page 821, Max Heimer Survey No. 824, A-812, Comal County, Texas, and described by metes and bounds as follows:

BEGINNING at an iron pin set marking the north corner of the called 1153.575 acre tract, the east corner of the called 16.585 acre tract and the north corner of the B. F. Smithson Survey;

THENCE with the fenced common survey line between the B. F. Smithson Survey and the A. J. Baird Survey No. 432, A-30, L. Kraft Survey No. 988, A-959, and Theo. Pruesser Survey No. 991, A-965;

S 45° 24' E 2270.5 feet to an iron pin set;
 S 45° 04' E 209.86 feet to an iron pin set;
 S 45° 35' E 1005.61 feet to an iron pin set;
 S 45° 37' E 2282.18 feet to an iron pin set;
 S 45° 26' E 207.67 feet to an iron pin set and
 S 26° 56' E 107.73 feet to an iron pin set for the east corner of this tract;

THENCE with the fenced common survey line between the Smithson Survey and the L. Shutz Survey No. 632, A-543, S 65° 10' W 1210.66 feet and S 28° 48' E 764.2 feet to an iron pin set;

THENCE with the fenced common survey line between the B. F. Smithson Survey and the J. G. Pruesser Survey No. 491, A-462, S 64° 45' W 1122.91 feet and S 64° 56' W 2993.26 feet to a point for the south corner of this tract;

THENCE with the common survey line between the B. F. Smithson Survey and the H. E. and W. T. R.R. Company Survey No. 925, A-788, N 46° 19' 53" W 3616.3 feet to an iron pin set for the west corner of this tract;

THENCE with the fenced common survey line between the B. F. Smithson Survey and the Leona Irrig. and Agr. Ass'n. Survey No. 823, A-376;

N 44° 28' E 593.6 feet to an iron pin set;
 N 44° 08' E 1036.81 feet to an iron pin set;
 N 26° 09' W 72.5 feet to an iron pin set;
 N 11° 22' W 98.42 feet to an iron pin set;
 N 44° 23' W 486.03 feet to an iron pin set;
 N 51° 15' W 617.91 feet to an iron pin set and
 N 22° 49' W 62.49 feet to an iron pin set;

THENCE with the fenced common survey line between the B. F. Smithson Survey and the Max Heimer Survey, N 46° 19' E 204.39 feet to an iron pin set, N 34° 20' E 254.22 feet to an iron pin set and N 44° 52' E 857.62 feet to an iron pin set;

THENCE N 30° 33' W 581.0 feet to an iron pin set in the southeast R.O.W. of F.M. Road No. 3159;

THENCE with the fenced southeast R.O.W.,
 N 58° 46' E 223.1 feet to an iron pin set;
 N 55° 11' E 214.41 feet to an iron pin set;
 N 58° 10' E 1487.43 feet to an iron pin set and
 N 57° 04' E 288.05 feet to an iron pin set for the north corner of this tract;

THENCE S 45° 58' E 67.61 feet to the PLACE OF BEGINNING and containing 658.43 acres of land.

206237

CORRECTION OF RESTRICTIONS

FILED FOR RECORD
1981 OCT 30 PM 3:05

IRENE S. HILTON
COUNTY CLERK COMAL COUNTY

BY Karen Woody
11.00

THE STATE OF TEXAS X
 X
COUNTY OF COMAL X

WHEREAS, Inland Energy Company, as Grantor, by Restriction instrument dated August 1, 1979, and recorded in Volume 285, page 459, of the Deed Records of Comal County, Texas, did impress certain Restrictions upon the property described in Exhibit "A" attached thereto; and,

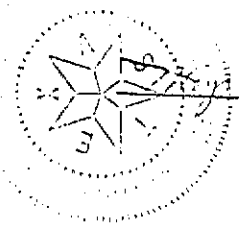
WHEREAS, Exhibit "A" attached thereto was attached by error and mistake and did not correctly describe the lands on which such Restrictions were impressed; and,

WHEREAS, Inland Energy Company desires to correct said error or mistake by correcting said Exhibit "A" to the Restriction instrument dated August 1, 1979.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT: Inland Energy Company does hereby amend and correct the above described Restriction instrument dated August 1, 1979, by deleting therefrom the Exhibit "A" attached thereto, and substituting therefor the Exhibit "A" attached to this instrument, and does hereby impress all of the property described in Exhibit "A" hereto with all of the Restrictions contained in said Restriction instrument dated August 1, 1979, and recorded in Volume 285, page 459, of the Deed Records of Comal County, Texas.

EXECUTED this 28th day of October, 1981.

ATTEST:



[Signature]
Asst. Secretary

INLAND ENERGY COMPANY

By [Signature]
Lukin Gilliland,
Vice-President