



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made as of the 14th day of March, 2008, by 4M Land & Cattle Co., a Texas corporation ("4M") and Rodney R. Lake and wife, Charlene F. Lake (the "Lakes").

STATEMENT OF PURPOSE

A. **Tracts.** 4M is the owner of the approximately 312.709 acre tract of land in Gillespie County, Texas which is depicted on Exhibit A attached hereto and incorporated herein and more particularly described in the deed recorded in Volume 229, Pages 129-134 of the Real Property Records of Gillespie County, Texas (the "Property"). As of this date, 4M is conveying to the Lakes the approximately 170.41 acre tract out of the Property described on Exhibit "B" attached hereto and incorporated herein (the "Lake Tract"); the remaining approximately 142.299 acre tract is referred to herein as the "4M Tract". The Lake Tract and the 4M Tract are together referred to herein as the "Tracts" and individually as a "Tract".

B. **Restrictions.** As part of the consideration for the conveyance of the Lake Tract to the Lakes, 4M and the Lakes have agreed to establish a common road entrance and impose certain mutual covenants, conditions and restrictions on the 4M Tract and the Lake Tract, for the benefit of the Property and each successive owner of a portion of the Property.

NOW, THEREFORE, 4M, by this Declaration, does declare that all of the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions and restrictions set forth in this Declaration, which shall run with the Property and be binding on all parties owning any right, title or interest in said Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of 4M, the Lakes and each owner of all or any portion thereof. By its execution of this Declaration and acceptance of the Deed to the Lake Tract from 4M, the Lakes affirm and ratify this Declaration and the effectiveness and enforceability of its terms upon the Lake Tract.

Section 1. **Subdivisions.** Neither the 4M Tract nor the Lake Tract may be divided, subdivided or otherwise conveyed (whether by fee title or undivided ownership interest) into more than four (4) separate tracts. Each divided, subdivided or conveyed tract must be at least thirty (30) acres in size. Each subdivided tract out of a Tract may have not more than one (1) single family residence with related outbuildings, as specified in section 6a below, provided that in no event shall either the Lake Tract or the 4M Tract cumulatively contain more than four (4) single family residences with related improvements.

Section 2. Access Road and Entrance.

a. **Access Road.** 4M has constructed the thirty-foot (30') wide caliche road shown on Exhibit A to allow all weather ingress and egress between FM 965 and the 4M Tract (the "Access Road"), and 4M shall top the Access Road with two (2) inches of granite gravel within two (2) years following the date of this Declaration. The deed to the Lake Tract from 4M

reserves unto 4M an easement for access and utilities over the sixty foot (60') wide strip more particularly described in Exhibit "C" attached hereto and incorporated herein by reference, having as its centerline the centerline of the Access Road, and including the Common Entrance defined in Section 1b below. Any electric, telephone or other utility lines installed in the 60-foot wide easement strip shall be installed and maintained underground. The Lakes and 4M shall be obligated to pay their proportionate shares (based on respective acreage amounts) of the costs of repair, maintenance and replacement of the Access Road.

b. **Common Entrance.** 4M and the Lakes shall, at their mutual and equal expense, maintain, repair and replace, as necessary, the common entrance improvements along FM 965, for the mutual and beneficial use of the 4M Tract and the Lake Tract. 4M shall install an entrance gate at its expense, and as soon as reasonably possible, 4M shall submit to the Lakes, for their reasonable approval prior to installation, the proposed design and specifications of such entrance gate and any other proposed mutual improvements to the common entrance area such as monumentation, security devices and/or mailbox podium, the cost of which shall be shared equally by the 4M Tract and Lake Tract Owners.

Section 3. Buffer Zones. 4M and Lake shall keep and maintain all areas within two hundred feet (200') of the common boundary line of their respective Tracts as natural and undeveloped areas, and shall not construct or install any buildings or other structures or improvements (including but not limited to hunting blinds) within such buffer zones, with the sole exceptions of vehicular drives (including the Access Road), fences and gateways, any utility lines which by necessity must cross a boundary, and unpaved footpaths or trails.

Section 4. Water. No water produced or obtained from a Tract, whether above ground or underground, may be transported off of such Tract. All water which is produced or obtained from a Tract may be used only for domestic residential use or livestock watering. Water catchment systems are recommended for all residential improvements. Water wells shall be used for residences and livestock waterings only and shall not be used as a water source for ponds.

Section 5. Nuisances. No portion of the Property may be used in a way which would be noxious, offensive or otherwise create a nuisance.

Section 6. Building Restrictions

a. **Improvements.** No more than four single-family residential dwelling shall be erected or maintained on a Tract. An owner may also construct one or more guest homes and other related improvements on a Tract, so long as such improvements are for the personal use of the owner and guests or invitees of the owner. The only types of structures which are permitted to be constructed on each Tract are: a detached single-family private primary dwelling (the "Owner Dwelling"), a private garage, secondary dwellings such as a guesthouse or carriage house/garage, a pump house, tennis courts, a swimming pool not to exceed twenty five thousand (25,000) gallons in water capacity, a pool house, an equipment barn or shed, a horse stable, corrals, pens or chutes, or other structure with a non-commercial agricultural purpose.

b. **Construction Time.** The exterior of any building shall be completed not later than fifteen (15) months after laying the foundation for such building.

c. **Preconstructed Structures.** Premanufactured, modular and industrial built homes, doublewide, singlewide mobile homes and/or trailer houses are prohibited. No recreational vehicles, travel trailers, or other temporary structures shall be used as a residence on any tract except that a recreational vehicle or travel trailer may be occupied while the residence is under construction.

d. **Setbacks.** Without lessening the buffer zone requirements set out in section 3 above, no residence or other permanent structure (other than fencing and entranceways) shall be constructed, erected or placed nearer than 50 feet from the side or rear property line of the tract and no closer than 75 feet from the front property line.

e. **Common Owner.** In the event an owner shall own title to two or more tracts which have a common boundary line, the building setback restrictions provided herein shall not apply to the common property line of the abutting tracts. Solely for purposes of determination of building setbacks, the tracts shall be treated as if they constituted a single tract of land and there shall be no building setback as to the common boundary line so long as the tracts which share a common boundary line are owned by the same owner.

Section 7. Use Restrictions.

a. **Hunting.** Harvesting and taking (hunting) wildlife by Owners, their guests and invitees is permitted.

b. **Junk.** Abandoned or inoperative equipment, vehicles or junk shall not be permitted or stored on either Tract.

c. **Commercial Uses.** The Tracts shall not be used for any commercial purposes, except permanent agricultural crops including vineyards, fruit trees, pecan groves, permanent grass (hay meadows or grazing pastures), and livestock production. No industrial pursuit or enterprise shall be permitted to be conducted on either Tract. Industrial pursuit or enterprise shall mean engaging in the manufacture or assembly of goods or processing of raw materials unserviceable in their natural state for sale or distribution to third parties (other than a cottage industry by an artisan, i.e. artist, painter, photographer, wood, metal or glass sculptor or fabricator) and shall include but not be limited to auto painting and repair, heavy machinery operation or storage, welding or machine shop or machining business, and concrete products manufacture. Tourist lodging services, commonly known as "Bed and Breakfast", is permitted.

d. **Animals.** Swine shall not be kept on any tract other than in connection with a sanctioned 4-H or FFA livestock project. Other livestock, pets and poultry shall be permitted provided said livestock, pets or poultry are kept within the boundaries of a tract at all times, and they are not unreasonably offensive to adjacent landowners by smell, sound, or otherwise. There

shall not be any commercial feeding operations conducted thereon.

c. **Surface mining.** Surface mining (including, but not limited to stone, gravel, sand, caliche), or exploration of any type which will damage the surface is prohibited. Road material, including gravel or caliche, used to construct roads on the property may be removed and utilized, after which the removal site shall be restored as much as possible to its original condition. Notwithstanding the foregoing: (a) exploration of water, and the use thereof, is permitted; and (b) excavation for, and installment of, a septic system is permitted.

f. **Towers.** No cellular, wind, television, radio or other type of commercial or residential tower or turbine (other than a traditional windmill for livestock waterings) shall be erected or placed upon the Property.

g. **Appearance.** Without limiting or amending the restrictions set forth in section 5 above, owners shall keep their tract clean and neat in appearance and free of litter at all times, including the occasional mowing of grass and weeds where the terrain permits which shall enhance the beauty of the tract and act as a fire protection measure. Garbage or refuse shall not be disposed of or buried on any tract. Electric, telephone and other utility lines shall be buried where possible.

h. **Fencing.** 4M and the Lakes shall share equally in the cost of maintaining and repairing as necessary, the common boundary fence between the 4M Tract and the Lake Tract.

Section 8. General Provisions.

a. **Amendment.** This Declaration may be amended only by agreement signed by owners holding sixty-seven percent (67%) or more of the total acreage in each of the Lake Tract and the 4M Tract. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record.

b. **Binding Effect and Term.** This Declaration shall run with the Property and shall be binding upon and inure to the benefit of 4M, the Lakes and all successive owners of the 4M Tract, the Lake Tract, and any portions thereof for a period of fifty (50) years from the date this Declaration is recorded. After the expiration of such fifty (50) year period, this Declaration shall be automatically extended for successive periods of ten (10) years unless an amendment authorized under Section 8a above has been recorded which terminates this Declaration in whole or in part.

c. **Enforcement.** This Declaration is enforceable by 4M, the Lakes and all successive owners of the 4M Tract, the Lake Tract, and portions thereof. If an owner violates a provision of this Declaration and fails to cure such violation within thirty (30) days following written notice of such violation from another owner, then any person with the right to enforce this Declaration may pursue all available legal and equitable remedies on account of the violation, including but not limited to injunctive relief.

d. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGES]

EXECUTED as of the date first above written.

4M Land & Cattle Co.,
a Texas corporation

By:

Philip O'Bryan Montgomery III
PHILIP O'BRYAN MONTGOMERY, III
Title: Vice-President and Director

STATE OF TEXAS

COUNTY OF Dallas

This instrument was acknowledged before me on the 14 day of March,
2008 by PHILIP O'BRYAN MONTGOMERY, III, Vice-President and Director of 4M
Land & Cattle Co., a Texas corporation, on behalf of said corporation.



Betty J. Armas
Notary Public, State of Texas
Notary's Name Printed:
Betty J. Armas
My commission expires:
Sept. 6, 2010

[SIGNATURES CONTINUE ON NEXT PAGE]

Rodney R. Lake
Rodney R. Lake

Charlene F. Lake by Rodney R. Lake
Charlene F. Lake *attorney in fact*

STATE OF TEXAS
COUNTY OF Galveston

This instrument was acknowledged before me on the 24 day of March, 2008 by Rodney R. Lake, individually and as attorney in fact for Charlene F. Lake



Carolyn Weidenfeller
Notary Public, State of Texas
Notary's Name Printed:

My commission expires: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the ____ day of _____, 2008 by Charlene F. Lake.

Notary Public, State of Texas
Notary's Name Printed:

My commission expires: _____

Exhibits:

- A- Depiction of Property, Tracts and Access Road
- B- Legal Description of Lake Tract
- C- Sixty Foot Road Easement

Hill Country Land Surveying, LLC

Boundary • Topographic • GPS
110 North Millam • Fredericksburg, Texas 78624
Phone 830-990-2665 • Fax 830-990-5095

Field Notes for Sixty feet wide Road Easement

Being a sixty feet wide road easement out of the C. Welgehausen W. 1/2 Survey No. 488, Abstract No. 1279, the F. Welgehausen Survey No. 597, Abstract No. 727, the Arter Crownover Survey No. 255, Abstract No. 129, and the C. & M. R.R. Co. Survey No. 487, Abstract No. 998, Gillespie County, Texas, said sixty feet wide road easement also being out that certain 312.81 acre tract of land conveyed to 4M Land and Cattle Co. by deed recorded in Volume 229, Pages 129-134, Real Property Records, Gillespie County, Texas, said sixty feet wide road easement being more particularly described by centerline as follows:

Beginning at a 1/2" steel rod set in the easterly right-of-way line of Ranch Road 965, the westerly line of said 312.81 acre tract, from which a concrete right-of-way monument found for the southwest corner of said 312.81 acre tract, the northwest corner of the Marvin and Margie Prochnow remaining portion of a 696 acre tract of land recorded in Volume 105, Pages 752-754, Deed Records, Gillespie County, Texas, bears S. 15°47'28" W., 698.09 feet and S. 32°54'54" W., 987.86 feet, said sixty feet wide road easement being parallel to and thirty feet either side of the herein described centerline;

Thence, with the centerline of the herein described sixty feet wide easement, along an existing road, the following courses and distances,

S. 81°16'28" E., 69.92 feet to a 60d nail set for angle,
S. 26°46'36" E., 196.93 feet to a 60d nail set for angle,
S. 00°14'18" W., 165.77 feet to a 60d nail set for angle,
S. 68°06'05" E., 350.68 feet to a 60d nail set for angle,
S. 50°14'15" E., 154.86 feet to a 60d nail set for angle,
S. 62°40'41" E., 200.02 feet to a 60d nail set for angle,
N. 82°39'29" E., 132.79 feet to a 60d nail set for angle,
N. 63°40'36" E., 182.62 feet to a 60d nail set for angle,
N. 46°37'40" E., 119.09 feet to a 60d nail set for angle,
N. 83°02'51" E., 176.70 feet to a 60d nail set for angle,
N. 56°59'22" E., 90.68 feet to a 60d nail set for angle,
N. 76°23'06" E., 210.83 feet to a 60d nail set for angle,
N. 84°33'46" E., 169.65 feet to a 60d nail set for angle,
S. 79°38'29" E., 95.66 feet to a 60d nail set for angle,
N. 71°09'54" E., 520.28 feet to a 60d nail set for angle, and
N. 64°57'12" E., 72.89 feet to a 60d nail set for the point of termination of the herein described centerline easement from which the southeast corner of a 170.410 acre tract this day severed from said 312.81 acre tract bears, S. 15°48'10" E., 10.08 feet and S. 24°00'07" E., 1186.78 feet.

Note: This description is based on an on the ground survey performed on 6-09-06 & 12-3-07.

A Survey Plat of the above described tract was prepared.



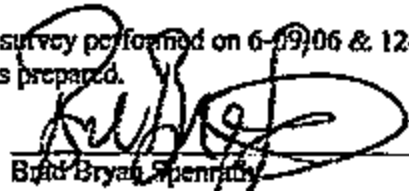

Brad Bryan Spennath
Registered Professional Land Surveyor
No. 5357 Job # 07-5254E

EXHIBIT "B"

Hill Country Land Surveying, LLC

Boundary • Topographic • GPS
110 North Milam • Fredericksburg, Texas 78624
Phone 830-990-2565 • Fax 830-990-5095

Field Notes for a 170.410 Acre Tract of Land

Being a 170.410 acre tract of land, being approximately 33.897 acres out of the C. Welgehausen W. 1/4 Survey No. 488, Abstract No. 1279, approximately 28.037 acres out of the F. Welgehausen Survey No. 597, Abstract No. 727, approximately 30.347 acres out of the Arter Crownover Survey No. 255, Abstract No. 129, and approximately 78.129 acres out of the C. & M. R.R. Co. Survey No. 487, Abstract No. 998, Gillespie County, Texas, said 170.410 acres also being out that certain 312.81 acre tract of land conveyed to 4M Land and Cattle Co. by deed recorded in Volume 229, Pages 129-134, Real Property Records, Gillespie County, Texas, said 170.410 acre tract being more particularly described by metes and bounds as follows:

Beginning at a concrete right-of-way monument found in the easterly line Ranch Road 965 for the southwest corner of the herein described tract, the southwest corner of said 312.81 acre tract, the northwest corner of the Marvin and Margie Prochnow remaining portion of a 696 acre tract of land recorded in Volume 105, Pages 752-754, Deed Records, Gillespie County, Texas;

Thence, with the easterly line of Ranch Road 965, the westerly line of the herein described tract, N. 32°54'54" E., 987.86 feet (N 32°46'00" E. 988.08' called) to a concrete right-of-way monument found for the point-of-curvature of a curve to the left whose central angle is 56°48'17", whose radius is 1185.02 feet (1185.02' called) and whose chord bears, N. 04°30'53" E., 1127.49 feet;

Thence, continuing with the east line of Ranch Road 965, the west line of the herein described tract, along said curve to the left an arc distance of 1175.04 feet to a concrete right-of-way monument found for the point-of-tangency of said curve to the left, and continuing N. 23°51'50" W., 310.97 feet (N 28°06'00" W. 310.34' called) to a concrete right-of-way monument found for the point-of-curvature of a curve to the right whose central angle is 35°50'38", whose radius is 1105.55 feet (1105.55' called) and whose chord bears N. 06°02'03" W., 680.40 feet;

Thence, continuing with the east line of Ranch Road 965, the west line of the herein described tract, along said curve to the right an arc distance of 691.63 feet to a 1/2" steel rod found for the northwest corner of the herein described tract;

Thence, with the northerly line of the herein described tract, N. 73°24'45" E., 75.96 feet (N 73°26'00" E. 75.59' called) to a 1/2" steel rod found for angle of the herein described tract, an angle point in the south line of The J. P. Feller Family, Ltd. 69 acre tract of land recorded in Volume 286, Pages 690-691, Real Property Records, Gillespie County, Texas, N. 89°07'00" E., 358.52 feet (N 88°54'00" E. 359.14' called) to a 1/2" steel rod found for angle of the herein described tract, angle of the Feller 69 acre tract;

Thence, departing the south line of the Feller 69 acre tract, along a wire fence, S. 06°35'57" E., 93.34 feet (S 06°29'00" E. 94.31' called) to a fence post found for angle, S. 20°42'02" E., 125.94 feet (S 21°02'00" E. 124.85' called) to a 1/2" steel rod found for angle, N. 65°40'22" E., 127.17 feet (N 65°36'00" E. 128.00' called) to a 1/2" steel rod found for angle, and N. 42°13'04" E., 202.02 feet (N 42°02'00" E. 202.64' called) to a 1/2" steel rod found for an angle point of the herein described tract, an angle point in the south line of said Feller 69 acre tract;

EXHIBIT "B"

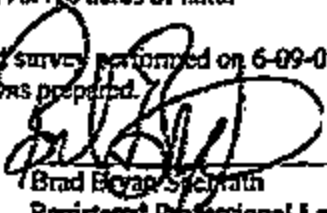
Thence, with the north line of the herein described tract, the south line of the Feller 69 acre tract, N. 89°42'49" E., 1372.67 feet (N 89°37'00" E called) to a ½" steel rod set for the northeast corner of the herein described tract;

Thence, severing said 312.81 acre tract of land, with the easterly line of the herein described tract, S. 08°13'31" E., 241.83 feet to a cedar fence post for angle,
S. 51°26'24" E., 486.91 feet to a cedar fence post for angle,
S. 13°26'24" E., 305.63 feet to a cedar fence post for angle,
S. 75°57'12" E., 174.63 feet to a cedar fence post for angle,
S. 17°57'46" W., 351.47 feet to a cedar fence post for angle,
S. 11°34'30" E., 406.35 feet to a 60d nail set in the centerline of a road for angle,
S. 15°48'10" E., 10.08 feet to a cedar fence post for angle, and
S. 24°00'07" E., 1186.78 feet to a ½" steel rod set in the north line of the aforementioned Prochnow tract;

Thence, with the southerly line of the herein described tract, the southerly line of said 312.81 acre tract, a northwest line of the Prochnow tract, S. 86°22'38" W., 3658.58 feet (S 86°13'00" W called) to the Point-of-Beginning and containing 170.410 acres of land.

Note: This description is based on an on the ground survey performed on 6-09-06 & 12-3-07.
A Survey Plat of the above described tract was prepared.




Brad Bryan Spentrath
Registered Professional Land Surveyor
No. 5357 Job # 07-5254