

**RESTRICTIONS AND COVENANTS**

WHEREAS, Ranch Enterprises, Ltd. (hereinafter called "Declarant"), is the owner of 141.4 acres of land in Gillespie County, Texas, and being more fully described in fourteen (14) separate tracts, by metes and bounds on Exhibit "A" attached hereto (hereinafter called "Property"), and made a part hereof for all pertinent purposes.

Declarant hereby declares that the property shall be held, sold and conveyed subject to the following covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of the Property. The restrictions shall run with the Property and shall be binding upon and inure to the benefit of Declarant, Future Property Owners, their respective heirs, executors, successors and assigns and all other parties having any right, title or interest in the Property, or any part thereof, and their heirs, executors, successors and assigns.

1. The Property shall be used for residential, recreational, ranching and agricultural purposes only, and shall not be used for a non-agricultural commercial purpose, except that nothing herein shall be construed to prevent a purchaser from rendering professional services of purely personal nature as long as such services do not attribute to the Tract any appearance of a commercial or non-residential use. Agricultural purposes as used in this instrument shall mean and include raising and keeping of livestock and exotic animals.
2. There shall be a ten (10) foot wide public utility easement along the front, side and rear property lines of all tracts within the Property.
3. Owners agree to use the shared entrances from the highway that were designated by the Texas Department of Transportation and shown on the plat. All highway entrances must be constructed to the specifications of Texas Department of Transportation.
4. No single family residence erected on any portion of the Property shall have a living area of less than 1000 square feet, excluding porches, patios, garages or other appendages.
5. The exterior of any residence shall be completed not later than twelve (12) months after laying the foundation for such residence.
6. A residence shall not be occupied until the exterior thereof shall be finished and connected to a septic tank or other waste disposal system approved by the County and/or State Health Department or other governing body controlling water wells and septic tanks.
7. No structure shall be erected, placed or maintained on any portion of the Property other than a single family private residence with such customary guest houses, barns, stables, corrals, and or similar structures used in connection with the raising and keeping of livestock and exotic animals, and the storage of equipment, machinery, feeds and other items related thereto. No communal residences shall be permitted.
8. No mobile homes or Manufactured homes shall be allowed, except on Tract 14 (Fourteen), which is allowed to have a manufactured home. There shall be only one (1) single family residence per tract of land. No communal residences shall be permitted.
9. No building shall be located on any Lot nearer to the front Lot line than one hundred fifty (150) feet, or nearer to the rear Lot line than seventy-five (75) feet, or nearer the side Lot line than fifty (50) feet. For the purpose of this covenant, eaves, steps, and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of the building of any Tract to encroach upon another Tract.
10. No tent or substandard structure of any character may be placed, constructed or maintained by any said Tracts, nor shall a travel trailer or any other structure of temporary character, be used as a residence thereon unless it is during the construction of the residence and Declarant has consented

to it in writing. Storage of travel trailers is permitted provided it is not in a condition or location to adversely affect the value of the adjoining property.

11. Vehicles and boats which are not in running order shall not be kept on the Property unless such vehicle is in a closed garage. All other vehicles shall be parked in a neat and orderly fashion. Any delivery truck, or truck other than a pick-up truck, shall be parked behind the residence so as to minimize their appearance from the front of the road.
12. No tower of any kind, including without limitation, radio, microwave, cellular telephone and television towers, shall be erected, maintained or permitted on any portion of the Property.
13. No trash, garbage, construction debris, rubbish, abandoned or junk cars, or any refuse, including any hazardous or toxic substances shall be maintained on the Property, except that Grantee may maintain a small "trash pit" for disposing of non-toxic refuse in compliance with all governmental agencies. Any such trash pit must be kept in a clean, sanitary and sightly condition and shall be screened from view from adjoining landowners. No open fires shall be permitted on the Property unless in compliance with all applicable Gillespie County and State of Texas outdoor burning regulations, orders and laws.
14. No offensive, noxious or unlawful use shall be made of the Property.
15. No signs or advertisements of any kind may be displayed on any portion of the Property except to (i) identify the name of the Owner or the Property or (ii) advertise its sale, or to identify the name of the building contractor during the construction of any buildings on any portion of the Property. Nothing in this paragraph shall be construed to limit temporary signs, provided such signs do not remain upon the Property for a period in excess of one week.
16. No underground storage tanks for the storage of gasoline, diesel fuel, oil or any other petroleum product or any other hazardous substance, shall be permitted upon any portion of the Property.
17. Individual water systems and sewage disposal systems shall be located, constructed and equipped in compliance with Texas State Health Department and Gillespie County requirements, rules and regulations, and all other applicable governmental laws, rules or regulations.
18. No feedlots shall be allowed and specifically no swine shall be permitted unless it is in conjunction with a school project, Future Farmers of America or 4H Club project. Household pets shall be maintained in a sanitary, quiet manner. Livestock may be kept and maintained on said land in numbers not to exceed one (1) animal unit for each two acres for horses and cattle and may not exceed one (1) animal unit for each one acre for sheep and goats. Hunting with centerfired rifles and/or high powered rifles is prohibited on properties of less than 20 contiguous acres. No hunting blinds or feeders are allowed within 100 feet of any property line.
19. In the event that buildings and other structures ("Existing Structures") are situated on the Property as of the date of the amended restrictions and such Existing Structures are not in compliance with these amended restrictive covenants and conditions, then such Existing Structures are "grandfathered" and a variance is hereby granted to the extent of such noncompliance of the Existing Structures as of the date of these amended restrictions; provided that this variance applies only to the Existing Structures and if any such Existing Structure is destroyed, raised or removed from the Property, then and in such event, the variance herein granted shall terminate.
20. There exists a grazing lease on the Property. Livestock may be present on any portion of the Property and existing sources of water may be used for said livestock. Future Property Owners have no obligation to continue this lease and may cancel the lease on their property by constructing fencing that meets local standards and is adequate to keep Lessee's livestock off their property. Future Property Owners shall give Lessee thirty (30) days advance notice that they wish to not participate in the lease. If Future Property Owners desire to remove or alter any existing fences on their property, then Lessee must be notified thirty (30) days in advance in order to maintain control of the livestock.
21. No further division of the Property shall be allowed without the consent of the Declarant, or Declarant's successors and assigns.

22. No deviation of any kind shall be permitted from these restrictions unless permission is granted in writing by the Declarant, or Declarant's successors.
23. These restrictions shall be binding, and inure to the benefit of, the heirs, successors and assigns of the parties described herein.

The aforestated covenants, conditions and restrictions shall run with and bind the Property and shall inure to the benefit of, and be enforceable by, the Declarant and any owner of any portion of the Property, their respective legal representatives, heirs, successors and assigns. Enforcement of the foregoing restrictive covenants and conditions shall be by a proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, condition, or restriction, either to restrain the violation, or to recover damages. The failure by the Declarant or Declarant's legal representatives, heirs, successors and assigns or any owner of any portion of the Property to enforce any covenant, condition or restriction, herein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event an action is brought to enforce such covenants, then the party bringing such action shall be entitled to recover from the party or parties violating the restrictive covenants and conditions, all costs of court and attorneys' fees incurred in connection therewith. Invalidation of any one of these restrictive covenants and conditions, by judgment or court order, shall not in any manner affect any other of the foregoing restrictive covenants or conditions which shall remain in full force and effect.

These restrictions shall be effective for a period of twenty years (20) from the date of execution hereof; however, during such period of time, any one or more of such restrictions may be altered, amended, or cancelled by Declarant, or by an eighty (80%) per cent majority vote of the owners. Any change in the Restrictions will be effective when they are properly signed by an eighty (80%) per cent majority of the owners and filed of record with the County Clerk of Gillespie County, Texas. These Restrictions will automatically renew in three (3) successive ten (10) year increments.