RESTRICTIONS AND PROTECTIVE COVENANTS

WHEREAS, Ranch Enterprises, L.L.C., hereinafter called Developer, has established the Subdivision of Gillespie County, Texas known as Klein Branch Crossing and has dedicated to such Subdivision all the lots, tracts and parcels of land shown on that certain map or plut filed for in Volume Page 177 of the Map and Plat Records of Gillespie County, Texas on the 3th day of 2pt, 1994to which reference is here made for all purposes and

WHEREAS, Developer has established the Subdivision by carrying out a general uniform plan of development and improvement of the Klein Branch Crossing Subdivision to insure and maintain its suitability for private and residential purposes, to protect and benefit each and every purchaser, owner or grantee of herein and enhance the value of the land located in said subdivision.

NOW, THEREFORE, this Contract for Deed is subject to the covenants, restrictions, and conditions, to wit: 1. Covenants Running With the Land. These restrictions and covenants shall run with the land and shall be fully binding upon all persons acquiring property in said subdivision whether by decent, devise, purchase, assignment, contract or otherwise, and any person by the acceptance of any Tract or parcel of land or entering into a contract for the purchase of the same shall thereby agree and covenant to abide by, and fully perform all the foregoing restrictions, covenants, and conditions. These covenants shall be binding for a period of thirty (30) years from the date they are filed for recorded in the Deed Records of Gillespie County, Texas, unless changed or amended as provided herein. Said covenants shall be automatically extended upon the expiration of said term of successive periods of ten (10) years each. The record owners of legal title of fifty-one (51%) percent of the Tracts as shown by the Deed Records of Gillespie County, Texas, may amend or change the said covenants in the 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 recording of the same in the office of the County Clerk of Gillespie County, Texas. A copy of any change or amendment to these Restrictions or Covenants and Conditions shall all be forwarded by prepaid mail to all owners by the Developer. Failure to furnish and copy shall not affect the validity if such amendment.

2. <u>Definitions.</u> The following words shall have the following meanings in construing the restrictions, covenants, and conditions:

2.1 "Klein Branch Crossing" shall mean and refer to that subdivision of Gillespie County, Texas, recorded in Deed Records of

Gillespie County, Texas, and designated according to the original plat.

2.2 "Purchaser" shall mean and refer top the person or persons, entity or entities who have entered into a contract for purchase of a treet of land with the Developer as the original party as a successor or assign; or who owns of record fee simple title to a

2.3 "Residence" shall mean and refer to a permanent structure or mobile home erected on a tract for the use of a single family

2.4 "Building Board" shall mean and refer to the Klein Branch Crossing Building Board composed of Ranch Enterprises L.L.C., their successor, heirs, executors, and assigns, or designees in writing, who shall review plans for construction prior to construction or erection of any building, residential or out-building and shall determine such specifications and plans are not in violation of any of these restrictions, covenants, or conditions.

2.5 "Tract" shall mean and refer to the lot, acreage of land conveyed or contracted for by the purchaser, his executor, beneficiaries or assigns.

- 3. Non Commercial Use of Tracts. None of said Tracts, or improvements erected thereon, shall be used for any purpose other than a private family residence with usual and customary accessory buildings, such as, but not limited to garages, guest cottages, and servants' quarters. No Tract, or improvement thereon, shall be used for any commercial purpose, except that nothing herein shall be construed to prevent a purchaser from rendering professional services of purely personal nature so long as such services do not attribute to the Tract any appearance of a commercial or non-residential use.
- 4. Architectural Control. There is hereby established a Building Board which shall determine if the plans and specifications for any structure on any Tract meet the requirements of these restrictions and determine if the appearance, design, and quality of the workmanship and materials are in harmony with the purposed scheme or plan of development of the Subdivision and the Building Board. Plans and specifications shall, as a minimum, describe the building to be placed or constructed as well as the materials to be used on the exteriors.
- 5. Construction of Buildings and Other Structures. All building and structures on each Tract shall be architecturally acceptable by the Building Board. No unpainted metal or fiberglass structure shall be placed on any said Tracts for use as an accessory building. No tent or substandard structure of any character may be placed, constructed or maintained by any said Tracts, nor shall ever any structure of temporary character be used as a residence thereon. Storage of travel trailers is permitted provided it is not in a condition or location to adversely affect the value of the adjoining property.
- 6. Size and Type of Building. Not more than one single family residence shall be placed or constructed on any tract of the land herein contracted or conveyed, and no single family residences shall be constructed thereon which contains less than 1,000 square feet of living area. New Manufactured Dwelling Houses (or houses which are not more than five years old) of not less that one thousand (1,000) square feet are permitted. These houses must have their tongues and oxles removed, and be set on and permanently attached to permanent foundations. A Manufactured Dwelling House must be skirted with a 100% masonry skirting. Houses in this category must also have a front porch which has been approved by the Building Board. Minimum depth of the building setback lines from the roads fronting the tracts in Klein Branch Crossing shall not be less than one hundred (100) feet and not less than twenty (20) feet from side tract lines and not less than fifty (50) feet from the back lines. There can be no variations from this No. 6 paragraph unless permission is granted in writing by said Klein Branch Crossing Building Board prior to any such construction.
- 7. Animals and Hunting. No feed lots shall be allowed and specifically no swine shall be permitted unless it is in connection with a school project, Future Farmers of America or 4-H Club project. Household pets should be maintained in a sanitary and 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. All State and County hunting regulations must be obeyed,

- 8. Sanitation and Sewerage. No outside toilets will be permitted and no installations of any kind of disposal of sewage shall be allowed which would result in raw, treated or untreated sewage or septic tank drainage on wrinto the surface, alleys, ditches, or water bodies. No septic tank or sewage disposal may be installed without prior approval of the Building Board and the proper governmental authorities All State, County, and municipal (if any) health and sanitation statues, rules, ordinance, and regulation must be complied with at all times.
- 9. Trash and Garbage. No trash, garbage, construction debris, or other refuse may be dumped or disposed or allowed to remain upon any Tract, vacant or otherwise. No building material of any kind or character shall be placed upon the property until the owner is ready to commence improvement, and then such material shall be placed with the property lines of the Tract. No noxious or undesirable thing or use whatsoever shall be permitted on any tract. The Building Board shall determine noxiousness or undestrability and decision shall be conclusive on all parties.
- ic. Signs. No sign or advertising device may be displayed on any Tract except in the event of sales. There may be one for sale sign with no more than five (5) square feet.
- 11. Subdividing. No Tract, as that term is defined herein, may be re-subdivide by the purchaser or owner without the consent of the Developer in writing.
- 12. Separability of all Terms and Provisions. If any term or provision of this instrument, or the application thereof shall be held invalid all other terms and provisions of this instrument, or the application thereof shall not be affected thereby nor shall any failure of the Building Board to seek enforcement of any term or provision constitute a waiver of any rights to do so in the future or the validity or enforceability of such term or provision.
- 13. Enforcement. The Developer and every other person, firm, or corporation hereinafter having any right, title, or interest in any Tract or parcel of land in this subdivision shall have the right to prevent the violation of any said restriction by injuction or other lawful procedure and to recover any damages resulting from such a violation. Damages for the purpose of this paragraph shall include court cost and necessary attorney fees.
- 14. Interpretation. The right is expressly reserved to the Developer and its successors and assigns, to interpret any and all conditions, limitations and restrictions contained in these restrictions but such right shall be without prejudice to the rights of enforcement prescribed in paragraph 13 above.
- 15. Abatement and Removal Violation. Violation of any restriction or condition or breech of any covenant herein contained gives the Building Board or its agents, in addition to other remedies, the right to enter upon the land, and to abate and remove the violation at the expense of the Purchaser or Owner, and said agents shall not thereby be deemed guilty of any manner of trespass for such entry, abatement, and removal.

Perpetual easements are reserved along and within ten (10) feet of the rear line, front line, and side lines of all tracts in this development for the installation and maintenance of poles, wires, downguys, and fixtures for electric lines and telephone lines; and to trim any tree which at any time may interfere or threaten to interfere with the maintenance of such lines, with the right of ingress and aggress from said premisses to employees of the utilities owning said lines. Said easements to also extend along any owners side and rear property lines with fractional tracts.

It is understood and agreed that it shall not be considered a violation of the provisions of this easement if the wires or cables carried by such poles passes lines over some portion of said tract s not within the 10 foot wide strip as long as such lines do not prevent the construction of building any tracts in this development.

The above restriction, covenants and conditions shall be enforceable by injunction and any other remedy provided by law, all of which remedies are to be cumulative by said Building Board or any person who may purchase or own any tract or parcel of land situated in Klein Branch Crossing.

STATE OF TEXAS COUNTY OF KERR

The instrument was acknowledged before me on the othe day of Len

1999 By Reginald A. Tuck, Vice President, Ranch Enterprises, L.L.C.

Paula F. Bou

Notary Public, State of Texas My commission expires 0(606

Notary's printed name

AMENDED RESTRICTIONS AND PROTECTIVE COVENANTS

WHEREAS, Ranch Enterprises, Ltd., hereinafter called Developer, has established the Subdivision of Gillespie County, Texas known as Klein Branch Crossing and has dedicated to such Subdivision all the lots, tracts and parcels of land shown on that certain map or plat filed for in Volume 2 Page 177 of the Map and Plat Records of Gillespie County, Texas on the 13th day of September, 1999 to which reference is here made for all purposes and

WHEREAS, Developer has established the Subdivision by carrying out a general uniform plan of development and improvement of the Klein Branch Crossing Subdivision to insure and maintain its suitability for private and residential purposes, to protect and benefit each and every purchaser, owner or grantee of herein and enhance the value of the land located in said

NOW, THEREFORE, this Contract for Deed is subject to the covenants, restrictions, and conditions, to wit: 1. Covenants Running With the Land. These restrictions and covenants shall run with the land and shall be fully binding upon all persons acquiring property in said subdivision whether by decent, devise, purchase, assignment, contract or otherwise, and any person by the acceptance of any Tract or parcel of land or entering into a contract for the purchase of the same shall thereby agree and covenant to abide by, and fully perform all the foregoing restrictions, covenants, and conditions. These covenants shall be binding for a period of thirty (30) years from the date they are filed for recorded in the Deed Records of Gillespie County, Texas, unless changed or amended as provided herein. Said covenants shall be automatically extended upon the expiration of said term of successive periods of ten (10) years each. The record owners of legal title of fifty-one (51%) percent of the Tracts as shown by the Deed Records of Gillespie County, Texas, may amend or change the said covenants in the 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 recording of the same in the office of the County Clerk of Gillespie County, Texas. A copy of any change or amendment to these Restrictions or Covenants and Conditions shall all be forwarded by prepaid mail to all owners by the Developer. Failure to furnish and copy shall not affect the validity if such amendment.

2. <u>Definitions</u>. The following words shall have the following meanings in construing the restrictions, covenants, and conditions: 2.1 "Klein Branch Crossing" shall mean and refer to that subdivision of Gillespie County, Texas, recorded in Deed Records of Gillespie County, Texas, and designated according to the original plat.

2.2 "Purchaser" shall mean and refer top the person or persons, entity or entities who have entered into a contract for purchase of a tract of land with the Developer as the original party as a successor or assign; or who owns of record fee simple title to a tract. 2.3 "Residence" shall mean and refer to a permanent structure or mobile home erected on a tract for the use of a single family

2.4 "Building Board" shall mean and refer to the Klein Branch Crossing Building Board composed of Ranch Enterprises L.T.D., their successor, heirs, executors, and assigns, or designees in writing, who shall review plans for construction prior to construction or erection of any building, residential or out-building and shall determine such specifications and plans are not in violation of any of these restrictions, covenants, or conditions.

2.5 "Tract" shall mean and refer to the lot, acreage of land conveyed or contracted for by the purchaser, his executor, beneficiaries or assigns.

- 3. Non Commercial Use of Tracts. None of said Tracts, or improvements erected thereon, shall be used for any purpose other than a private family residence with usual and customary accessory buildings, such as, but not limited to garages, guest cottages, and servants' quarters. No Tract, or improvement thereon, shall be used for any commercial purpose, except that nothing herein shall be construed to prevent a purchaser from rendering professional services of purely personal nature so long as such services do not attribute to the Tract any appearance of a commercial or non-residential use.
- 4. Architectural Control. There is hereby established a Building Board which shall determine if the plans and specifications for any structure on any Tract meet the requirements of these restrictions and determine if the appearance, design, and quality of the workmanship and materials are in harmony with the purposed scheme or plan of development of the Subdivision and the Building Board. Plans and specifications shall, as a minimum, describe the building to be placed or constructed as well as the materials to be used on the exteriors.
- 5. Construction of Buildings and Other Structures. All building and structures on each Tract shall be architecturally acceptable by the Building Board. No unpainted metal or fiberglass structure shall be placed on any said Tracts for use as an accessory building. No tent or substandard structure of any character may be placed, constructed or maintained by any said Tracts, nor shall ever any structure of temporary character be used as a residence thereon. Storage of travel trailers is permitted provided it is not in a condition or location to adversely affect the value of the adjoining property.
- 6. Size and Type of Building. Not more than one single family residence shall be placed or constructed on any tract of the land herein contracted or conveyed, and no single family residences shall be constructed thereon which contains less than 1,000 square feet of living area. New Manufactured Dwelling Houses (or houses which are not more than five years old) of not less that one thousand (1,000) square feet are permitted. These houses must have their tongues and axles removed, and be set on and permanently attached to permanent foundations. A Manufactured Dwelling House must be skirted with a 100% masonry skirting. Houses in this category must also have a front porch which has been approved by the Building Board, Minimum depth of the building setback lines from the roads fronting the tracts in Klein Branch Crossing shall not be less than one hundred (100) feet and not less than twenty (20) feet from side tract lines and not less than fifty (50) feet from the back lines. There can be no variations from this No. 6 paragraph unless permission is granted in writing by said Klein Branch Crossing Building Board prior to any such construction.
- 7. Animals and Hunting. No feed lots shall be allowed and specifically no swine shall be permitted unless it is in connection with a school project, Future Farmers of America or 4-H Club project. Household pets should be maintained in a sanitary and 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. No hunting of any type shall be

- 8. Sanitation and Sewerage. No outside toilets will be permitted and no installations of any kind of disposal of sewage shall be allowed which would result in raw, treated or untreated sewage or septic tank drainage on or into the surface, alleys, ditches, or water bodies. No septic tank or sewage disposal may be installed without prior approval of the Building Board and the proper governmental authorities All State, County, and municipal (if any) health and sanitation statues, rules, ordinance, and regulation must be complied with at all times.
- 9. Trash and Garbage. No trash, garbage, construction debris, or other refuse may be dumped or disposed or allowed to remain upon any Tract, vacant or otherwise. No building material of any kind or character shall be placed upon the property until the owner is ready to commence improvement, and then such material shall be placed with the property lines of the Tract. No noxious or undesirable thing or use whatsoever shall be permitted on any tract. The Building Board shall determine noxiousness or undesirability and decision shall be conclusive on all parties.
- 10. Signs. No sign or advertising device may be displayed on any Tract except in the event of sales. There may be one for sale sign with no more than five (5) square feet.
- 11. <u>Subdividing.</u> No Tract, as that term is defined herein, may be re-subdivide by the purchaser or owner without the consent of the Developer in writing.
- 12. Separability of all Terms and Provisions. If any term or provision of this instrument, or the application thereof shall be held invalid all other terms and provisions of this instrument, or the application thereof shall not be affected thereby nor shall any failure of the Building Board to seek enforcement of any term or provision constitute a waiver of any rights to do so in the future or the validity or enforceability of such term or provision.
- 13. Enforcement. The Developer and every other person, firm, or corporation hereinafter having any right, title, or interest in any Tract or parcel of land in this subdivision shall have the right to prevent the violation of any said restriction by injustion or other lawful procedure and to recover any damages resulting from such a violation. Damages for the purpose of this paragraph shall include court cost and necessary attorney fees.
- 14. Interpretation. The right is expressly reserved to the Developer and its successors and assigns; to interpret any and all conditions, limitations and restrictions contained in these restrictions but such right shall be without prejudice to the rights of enforcement prescribed in paragraph 13 above.
- 15. Abatement and Removal Violation. Violation of any restriction or condition or breech of any covenant herein contained gives the Building Board or its agents, in addition to other remedies, the right to enter upon the land, and to abute and remove the violation at the expense of the Purchaser or Owner, and said agents shall not thereby be deemed guilty of any manner of trespass for such entry, abatement, and removal.

Perpetual easements are reserved along and within ten (10) feet of the rear line, front line, and side lines of all tracts in this development for the installation and maintenance of poles, wires, downguys, and fixtures for electric lines and telephone lines; and to trim any tree which at any time may interfere or threaten to interfere with the maintenance of such lines, with the right of ingress and aggress from said premisses to employees of the utilities owning said lines. Said casements to also extend along any owners side and rear property lines with fractional tracts.

It is understood and agreed that it shall not be considered a violation of the provisions of this easement if the wires or cables carried by such poles passes lines over some portion of said tract's not within the 10 foot wide strip as long as such lines do not prevent the construction of building any tracts in this development.

The above restriction, covenants and conditions shall be enforceable by injunction and any other remedy provided by law, all of which remedies are to be cumulative by said Building Board or any person who may purchase or own any tract or parcel of land situated in Klein Branch Crossing.

No deviation of any kind shall be permitted from these restrictions and protective covenants unless permission is granted in writing by the Building Board.

RANCH ENTERPRISES, L.T.D., A TEXAS

LIMITED PARTNERSHIP

BY:

REGINALD A. TUCK, PARTNER

STATE OF TEXAS

COUNTY OF KERR

The instrument was acknowledged before me on the 5th day of Neumbu, 2000 by REGINALD A. TUCK, Partner of RANCH ENTERPRISES, L.T.D., A Texas Limited

Partnership, on behalf of said Limited Partnership.

K NICHOLE JOHNSON NOTARY PUBLIC State of Texas Corrent, Exp. 04-10-2004

Notary Public, State of Texas

My Commission Expires: 04/10/04

K.Nicole Johnson Notary's Printed Name

43/344-345 DR

Douglus W.Dudorstadt \

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T.Fred Evins, W.H.Morgan and J.R.Klumpp, Prustoes Texas Osago Co-Operative Royalty Pool, and Flag Oil Company of Texas.

MINERAL DEED

THE STATE OF TEXAS,)

COUNTY OF Gillespie) KNOW ALL MEN BY THESE PRESENTS; That I, or we, boughas V Duderstadt and of the County of Gillespie, State of Texas, for and in consideration of the sum of One (61.00) nollar and other good and valuable considerations, the receipt whereof is hereby acknowledged, MAVE GRARTED, SOLD, CONVEYED and ASSIGNED, and by these presents do grant, sell, convey, assign and deliver unto T. Fred Evins, W.M. Morgan and J.R. Klumpp, as trustees of TEXAS OSAGE CO-OPERATIVE ROYALTY POOL and unto FLAG OIL COMPANY of Texas, a Texas corporation an undivided one half interest in and to all 8f the oil; gas, sulphur and all other minerals of whatsoever kind and nature in and under and that may be produced from the berein described lands; hereby granting

unto the said trustees of Texas Osage Co-operative Royalty Pool an undivided three-fourths duterest in and to the oil, gas, sulphir and all other educads of whatsoever kind and nature bereby conveyed and unto Flag Oil Company of Texas an undivided one-fourth interest thereof; said interest being in and under the following described property lying in Gillespie County, State of Texas, to-wit; abst. "1881 Cort. "91 Surv. "A Original Grantoe C.C.S.D.& R.G.R.G.R.R.Co. Acres 460 Being the same tract of land conveyed to the granter herein by Geo. W. and Magrie C. Duderstadt by doed dated Soptembor Ist.A.D.1929 and recorded in Vol.40, on pages 190-181. Beed Records of Gilleanic County, Texas, it being mutually understood and agreed that this conveyance is to cover all lands now owned by the grantors in the above stipulated surveys, whether herein properly described or not; and containing 460 acres more or less, together with the right of ingress and ogress at all times for the purpose of mininf, drilling and exploring aid lands for oil, gas, sulphur and all other minerals of whatsoever kind and nature and removing the same therefrom Said lands being new under an oil and gas lease originally in favor of hot leased and now held by None and this conveyance is made in all things subject to said lease (if any), but this convoyance covers and includes a one half part of all the oil regulty and was rental or royalty due, or to become due, under the terms of said lease and the woney payments which may be puid to extend the term of said lease (in the ratio which the area of the lands above described bears to the total area of the lands covered by said lease), which rent, royalty or money payments are to be paid to the suid grantees herein in proportion to their interest, and in event the said above described lesse for any reason becomes cancalled, Corrected or inoporative, then the lease interest and the right to all future rentals or payments on said lands for oil, gas, sulphur and all other wineral rights or privileges shall be ounced jointly by grantor and granteen, the said grantees owning an undivided one half interest in all the oil, gas, sulphur and all other minerals of whatsoever kind and nature in, under and unon said lands in the proportion or three-fourths and one-fourth undivided interest respect-Lvoly, TO HAVE AND TO HOLD the above described property and interests, tegether with all and pingular the rights and appurtenances thereto in any wise belonging unto the said trustees of Texas Osage Co-operative Royalty rook and said Plag Oil Company of Texas, their successors and assions forever, and the undersigned granters (whether one or more) do hereby bind ourselves, . our beirs, executors and administrators to WARHART AND FOREVER DEFEND all and singular the said property unto the said grantees their successors and assigns against every person whomseever lawfully claiming or to claim the same or any part thereof WITNESS the execution hereof on this, the 30 day of September, 1930.

Douglas W Duderstadt

THE STATE OF Toxos	THE	STATE	01°	Toxon	1
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COUNTY OF Gillespie) BEFORE ME, the undersigned authority, on this day personally appeared boughas W.Duderstadt and -- 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. Given under my hand and seal of office this 30 day of September, 1930.

(Seal)

betary Public in and for Gillospie County, Texas.

Filed in my office for record the 19th day of August, A.D. 1931, at \$136 o'clock A.H. and duly recorded the 27th day of August, A.D. 1931, at 3140 o'clock P.H. in Vol. 43 on pages 344 and 345.

Alfaed E. Allett ____, Clk. Co. Ct. Gillogpie County, Texas.

SPECIAL WARRANTY MINERAL DEED (PERPETUAL)

STATE OF TEXAS *

* KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GILLESPIE *

THAT, RANCH ENTERPRISES, L.L.C., a Texas Limited Liability Company, by and through its duly authorized undersigned officer, of the County of Kerr, State of Texas (hereinafter "Grantor", whether one or more), for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable consideration in hand paid by the Grantee herein named, the receipt of which is hereby acknowledged, have GRANTED, SOLD AND CONVEYED and by these presents do GRANT, SELL AND CONVEY unto TEXAS NOTE TRADERS, INC., a Texas Corporation, of the County of Kerr, State of Texas (hereinafter "Grantee", whether one or more), all of the oil, gas and other minerals in, on, under, and that may be produced from, the following described lands situated in Gillespie County, Texas, to-wit:

All that certain tract or parcel of land, lying and being situated in the County of Gillespie, State of Texas, more particularly described on Exhibit "A", attached hereto and herein incorporated for all purposes.

Together with the rights of ingress and egress at all times for the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals, and storing, handling, transporting and marketing the same therefrom with the right to remove from said land all of Grantee's property and improvements.

Together with all executive rights related to the oil, gas and other minerals in, on, under or that may be produced from the aforementioned property.

This transfer is made subject to any rights now existing to any lessee or assigns under any valid and subsisting oil and gas lease now of legal record; it being understood and agreed that Grantee shall have, receive and enjoy the herein granted undivided interest in and to all bonuses, rents, royalties and other benefits which may accrue thereunder from and after the date hereof.

TO HAVE AND TO HOLD all right, title and interest in and to all oil, gas and other minerals in, on, and under said land, unto the said Grantee, and Grantee's heirs, legal representatives, successors and assigns forever; and Grantor does hereby bind Grantor, and Grantor's heirs, legal representatives, successors and assigns to WARRANT AND FOREVER DEFEND all and singular the said interest in all the oil, gas and other minerals, in, on, and under said land, unto the said Grantee, and Grantee's heirs, legal representatives,

successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

EXECUTED this the 22nd day of July, 1999.

RANCH ENTERPRISES, L.L.C., A TEXAS LIMITED LIABILITY COMPANY

DAVID LEHMANN, PRESIDENT

MAILING ADDRESS OF EACH GRANTEE:

Texas Note Traders, Inc. 2210 Bandera Hwy., Suite 100 Kerrville, Texas 78028

STATE OF TEXAS *

COUNTY OF KERR *

This instrument was acknowledged before me on the Atlandary day of L.L.C., a Texas Limited Liability Company, on behalf of said Limited Liability Company.

AFTER RECORDING METURN TO:

Texas Note Traders, Inc. 2210 Bandera Hwy., Suite 100 Kerrville, Texas 78029

Notary Public, State of Texas
My Commission Expires: 8/16/00
Faula L. Barrelo

Notary's Printed Name

PREPARED IN THE LAW OFFICE OF:

Robert J. Parmley 222 Sidney Baker South, Suite 615 Kerrville, Texas 78028

STATE OF TEXAS COUNTY OF GILLESPIE

FIELD NOTE DESCRIPTION OF THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING 426.62 ACRES, MORE OR LESS, LYING AND BEING SITUATED IN GILLESPIE COUNTY, STATE OF TEXAS. SAID TRACT OF LAND BEING A PORTION OF C.C.S.D. & R.G.N.G. Ry. CO. SURVEY NO. 5, ABSTRACT NO. 1581 AND BEING A PORTION OF THAT CERTAIN CALLED 460 ACRES FOUND IN A WARRANTY DEED WITH VENDOR'S LIEN, DATED SEPTEMBER 27TH, 1983, FROM DR. EDWARD D. AND SALLY M. FUTCH CHARITABLE FOUNDATION, INC. TO C. J. ERNST AS FOUND OF RECORD IN VOLUME 254, PAGE 783 OF THE REAL PROPERTY RECORDS OF GILLESPIE COUNTY, STATE OF TEXAS. SAID 426.62 ACRES, MORE OR LESS, MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron stake found by a fence corner post and recognized as the Northeast corner of sald Survey No. 5, being in the South line of W. C. Billings Survey No. 5, said stake bears N89°32'57"E, at 1949.04 feet from an ½" iron stake found by a fence corner post and recognized as the Southwest corner of said Survey No. 20, said beginning point also being the Northwest corner of the North ½ of Survey No. 6 in the name of J.O. Stevens as found of record in Volume 37, Page 163 of the Deed Records of Gillespie County, Texas, said beginning point also being in the South line of that certain 383 acres in the name of Joesph Lange as found of record in Volume 35, Page 565 of the Deed Records of Gillespie County, Texas, said beginning point also being the Northeast corner of this herein described tract of land;

THENCE S0°38'31"W generally along a fence, being the East occupational line of said Survey No. 5, being the West line of said Survey No. 6 and being the East line of this herein described tract of land, at as distance of 1569.58 feet to a fence angle post;

THENCE S1°34'06"E generally along a fence, along said line at 1049.17 feet passing the North line of Klein Branch Road (Sixty (60) foot wide County Road), at a total distance of 1106.92 feet to a fence corner post (fence going East) for an angle point;

THENCE S1°04'31"E generally along a fence, continuing along said line, at 4.39 feet passing the South line of said Klein Branch Road, continuing for a total distance of 1273.40 feet to a fence corner post (fence going West) for an angle point;

THENCE S0°51'21"E generally along a fence, continuing along said East occupational line, at a distance of 1374.02 feet to a ½" iron stake found and recognized as the Southeast corner of said Survey No. 5, being the Southwest corner of the South ½ of Section 6, in the name of J.O. Stevens as found of record in Volume 37, Page 114 of the Deed Records of Gillespie County, State of Texas, said stake also being in the North line of a 5.54 acre tract of land, a.k.a. Tract 70 of Harper Valley Ranch, a unrecorded subdivision of Gillespie County, Texas, said tract in the name of Alice Louise Jones, Trustee, et al, as found of record in Volume 227, Page 371 of the Deed Records of Gillespie County, Texas;

THENCE N89°54'49"W generally along a fence, along the South occupational line of said Survey No. 5, being the South line of this herein described tract of land, also being the North occupational line of said Survey No. 4 and the North line of said Harper Valley estates tracts 54, 53, 52, 51 and 50, respectively; at 1817 feet passing the approximate center of a 50.00 (50) foot wide gas pipeline easement same as described in Volume 101, Page 439 of the Deed Records of Gillespie County, Texas; at a Total distance of 3343.68 feet to a 4-way fence comer post recognized as the Northwest comer of said Survey No. 4 and the lower Southeast corner of this herein described tract of land, also being the Southeast corner of C.C.S.D. & R.G.N.G. Ry. Co. Survey No. 3, being in the East line of a 37.94 acre tract of land in the name of Debbie Lange, as found of record in Volume 303, Page 518 of the Real Property Records of Gillespie County,

THENCE N0°06'57"E generally along a fence, along the East line of this herein described tract of land, being the East line of the said 37.94 acres, at 674 feet passing the approximate center of the same said gas pipeline, at 715.80 feet passing a fence corner post recognized as the Northeast corner of the said 37.94 acres, being the Southeast corner of a 46.77 acre tract of land in the name of Dennis Brandon as found of record in Volume 259, Page 546 of the Real Property Records of Gillespie County, Texas, continuing a total distance of

2549.62 feet to a ½" iron stake found by a fence corner, being the inner West corner of this herein described tract of land, being the Northeast corner of the said 46.77 acres:

THENCE S88°02'28"W generally along a fence, being the Upper South line of this herein described tract of land, being the North line of the said 46.77 acres, at a distance of 1108.24 feet to a ½" iron stake found by a fence corner post, for the outer West corner of this herein described tract of land;

THENCE Noº53'13"E generally along a fence, along the West line of this herein described tract of land, at a distance of 167.51 feet to a ½" iron stake found and recognized as the Northeast corner of the said 48.77 acres, being the Southeast corner of a 23.99 acre tract of land, of which is part of a 500.00 acre tract found of record in Volume 127, Page 441 of the Deed Records of Gillespie County, Texas;

THENCE Noº52'53"E generally along a fence, continuing along the West line of this herein described tract of land, being the East line of the said 23.99 acres, at a distance of 1142.86 feet to a ½" iron stake found, being the Northeast corner of the said 23.99 acres and the Southeast corner of a 5.08 acre tract of land of which is the part of the same said 500.00 acres;

THENCE N0°58'21"E generally along a fence, continuing along the West line of this herein described tract of land, being the East line of the said 5.08 acres, at a distance of 267.50 feet to a ½" iron stake found for a angle point;

THENCE N0°59'32"E generally along a fence, continuing along the West line of this herein described tract of land, at a distance of 379.13 feet to a ½" iron stake found being recognized as the Southeast comer of a 2.71 acre tract of land in the name of Boyce Grona as found of record in Volume 128, Page 441 of the Deed Records of Gillespie County, Texas;

THENCE N0°58'14"E generally along a fence, continuing along the West line of this herein described tract of land, being the East line of the said 2.71 acres, at 632.77 feet passing the South line of said Klein Branch Road (Sixty (60) foot wide County Road) at 698.90 feet passing the North line of said road, continuing a total distance of 787.11 feet to a ½" iron stake found by a fence comer for the Northwest comer of this herein described tract of land, being in the North occupational line of said Survey No. 5, being the South occupational line of 1...1. & A.A. Survey No. 19, Abstract No. 1584, also being the South line of a 334 acre tract of land in the name of Roy M. Miles as found of record in Volume 114, Page 847 of the Deed Records of Gillespie County, Texas;

THENCE N88°53'00"E generally along a fence, being the North line of this herein described tract of land, being the South line of the said 334 acres, at a distance of 527.59 feet to a ½" iron stake set by a fence comer post, being the Northwest corner of a 43.08 acre tract of land, this day surveyed;

THENCE S13°14'10"W generally along a field fencelong the West line of the said 43,08 acres, at a distance of 198.15 feet to a fence angle post;

THENCE S19°34'31"E generally along said fence, continuing along the V-est line of the said 43.08 acres, at a distance of 424.35 feet to a cotton spindle set by a fence angle post in the North line of said Klein Branch Road (Sixty (60) foot wide County Road) for a West corner of the said 43.08 acres;

THENCE generally along a fence, along the North line of said Klein Branch Road, being the Southwest line of the said 43.08 acres, to a cotton spindle set by a fence angle post with the following Nine (9) courses:

- 1) S52°25'28"E at a distance of 209.19 feet;
- 2) S61°51'03"E at a distance of 271.32 feet;
- 3) S55°44'57"E at a distance of 134.32 feet;
- 4) \$53°10'11"E at a distance of 135.24 feet;
- 5) S45°41'17"E at a distance of 134.82 feet;
- 6) S41°18'38"E at a distance of 135.50 feet;
- 7) \$34°23'11"E at a distance of 135.06 feet;
- 8) \$29°33'22"E at a distance of 136.23 feet;
- 9) S24°33'22"E at a distance of 219.54 feet;

THENCE S21°55'14"E continuing along the North line of said Klein Branch road, at 299.74 feet passing a fence angle post, continuing a total distance of 345.12 feet to a 1/2" iron stake set, marked #5079, for the South comer of the said 43.08 acres, being a re-entrant corner of this herein described tract of land;

THENCE N35°30'42"E leaving said road North line, along the East line of the said 43.08 acres, at a distance of 56.10 feet to a cotton spindle set by a fence comer post;

THENCE generally along a fence, being the East line of the said 43.08 acres, being a inner West line of this herein described tract of land, to a 1/2" iron stake set, with the following Six (6) courses:

N35°30'42"E at a distance of 539.92 feet;

- N17°53'16"W at a distance of 645.87 feet; 21
- N78°21'14"E at a distance of 279.91 feet; 3)
- 4) N10°17'15"W at a distance of 16.90 feet;
- N8°06'23"W at a distance of 616.31 feet;
- N13°09'23"W at a distance of 202.41 feet to a 1/2" iron stake set, marked #5079, by a fence comer post, being the Northeast corner of the said 43.08 acres, being in the South line of the said 334 acres which is the occupation South line of said Survey No. 19, also being a inner Northwest corner of this herein described tract of land;

THENCE N88°53'00"E generally along a tence, along the occupational North line of said Survey No. 5, being the South occupation line of the said 334 acres, at a distance of 311.90 feet to a 1/2" iron stake found by a fence corner, being recognized as the Southeast corner of said Survey No. 19, being the Southwest corner of W.C. Billings Survey No. 20, Abstract No. 1825, also recognized as the Southwest corner of a 64.80 acre tract of land in the name of Roy M. Miles as found of record in Volume 211, Page 468 of the Deed Records of Gillespie County, Texas;

THENCE N89°32'57"E generally along a fence, along the North occupational line of said Survey No. 5, being the North line of this herein described tract of land, being the South occupational line of said Survey No. 20 and the South line of the said 64.80 acres, at 825.65 feet passing a fence comer post recognized as the Southeast corner of the said 64.80 acres, continuing along the South line of the remainder of a 383 acre tract of land in the name of Joesph Lange as found of record in Volume 35, Page 565 of the Deed Records of Gillespie County, Texas, continuing a total distance of 1949.04 feet to the PLACE OF BEGINNING, containing 428.62 acres, more or less, within these metes and bounds.

I, Thomas G. Pattison, do hereby certify, that the foregoing field note description was prepared from an actual survey as made on the ground by me, under my supervision and direction and that the same are true and correct. NOTE: BASIS OF BEARINGS derived from True North observations using G.P.S. R.T.K. Trimble 4400 ser system on the 13th Day of June, 1999.

Registered Professional Land Surveyor No. 5079

Dated this the 8th Day of July, 1999