

EXHIBIT C

STATE OF TEXAS

COUNTY OF HAYS

DECLARATION OF EASEMENTS,

COVENANTS AND RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

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That WHEREAS, ROBERT E. PEERMAN, Trustee, hereinafter called the Declarant, is the owner of all of that certain real property located in Hays County, Texas, described as follows:

669 acres, more or less, being approximately 559 acres of land out of the C.C. Rogers Survey No. 1, and approximately 110 acres of land out of the James Lynn Survey No. 10, all in Hays County, Texas, and being the same real property conveyed by deed to Robert E. Peerman, Trustee, recorded in Volume 349, Page 710, Deed Records of Hays County, Texas, to which reference is here made for all pertinent and descriptive purposes.

NOW, THEREFORE, it is hereby declared that all of the property described above shall be HELD, SOLD, and CONVEYED subject to the following easements, covenants and restrictions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property, or any portion thereof, and shall be binding on all parties having any rights, title or interest in or to the above described property or any part thereof, and their heirs, successors, and assigns, and which covenants and restrictions shall inure to the benefit of each owner thereof. The real property described hereinabove shall hereafter be referred to and known as BELL SPRINGS RANCHES, which shall hereafter be subject to the following:

A. LAND USE

(1) All tracts of land out of BELL SPRINGS RANCHES are restricted to use for residential purposes only. No commercial or business use or activity shall be permitted, whether for profit or not. No signs shall be placed on any part of the property indicating a commercial or non-residential use thereof.

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No animals or fowl shall be permitted other than those types of animals or fowl normally found on suburban property and are raised for personal family use and/or pleasure on a strictly non-commercial basis. Permitted types of animals shall include, but are not necessarily limited to, horses, cows, sheep, goats and household pets. No swine shall be permitted, nor shall any cattle, fowl feeding or other feeding or commercial operations, expressly including commercial kennels, shall be permitted.

(3) No junk or junk yards of any kind or character shall be permitted, nor shall accumulation of scrap, used materials, inoperative automobiles or machinery, or other unsightly storage of personal property be permitted.

(4) No portion of the property shall be used in a manner that adversely affects adjoining property owners or creates an annoyance or nuisance to other property owners.

(5) No hunting shall be permitted which in any manner involves property owned by other persons so as to cause a person to walk upon or discharge a shot or other projectile onto roadways or non-owned property.

(6) No mobile home, modular home, or other not-on-site manufactured home or structures, of any kind, shall be permitted on the property. A mobile home is a "mobile home" within the meaning of this restriction even if its wheels shall have been removed and the structure set on a permanent foundation or slab and even if connected to water and electrical lines.

(7) No tents, campers or trailers shall be used on any of the property for residential purposes for a period or periods in excess of a total of thirty (30) days during any consecutive 365 day period.

(8) All tracts shall be kept in a clean and orderly condition at all times, and all trash, garbage and other waste shall be kept in sanitary containers.

(9) No structures used for storage purposes shall be erected or placed upon any parcel of land which will be visible from any roadway unless placed within the most rear one-fourth of the parcel being such portion farthest away from any roadway. All such structures shall be neatly maintained.

(10) No discharge of any waste, chemical or other matter shall be permitted into any creek or waterway in BELL SPRINGS RANCHES so as to be harmful to the creek or other persons using the creek.

(11) No quarrying, mining, excavating or removal of timber, exclusive of cedar, shall be permitted, except as necessary for the construction of dwellings or other out-building structures on the property.

B. PROPERTY OWNERS' ASSOCIATION, ASSESSMENTS, AND RULES

(1) A "Property Owners' Association" is hereby created to be made up of the owners of property within BELL SPRINGS RANCHES (The Subdivision). A Governing Board of Directors of at least three (3) members shall be elected by owners within the subdivision. Owners shall have as many votes as they have acres of land. Election of Directors shall be made annually. The initial Board of Directors shall propose By-Laws for the Association governing its operation which shall require the approval of a majority of the votes of property owners. Thereafter amendment of such By-Laws shall require a three-fourths (3/4) vote of the property owners.

(2) Through the Board of Directors, the Property Owners' Association shall have authority to:

(a) Declare and collect an assessment for each tract of land within the subdivision on a per acre basis to provide funds for the maintenance of roadways and other business of the Association. Such assessment procedure shall be established by the By-Laws and, if included, may provide for the affixing of a lien against the property to enforce non-payment thereof, subject however, to the requirement that any such lien affixing

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procedure shall in no manner adversely affect or be collectible from the VETERAN'S LAND BOARD OF THE STATE OF TEXAS, or any mortgagee holding a valid lien upon the property, and subject further to the requirement that no assessment lien affixed upon the property shall be effective until a written notice of Lien Claim be filed in the Deed Records of Hays County, Texas. The By-Laws may provide for an enforcement procedure, including the filing of suit for foreclosure of such Assessment Lien and the assessment of attorneys fees incurred to collect or enforce such delinquent assessments.

(b) Contract for and pay for the maintenance of roadway easements and other expenses incurred to enforce these restrictions.

(c) Promulgate rules and regulations governing the use of roadway easements, expressly including reasonable speed and weight limit requirements.

(d) Serve as the Architectural Control Committee, as hereafter established, at such time as all of the property within the subdivision has been sold by Declarant.

(3) Notwithstanding the foregoing, the Association shall not begin its operation until such time as Declarant shall have sold all of the property covered hereby. At such time, Declarant will provide written notice thereof by regular United States mail to the last mailing address shown on the records of Declarant. Such notice will contain a place, date and time of a meeting of property owners for the purpose of electing the initial Board of Directors and such other business as may be brought before the meeting.

C. CREATION OF ROADWAY AND UTILITY EASEMENTS

(1) There is hereby created for the private non-commercial use and benefit of the owners of said property comprising BELL SPRINGS RANCHES, Declarant, and their respective heirs and assigns, expressly including Declarant and his assigns of any adjoining property hereafter owned and/or developed by

Declarant, those certain ingress and egress easements described by centerline metes and bounds on the attached Exhibits described and styled as follows:

- (a) Roy Creek Road;
- (b) Bell Springs Cove;
- (c) Rocky Creek Road; and
- (d) Spring Creek Road.

(2) Such easements shall be non-exclusive for the benefit of the persons described above who are hereby granted the free and uninterrupted use, liberty and easement of passing in and along, over and across such easements.

(3) Such easements and any later easements created by Declarant and included hereunder by amendment document hereto, shall be maintained by Declarant until all of the real property comprising BELL SPRINGS RANCHES is sold by Declarant, as determined by the notice to land owners required hereinabove. Thereafter, all maintenance and repair of such roadways shall be the responsibility of the owners of land within BELL SPRINGS RANCHES through the Property Owners' Association described hereinabove.

(4) The roadway easements created by this section and described on the attached Exhibits shall also be subject to use as utility easements for the benefit of all of the owners of BELL SPRINGS RANCHES and for all utility companies (expressly including but not limited to gas, water, electric, telephone and cable television companies) which may from time to time be asked to bring service lines or cables to any part of said property.

(5) In addition to the foregoing, there is hereby created a utility easement twenty feet (20') wide immediately inside and adjacent to all roadway easements and along all other boundary lines of parcels within said BELL SPRINGS RANCHES, expressly excluding a boundary line or portion thereof which runs along a creek or other waterway within said property unless it becomes necessary to cross said creek or waterway to

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provide service from one tract to an adjacent tract. This easement shall benefit all utility companies named herein.

(6) Such utility easements herein created shall expressly be granted for the benefit of Bell Telephone Company and the Pedernales Electric Cooperative, Inc., who now provide service to said property, as well as all other companies hereafter providing such service. Said companies shall have free access to said easements for installation and maintenance of their lines or cables whether underground or overhead.

(7) Reservation is hereby made by Declarant to amend this instrument to change or grant additional easements required by utility companies to provide reasonable service to the property.

D. CONSTRUCTION AND ARCHITECTURAL CONTROL

(1) Architectural Control: No structure, building, or fence shall be erected, placed or altered on any tract until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee of one as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. The Architectural Control Committee of one is composed of Robert E. Peerman, Sr. In the event of death or resignation of Robert E. Peerman, Sr., he or the executor of his estate shall have full authority to designate a successor. The Committee of one shall not be entitled to any compensation for services performed pursuant to this covenant. The approval or disapproval of the Committee of One as required in these covenants shall be in writing. In the event the Committee of One, or its designated representative fails to approve within thirty days after plans and specifications have been submitted to it, or in any event, if not suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the

related covenants shall be deemed to have been fully complied with.

(2) Notwithstanding the foregoing, from and after the date the initial Board of Directors is elected by the Property Owners' Association, such Board shall thereafter constitute the Architectural Control Committee.

(3) All dwellings, exclusive of open porches, garages, carports, and patios shall be of at least 900 square feet.

It is the intent of the undersigned that all dwellings and other structures have a neat and attractive appearance. It is also contemplated that dwellings be of traditional country mode and not modern looking facilities which would look out of place in rural surroundings. No metal walls or walls of temporary sheeting will be allowed. The entire exterior walls of all dwelling units or other buildings hereafter constructed must be completed within one year after the commencement of work thereon or the placing of materials therefor on said property, whichever occurs the earliest, and in connection therewith it is understood that by the use of the word "completed", is also meant the finishing of all such exterior walls.

(4) No outside toilets, privies or cesspools will be permitted, and no installation of any type of sewage disposal device shall be allowed which would result in raw or untreated or unsanitary sewage being carried into any water body; all septic tanks must conform to the regulations of and be certified by the State Health Department; Hays or Blanco County Health Department and the Lower Colorado River Authority. Inspection and certification by each of the foregoing named regulatory governmental entities shall be required only if an individual regulatory body requires separate inspection and certification; otherwise, a certification made by an appropriate regulatory body which is accepted by another regulatory body shall be deemed a certification by that other regulatory body for compliance purposes hereunder.

E. MISCELLANEOUS

(1) If through error or oversight or mistake an owner of a parcel of land builds, or causes to be built, any structure thereon which does not conform to all 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 any and all other parcels of said land. 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 of parcels in said land to change, alter or violate any of the restrictions and limitations herein contained.

(2) Declarant and the Board of Directors of the Property Owners' Association hereby retains the right, in the furtherance of the uniform plan for the development of such property as a residential neighborhood, to execute amendments to, including granting variances from and on, the aforesaid restrictive covenants and use limitations on such property provided they, in the exercise of their best judgment and discretion, are of the opinion that any such amendments or variances would be in the furtherance of the uniform plan for the development of such property. The undersigned shall also perform all of the other duties and obligations imposed upon them under the provisions hereof.

(3) The restrictive covenants and use limitations herein provided for on such land are hereby declared to be covenants running with the land and shall be fully binding upon all persons acquiring title to any such parcels, including the right to acquire title to any such parcels by contract or otherwise, of said land whether by descent, devise, purchase or otherwise, and any person by the acceptance to title to any parcel of said land, including any person procuring the right by contract to acquire title to any parcel of said land, shall

thereby agree and covenant to abide by and fully perform the foregoing restrictive covenants and use limitations thereon, and shall be conclusively presumed to have constructive notice of the restrictive covenants and use limitations herein provided for on such land by virtue of the filing hereof in the Deed Records of Hays County, Texas, and with this being true without regard to whether or not such person has actual notice of these restrictive covenants and use limitations on such land by reference hereto in the instrument or instruments under which he acquired title to, or the right to acquire title to, any parcel of land.

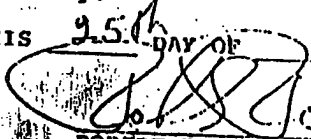
(4) The restrictive covenants and use limitations herein published and impressed on all parcels of said lands shall be binding on all of the owners of parcels or portions of said land for a period of thirty (30) years from and after date hereof, and from and after such date shall automatically be extended for an additional term of thirty (30) years unless by a vote of three-fourths (3/4) of the record owners of such land calculated on an acreage basis, with each husband and wife being considered as one owner, taken prior to expiration of said thirty (30) years and filed for record in the Deed Records of Hays County, Texas, it is agreed that these restrictive covenants and use limitations shall terminate as to said land.

(5) It is expressly understood that the undersigned, its successors, legal representatives or assigns, or any one or more of the owners of parcels of said land, shall have the right to enforce the restrictive covenants and use limitations herein provided for on such land 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 successors, legal representatives and assigns, or any other person or persons, owning parcels of said land, injured by virtue of any breach of the restrictive covenants and use limitations herein provided for on such land shall accordingly

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have their remedy for the damages suffered by any breach, and in connection therewith it is controllingly understood that in the event of a breach of these restrictive covenants and use limitations by the owner of any parcel of said land it will be conclusively presumed that the owners of other parcels of said land have been injured thereby.

WITNESS OUR HANDS THIS 25th DAY OF February, 1981.

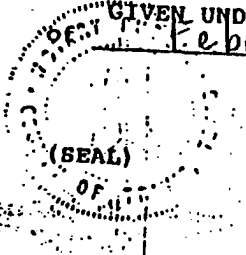

ROBERT E. PEERMAN, TRUSTEE

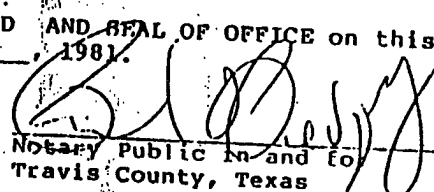
THE STATE OF TEXAS
COUNTY OF TRAVIS

PASCUAL PIEDFORT
Notary Public in and for Travis County, Texas
My Commission Expires: 1/21/85

BEFORE ME, the undersigned authority, on this day personally appeared ROBERT E. PEERMAN, 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 on this 25th day of February, 1981.




Notary Public in and for
Travis County, Texas
PASCUAL PIEDFORT
Notary Public in and for Travis County, Texas
My Commission Expires: 1/21/85
(Printed or stamped name of notary)