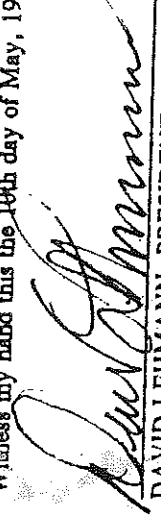


ROSITA RANCH
RESTRICTIONS AND COVENANTS

056509

1. That these covenants are to run with the land and shall be binding on the Purchaser and all persons claiming under him until January 1, 2015 at which time said covenants shall be automatically extended for successive periods of ten years, unless by a vote of the then owners of the majority of the land in the ranch, it is agreed to change said covenants in whole or part. Purchaser agrees that Seller may file these restrictions and covenants against the property in the Real Property Records in Duval County, Texas at any time.
2. No tract may be subdivided without the express written permission of Seller. This restriction shall in no way prevent the Texas Veteran's Land Board (TVLB) from deeding a tract to a veteran.
3. That the above property herein shall not be used for any commercial hunting, nor business purposes, nor have any commercial or manufacturing purposes.
4. There exists a Livestock Grazing Lease on this property which is recorded in Volume _____, Page _____ of the Real Property Records of Duval County, Texas. Under the terms and conditions of the Grazing Lease, Purchaser will continue to be obligated and bound under the Grazing Lease, however, Purchaser at any time will have the right to cancel the Grazing Lease in accordance with the terms of said lease.
5. Purchaser hereby acknowledges that if Purchaser cancels the Grazing Lease on his property or changes the use of his property and if "roll back" taxes are assessed for the current year or any year prior to date Seller transfers title, Purchaser shall be liable for and pay any and all "roll back" taxes assessed.
6. That no structure or any kind (including hunting blinds) shall be permitted within 200 feet of any roadway easement, or within 100 feet of any property line. No tower shall be over 10 feet tall shall be allowed. Purchaser understands that the property that he has purchased fronts on a private road, the property line is the center of the road and there is a thirty foot (30') roadway easement retained across the front his property for the use of Seller and other parties that may need to use the road for access to other property in the ranch or neighboring ranches.
7. A ten (10) foot wide utility and/or water line easement is hereby reserved along the side and rear lot lines of each tract and a thirty (30) foot wide utility and/or waterline easement is hereby reserved along the front of each tract.
8. That since road improvement and maintenance in the development is of importance to all property owners, Purchaser hereby authorizes Seller to improve and maintain such roads for the common good and to charge each property owner a fee of \$3.00 per acre per year. Such charge shall not be assessed against Seller. Such charge shall not exceed \$300.00 per tract per year. This road maintenance fee shall not apply to tracts fronting exclusively on state or county maintained roads. Seller is authorized but not obligated to collect this road maintenance charge or maintain said roads. Such charge shall be made by direct billing to the property owner and Purchaser hereby authorizes Seller, at Seller's option, to deduct such charge from payments made by Purchaser, and any such charge so deducted will not be credited to the payment on the balance due on the purchase price, principal or interest. It is understood and agreed that this road maintenance charge (if not paid within 60 days of billing date) shall become a lien against the tract being conveyed, permitting Seller such rights to enforce said liens as may be set forth in Sec. 51.002 of the Texas Property Code, as amended time to time.
9. That any sewage disposal system constructed shall be built in full compliance with regulations and specifications of any and all governmental units having jurisdiction in such matters.
10. That no disposal of any kind shall be allowed that would pollute any stream or body of water or which would be unsightly, offensive, or otherwise adversely affect the natural beauty and value of the property.
11. No noxious or offensive activity shall be carried on upon any tract nor shall anything be done thereon which may be or become an annoyance or nuisance to any adjoining tract. No tract shall be maintained or utilized in such a manner as to violate any applicable statute, ordinance or regulation of the United States of America, the State of Texas, the County of Duval, if applicable, or any other governmental agency having jurisdiction there.
12. That no automobile, truck, trailer, or other vehicle shall be abandoned on any tract, nor shall there be any dumping or placing of unsightly objects of any kind on any tract.
13. That no wine shall be permitted.
14. That at such time as Seller may determine at his sole discretion, the Seller shall have the authority but not the obligation to notify each tract owner of the time, date, and a place of a meeting of all tract owners to be held for the purpose of organizing a Property Owner's Association. A majority of the votes of the tract owners in attendance at such meetings or by written proxy shall be sufficient to transact business at such meeting. Each tract owner, including Seller, attending or represented by written proxy at such meetings shall have one vote for each tract owned by such owner on all business to come before the meeting. Upon the creation and organization of such organization, as non-profit corporation, or otherwise, Seller shall transfer and assign to the association the current balance of the road improvement and maintenance fund, if any. Thereafter such association shall have the power, authority and obligation to maintain the roadways of the development and collect the road maintenance assessment. All such assessments upon any tract in the development shall become the personal obligation of the owners of such tract and such association is hereby granted a lien upon each lot to secure the payments of such assessments, permitting said association such rights to enforce said liens as may be set forth in Sec. 51.002 of the Texas Property Code, as amended time to time.
15. No deviation of any kind shall be permitted from these restrictions unless permission is granted in writing by the Seller.

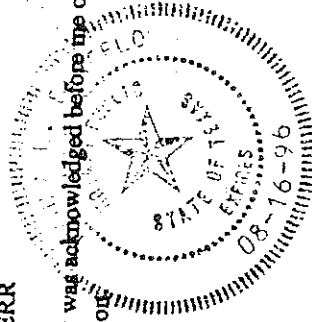
Witness my hand this the 10th day of May, 1996.

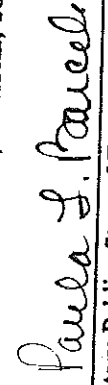

DAVID LEHMANN, PRESIDENT
SOUTHERN INVESTMENTS, INC.,
A TEXAS CORPORATION

STATE OF TEXAS
COUNTY OF KERR

(ACKNOWLEDGEMENT)

This instrument was acknowledged before me on the 10th day of May, 1996, by David Lehmann, President, Southern Investments, Inc., a Texas Corporation





Notary Public, State of Texas
Notary's Printed Name: Paula L. Barcelo
My Commission Expires: 8/16/96