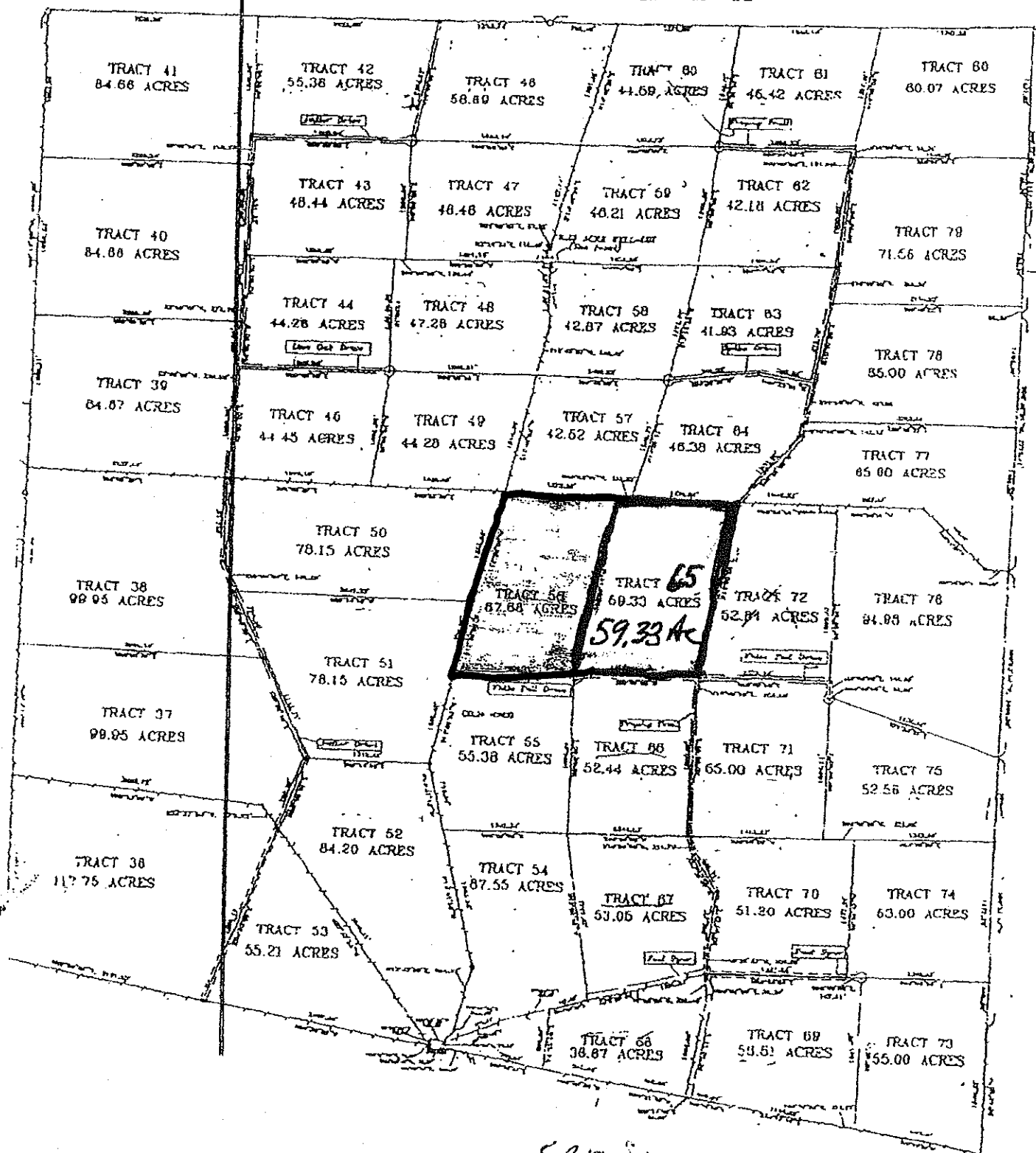


MENARD COUNTY RANCH II



SREDC

177-2774

**MENARD COUNTY RANCH II
RESTRICTIONS AND COVENANTS**

The property in the Menard County Ranch II, as recorded in the plat records of Menard County, Texas, is subject to the covenants hereby made by the developer, (Seller), to-wit:

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 the Seller may file these restrictions and covenants against the property in the Real Property Records in Menard County, Texas at any time.
2. That the above property herein shall not be used for day lease hunting or any manufacturing purposes. There exists a grazing lease on this property. As consideration for this lease, the Lessee has agreed to maintain the agricultural tax exemption for Purchaser's land. Purchaser has no obligation to continue this lease and may cancel the lease on his property by constructing fencing that meets local standards and is adequate to keep Lessee's livestock off his property and then giving Lessee 30 days advance notice that he wishes to not participate in the lease. If Purchaser desires to remove or alter any existing fences on his property Lessee shall be notified in advance in order to maintain control of the livestock.
3. That no automobile, truck, trailer, or other vehicle shall be abandoned on this property, nor shall there be any dumping or placing of unsightly objects of any kind on the property.
4. That no structure of any kind (including hunting blinds) shall be permitted within 200 feet of any roadway easement or property line.
5. 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 Menard, if applicable, or any other governmental agency having jurisdiction thereof.
6. Not more than one residence shall be permitted on any tract. No communal residences shall be permitted.
7. That no commercial swine operation shall be permitted.
8. PURCHASER agrees not to impede the flow of water in existing water lines that cross his property and grants ingress and egress to persons who need to maintain such water lines.
9. That no tract may be subdivided without the express written consent of the SELLER. This restriction will not prevent the Texas Veterans Land Board (TVLB) from deeding a tract to a veteran for the purpose of a homestead.
10. PURCHASER hereby authorizes SELLER and/or Assigns to improve and maintain the roads used for access to the above property and other property in the Menard County Ranch II, and to charge each property owner a fee of \$1.00 per acre, per year, not to exceed \$300.00. This road maintenance fee shall not apply to those tracts of land which front exclusively on a state or county maintained road. Such charge shall not be assessed against SELLER and/or Assigns. Such charge shall be made by direct billing to the property owner. IF PURCHASER refuses to make said payments, 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 and/or Assigns 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.
11. 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, 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.
12. No deviation of any kind shall be permitted from these restrictions unless permission is granted in writing by the Seller.


BY: DAVID LEHMANN, PRESIDENT
RANCH ENTERPRISES, L.L.C., A TEXAS
LIMITED LIABILITY COMPANY

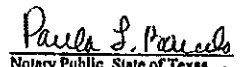
ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF KERR

This instrument was acknowledged before me on the 31st day of October, 1999 by DAVID LEHMANN, President of Ranch Enterprises, L.L.C., a Texas Limited Liability Company, on behalf of said Company.




Notary Public, State of Texas
My commission expires: 8/16/00
Paula S. Parcells
Printed / Typed name

**OFFICIAL PUBLIC
RECORDS**
VOL. 159 PAGE 672

2774

Filed for Record in my Office
the 5th day of Nov 1997
at 2:50 o'clock P. M.
Elsie Maserang
County Clerk, Menard County, Texas
by Holly Reeves, deputy

FILED
AT 2:50 O'CLOCK P. M.
ON THE 5 DAY OF Nov
A.D., 1897.

Elsie Maserang
COUNTY CLERK, MENARD CO. TEXAS
Holly Reeves
DEPUTY

STATE OF TEXAS
COUNTY OF MENARD

I hereby certify that this instrument was FILED on the
date and at the time stamped hereon by me and was
duly RECORDED in the Volume and Page of the Official
Public Records of Menard County, Texas.



Elsie Maserang
County Clerk, Menard County, Texas
VOL. 159 PAGE 672
RECORDED 11-5-97

OFFICIAL PUBLIC
RECORDS

VOL. 159 PAGE 673

WARRANTY DEED

STATE OF TEXAS
COUNTY OF MENARD

*
* KNOW ALL MEN BY THESE PRESENTS:
*

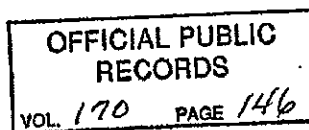
THAT RANCH ENTERPRISES, L.L.C., a Texas Limited Liability Company, doing business as MENARD COUNTY RANCH II, of the County of Kerr, State of Texas, by and through its duly authorized undersigned officer/member (hereinafter "Grantor", whether one or more) for and in consideration of the sum of TEN AND 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 NATIONAL NOMINEE GROUP, INC., an Arkansas Corporation (hereinafter "Grantee", whether one or more), all of the following described real property, lying and being situated in Menard County, Texas, together with all rights, benefits, privileges, tenements, hereditaments and appurtenances thereon or in anywise appertaining thereto and together with any and all improvements thereon, described as follows, to-wit:

The surface estate only of all those certain tracts or parcels of land lying and being situated in the County Menard, State of Texas, more particularly described in and subject to the exceptions stated in Exhibit "A", attached hereto and made a part hereof for all purposes.

SAVE AND EXCEPT: Grantor hereby reserves unto Grantor, Grantor's successors and assigns, the right to use for livestock purposes the well, well equipment and all water lines or other items associated with the well and well lot, together with the right of ingress and egress to and from the well for uses consistent therewith.

This property is conveyed subject to any conditions that would be revealed by a physical inspection and survey of the property, including, but not limited to, any discrepancy, conflicts, shortages in area or boundary lines, any encroachments, any overlapping of improvements and any visible and/or apparent roadways, easements or rights of ways over the property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging 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 premises 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, except, however, as to the reservations from and exceptions to conveyance and warranty herein contained, and other matters to which this conveyance is expressly made subject.

EXECUTED this the 2nd day of November, 1999.

RANCH ENTERPRISES, L.L.C., A
TEXAS LIMITED LIABILITY COMPANY
D/B/A MENARD COUNTY RANCH II

BY: David Lehmann
DAVID LEHMANN, PRESIDENT

MAILING ADDRESS OF EACH GRANTEE:

National Nominee Group, Inc.
3801 TCBY Tower
Little Rock, Arkansas 72201

STATE OF TEXAS *
 *
COUNTY OF KERR *

This instrument was acknowledged before me on the 2nd day of November, 1999, by DAVID LEHMANN, President of RANCH ENTERPRISES, L.L.C., a Texas Limited Liability Company, d/b/a MENARD COUNTY RANCH II, on behalf of Ranch Enterprises, L.L.C.



Paula L. Barcelo
Notary Public, State of Texas
My commission expires: 8/16/00
Paula L. Barcelo
Notary's printed name

AFTER RECORDING RETURN TO:

National Nominee Group, Inc.
3801 TCBY Tower
Little Rock, Arkansas 72201

PREPARED IN THE LAW OFFICE OF:

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

PROPERTY DESCRIPTION

The surface estate only of all those certain tracts or parcels of land, and being all of Tracts 40 (Forty), 47 (Forty-Seven), 50 (Fifty), 65 (Sixty-Five) and 70 (Seventy), of Menard County Ranch II, a subdivision filed of record in Volume 2, Page 32, of the Plat Records of Menard County, Texas, to which instrument reference is here made for all purposes.

ACCESS EASEMENT

For the same consideration expressed above, there is also conveyed to Grantee, Grantee's heirs and assigns, a non-exclusive right of way for the purposes of ingress and egress between Morales Lane (a forty foot (40') wide county maintained road) and the tract of land herein conveyed, and such other uses, including but not limited to the construction of utility lines, which are consistent with the use of a right of way easement, at all times in common with, but not limited to, the Grantor, Grantor's heirs, executors, administrators, successors and assigns, and the landowners of the Menard County Ranch, their heirs, executors, administrators, successors, and assigns. This right of way easement is more particularly described as follows:

1. The road and utility easements described in the plat of the Menard County Ranch, recorded in Volume 2, Page 28, of the Plat Records of Menard County, Texas, to which instrument reference is here made for all purposes.
2. The road and utility easements described in the plat of the Menard County Ranch II, recorded in Volume 2, Page 32, of the Plat Records of Menard County, Texas, to which instrument reference is here made for all purposes.

RESERVED EASEMENT NUMBER ONE

There is hereby EXCEPTED and RESERVED unto Grantor, Grantor's successors and assigns, in perpetuity, the free and uninterrupted use and easement of passing in and along those certain existing passageways or roads across, over, upon and inside Menard County Ranch II, said roads being sixty (60') feet in width, and being more particularly described in a plat filed of record in Volume 2, Page 32 of the Plat Records of Menard County, Texas (hereinafter "Reserved Easement Number One") and to use such Reserved Easement Number One at all times in common with Grantee, Grantee's heirs, successors and assigns. Grantor shall be entitled to convey the non-exclusive rights in such Reserved Easement Number One to Grantor's successors and assigns subject always to Grantee's non-exclusive right to use said Reserved Easement Number One.

RESERVED EASEMENT NUMBER TWO

There is hereby EXCEPTED and RESERVED unto Grantor, Grantor's successors and assigns, in perpetuity, the free and uninterrupted use and easement of passing in and along ten (10') feet in width along the perimeter of the aforementioned tract, and all tracts in Menard County Ranch II, for the purpose of installation and maintenance of poles, wires, down guys and fixtures for electric and telephone lines and to trim any trees which at any time may interfere or threaten to interfere with maintenance of such lines, with right of ingress to and egress from and across said property for employees of the utilities owning such lines (hereinafter "Reserved Easement Number Two") and to use such Reserved Easement Number Two at all times in common with Grantee, Grantee's heirs, successors and assigns. Grantor shall be entitled to convey the non-exclusive rights in such Reserved Easement Number Two to Grantor's successors and assigns subject always to Grantee's non-exclusive right to use said Reserved Easement Number Two.

EXHIBIT "A"
PAGE 1 OF 4 PAGES

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RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY

This conveyance is made and accepted SUBJECT TO the following easements, reservations, and other matters, but only to the extent that the same are valid and affect the tract herein conveyed:

1. Rules and Regulations of the Menard County Water Control & Improvement District #1 as set forth by instrument recorded in Volume 68, Page 471, Deed Records, Menard County, Texas.
2. Specifications and Standards for Subdivisions as set forth in instrument recorded in Volume 127, Page 659, Deed Records, Menard County, Texas.
3. Right of Way Easement dated July 26, 1948 from Owen W. Womack & Decker S. Womack to Kimble Electric Cooperative, Inc., recorded in Volume 83, Page 64, Deed Records, Menard County, Texas.
4. Right of Way Easement dated March 12, 1973 from Owen W. Womack to Kimble Electric Cooperative, Inc., recorded in Volume 89, Page 214, Deed Records, Menard County, Texas.
5. Title to a one-half (1/2) interest in and to all oil, gas and other minerals as set forth in deed dated September 14, 1959 from Owen W. Womack, et ux, to Decker S. Womack, recorded in Volume 91, Page 188, Deed Records, Menard County, Texas.
6. Title to an undivided seven-eighths (7/8ths) interest in and to all oil, gas and other minerals as set forth in deed dated October 30, 1984 from Decker S. Womack to William A. Swinney, recorded in Volume 111, Page 673, Deed Records, Menard County, Texas, and in Volume 158, Page 651 of the Official Public Records, Menard County, Texas.
7. Subject to the terms, conditions, stipulations as set forth in Easement instrument recorded in Volume 142, Page 591, Official Public Records, Menard County, Texas.
8. Subject to the terms, conditions, stipulations as set forth in Special Warranty Mineral Deed (Perpetual) dated July 1, 1997, executed by Ranch Enterprises, L.L.C. to Texas Note Traders, Inc. recorded in Volume 159, Page 61, Official Public Records, Menard County, Texas.
9. Subject to the terms, conditions, stipulations as set forth in Grazing Lease dated June 30, 1997, executed by Ranch Enterprises, L.L.C., d/b/a, Menard County Ranch II to Plateau Cattle Company, L.L.C., recorded in Volume 158, Page 651, Official Public Records, Menard County, Texas.
10. Any active or inactive quarry or pit for caliche, limestone materials or other earthen materials existing on the property subject to regulation by the Texas Railroad Commission under the Texas Natural Resources Code, Section 133, et seq., Quarry Safety Act, Vernon's Texas Civil Code Annotated.
11. The warranty of title for this conveyance is subject to, and does not apply to, any unpatented land or land for which the State of Texas has not received payment, including but not limited to, any excess acreage lying within any of the surveys wherein the property is located, for which the State of Texas has not received payment, or any vacancy lying around, along or between any of said surveys for which the State of Texas has not issued a patent or received payment. Any unpatented land, or land for which the State of Texas has not received payment, is hereby quitclaimed and conveyed to Grantee without any warranty of title expressed or implied.

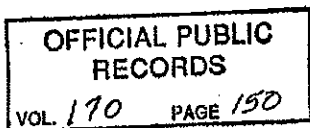
EXHIBIT "A"
PAGE 2 OF 4 PAGES

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12. Easement as set forth in Deed dated June 30, 1997, from George C. Wenzel and wife, Dawn Ewert Wenzel to Ranch Enterprises, L.L.C., recorded in Volume 158, Page 514 of the Official Public Records, Menard County, Texas.
13. Provisions relating to road easements, to the discharge of firearms and to sewage and waste facilities and restrictions as set forth on a plat of the Menard County Ranch II, a subdivision of Menard County, Texas, as recorded on the Plat thereof in Volume 2, Page 32, of the Plat Records of Menard County, Texas.
14. Reservation by Ranch Enterprises, L.L.C., and to their heirs, assigns, successors, personal representatives, administrators, executors and invitees, the right of use of the non-exclusive and permanent sixty foot (60') wide easement and right-of-way described on the plat of the Menard County Ranch II, a subdivision in Menard County, Texas, as shown on the plat thereof recorded in Volume 2, Page 32, of the Plat Records of Menard County, Texas.
15. Grant of undivided and non-exclusive road easements to the tract owners as set forth on the Plat of the Menard County Ranch II, a subdivision of Menard County, Texas, as recorded in Volume 2, Page 32, of the Plat Records of Menard County, Texas.
16. Reservation of a ten (10') foot wide public utility easement along the side and rear boundary lines of all tracts as set forth on the Plat of the Menard County Ranch II, a subdivision of Menard County, Texas, as recorded in Volume 2, Page 32, of the Plat Records of Menard County, Texas.
17. Subject to rights and claims of co-tenants in the mineral estate and to the rights of anyone claiming under them, including but not limited to rights of partition, claims for reimbursement, creditor's claims, owelty of partition, and agreements between co-tenants.
18. Rights or claims of adjoining property owners in and to that portion of the above-described property, if any, which lies inside record title boundary but outside fences, and inside fences but outside record title boundary.
19. Any portion of subject property lying within the boundaries of a public or private roadway whether dedicated or not; and, any and all roadways, easements, rights-of-way, or encroachments, visible and apparent upon the ground, yet unrecorded, affecting the land.
20. All prior oil, gas and mineral reservations and leases that are properly of record with the County Clerk of Menard County, Texas; and, rights of ingress, egress and use of the surface created by mineral leases, reservations and conveyances.
21. Existing building, zoning, septic, and other ordinances or regulations, if any, and all rights, obligations, and other matters, laws, rules and regulations emanating from and existing by reason of the creation, establishment, maintenance and operation of any governmental body, district, agency or authority.
22. Taxes for the current and subsequent years and subsequent assessment for the current and prior years due to change in land usage, ownership, or both, the payment of which Grantee assumes.
23. Any conditions that would be revealed by a physical inspection and survey of the property, including, but not limited to, any discrepancy, conflicts, or shortages in area or boundary lines, or any encroachments, or any overlapping of improvements.

EXHIBIT "A"
PAGE 3 OF 4 PAGES



24. The conveyance of the above described property is made and accepted SUBJECT TO all restrictions, reservations, covenants, conditions, rights-of-way, easements and other matters, if any, affecting the above described property that are valid, existing and properly of record.
25. All of the applicable Menard County Ranch II restrictions, covenants, conditions, road maintenance fees, and liens for road maintenance fees, filed of record in Volume 159, Page 672 of the Official Public Records of Menard County, Texas, which instrument is herein incorporated by reference for all purposes.

EXHIBIT "A"
PAGE 4 OF 4 PAGES

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VOL. 170 PAGE 151

4337

Filed for Record in my Office
the 18 day of Nov 19 99
at 10:30 o'clock A M.
Elsie Maserang
County Clerk, Menard County, Texas

FILED
AT 10:30 O'CLOCK A M.
ON THE 18 DAY OF Nov.
A.D., 19 99.

Elsie Maserang
COUNTY CLERK, MENARD CO., TEXAS
BY _____ DEPUTY

STATE OF TEXAS
COUNTY OF MENARD
I hereby certify that this instrument was FILED on the
date and at the time stamped hereon by me and was
only RECORDED in the Volume and Page of the
Official Public Records of Menard County, Texas.



Elsie Maserang
County Clerk, Menard County, Texas

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RECORDED 11-18-99

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