

COPY

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
THREADGILL 264 ACRE RANCH**

Preamble

This Declaration of Covenants, Conditions, and Restrictions is made on November 10, 1998, at Burnet, Texas, by **Michael R. Threadgill and Jean L. Threadgill** ("Declarant"), whose mailing address is P. O. Box 1890, Kingsland, Llano County, Texas 78639.

Recitals

1. Declarant is the owner of all that certain real property ("the Property") located in Burnet County, Texas, described as follows:

BEING a 264.00 acre tract or parcel of land out of the Hugh Anderson Survey No. 500, the W. B. McFarland Survey No. 998, Abstract No. 638, Abstract No. 31, the Logan Vanderver Survey No. 404 and the J. H. Powers Survey No. 1410, Abstract No. 1442, in Burnet County, Texas, and being more fully described in Exhibit "A" attached hereto and made a part hereof for all pertinent purposes.

2. The Declarant has devised a general plan for the entire Property as a whole, with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development designed to protect and safeguard the Property over a long period.

3. This general plan will benefit the Property in general, the Tracts that constitute the Property, the Declarant, and each successive owner of an interest in the Property.

4. Therefore, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant desires to restrict the Property according to these covenants, conditions, and restrictions in furtherance of this general development plan.

NOW, THEREFORE, it is declared that all of the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions.

ARTICLE I

Definitions

Declarant

1.01. "Declarant" means **Michael R. Threadgill and Jean L. Threadgill** and their successors and assigns.

Tract

1.02. "Tract" means any of the plots of land conveyed by Declarant out of the Property.

Owner

1.03. "Owner" means the record owner or owners of the fee simple title to any Tract or portion of a Tract in the Property. "Owner" includes contract sellers but excludes persons having only a security interest.

Public Road

1.04. "Public Road" means Burnet County Road No. 110 which traverses the Property.

ARTICLE 2

Use Restrictions

Residential Use

2.01. All Tracts shall be used for residential purposes only with the exception that any owner may operate an owner owned business on a Tract that meets the following requirements:

- (a) The business may not occupy more than a total of 2,000 square feet, interior or exterior.
- (b) The business employs 3 or fewer individuals not including the Owner, Owner's spouse or their children.
- (c) The business has no signage visible from the Public Road or an adjoining Tract.
- (d) Any building occupied by the business must be of the same design as the residence on the property or must not be visible from the Public Road or an adjoining Tract, and must be situated no closer than 600 feet from a Tract's boundary line or the Public Road.
- (e) The business operation creates no noise, smells or visuals which are noticeable to adjoining Tract or land owners.
- (f) Raising of livestock as permitted under the terms of paragraph 2.11 shall not be considered as the operation of a business.

Setbacks

2.02. No building shall be located on any Tract within 300 feet of the Public Road or 100 feet of any adjoining Tract.

Resubdivision or Consolidation

2.03. No Tract shall be resubdivided or split except as follows:

- (a) The Tracts resulting from a resubdivision shall contain no fewer than 20 acres and shall be subject to these Restrictions the same as if originally conveyed by the Declarant.
- (b) The resubdivided Tracts shall have frontage on the Public Road or shall comply with the subdivision requirements of Burnet County.

Noxious or Offensive Activities Prohibited

2.04. No noxious or offensive activity shall be conducted on any Tract that may be or may become an annoyance or nuisance to neighboring Tract owners.

Prohibited Residential Uses

2.05. No structure not approved for residential use by the Declarant or Declarant's designee, including but not limited to trailers, mobile homes, motor homes, off-site manufactured homes, tents, shacks, garages, and other outbuildings and accessory structures, shall be used on any Tract at any time as a residence, either temporarily or permanently.

Signs

2.06. No signs of any type shall be allowed on any Tract except one sign of not more than five square feet advertising the property for sale or rent.

Oil Development and Mining Prohibited

2.07. No oil well drilling, development, or refining, and no mineral quarrying or mining operations of any kind shall be permitted on any Tract. No oil well, tank, tunnel, mineral excavation, or shaft shall be permitted on any Tract. No derrick or other structure designed for use in boring for oil, natural gas, or other minerals shall be erected, maintained, or permitted on any Tract.

Rubbish, Trash, Garbage and Inoperable Equipment

2.08. No Tract shall be used or maintained as a dumping or storage ground for rubbish, trash, or inoperable equipment, appliances or vehicles. All garbage and other waste shall be kept in sanitary containers. There shall be no burning or incineration of trash, garbage, or other debris.

Sewage Disposal

2.09. No individual sewage-disposal system shall be permitted on any Tract unless the system is designed, located, and constructed in accordance with the requirements, standards, and recommendations of the County of Burnet. Approval of the system as installed shall be obtained from that authority.

Water Supply

2.10. No individual water-supply system shall be permitted on any Tract unless the system is located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the State of Texas. Approval of the system as installed shall be obtained from that authority, if required.

Animals

2.11. No feed lots for hogs or livestock or poultry of any kind shall be maintained or kept on any Tract, except that a reasonable number of dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose unless it complies with the requirements of Article 2.01 of this Declaration.

Permitted livestock and minimum acreage allocation are as follows:

Cattle	No more than <u>1</u> per <u>5</u> acres
Horses, Mules & Donkeys	No more than <u>1</u> per <u>5</u> acres
Goats & Sheep	No more than <u>1</u> per <u>3</u> acres
Exotics	No more than <u>1</u> per <u>5</u> acres

The natural offspring of an animal unit shall not be counted as an animal unit until the offspring is more than one year in age.

Poles, Masts, and Antennas

2.12. No poles, masts or antennas more than 50 feet in height shall be installed on any Tract.

ARTICLE 3

Enforcement

3.01. Declarant, their successors and assigns, or any owner will have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this declaration. Failure by declarant or by any owner to enforce any covenant or restriction so imposed will in no event be deemed a waiver of the right to do so thereafter.

ARTICLE 4

Severability

Invalidation of any one of these covenants or restrictions by judgment or court order will in no way affect any other provisions, which will remain in full force and effect.

ARTICLE 5

Amendments

Covenants and restrictions of this declaration may be amended by duly recording an instrument executed and acknowledged by not less than three-quarters of Tract owners determined by the total acreage owned by all owners, i.e. Tract owners owning 198 acres or more (75% of 264 acres) must join in the execution of an amendment.

ARTICLE 6

Subordination

No breach of any of the conditions contained in this declaration or reentry by reason of such breach will defeat or render invalid the lien of any deed of trust made in good faith and for value as to the Property or any Tract in it; provided, however, that such conditions will be binding on any owner whose title is acquired by foreclosure, trustee's sale, or otherwise.

ARTICLE 7

Duration


The covenants and restrictions of this declaration will run with and bind the land, and will inure to the benefit of and be enforceable by the Declarant, their successors and assigns, or any owner of any Tract for a period of 20 years from the date of this declaration, and thereafter will continue automatically in effect for additional periods of 10 years, unless otherwise agreed to in writing by the then owners of at least three-quarters of the Property.

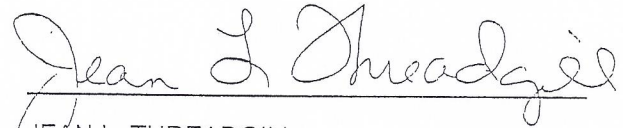
ARTICLE 8

Variances

Declarant may issue variances to the covenants and restrictions so long as Declarant is an owner of any part of the 264 acre tract. Variations granted shall not have a material adverse affect on other Tract owners.

Declarant:

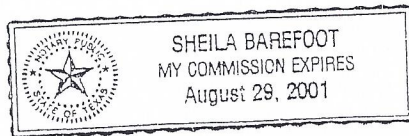

MICHAEL R. THREADGILL

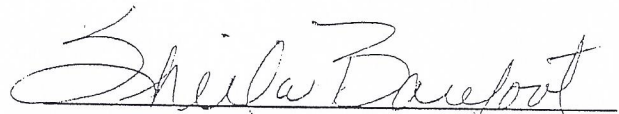

JEAN L. THREADGILL

THE STATE OF TEXAS *

COUNTY OF BURNET *

This instrument was acknowledged before me on the 10th day of November, 1998,
by Michael R. Threadgill.

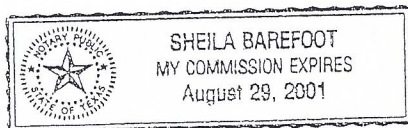


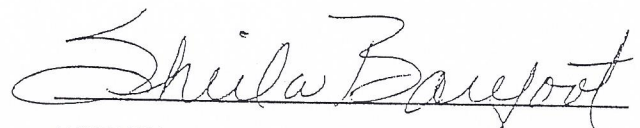

NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS *

COUNTY OF BURNET *

This instrument was acknowledged before me on the 10th day of November, 1998,
by Jean L. Threadgill.




NOTARY PUBLIC, STATE OF TEXAS

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