OF

MCREYNOLDS RANCH

Preamble

This Declaration of Covenants, Conditions, and Restrictions is made on June 15, 2000, 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:

LOT 1:

Being 62.599 acre tract land out of and a part of the J. W. Powers Survey, Abstract No. 1442 and the H. M. Fock Survey, Abstract No. 318, in Burnet County, Texas, and being more fully described as Lot 1, in Exhibit "A" attached hereto and made a part hereof for all pertinent purposes.

LOT 3:

Being 90.000 acre tract land out of and a part of the J. W. Powers Survey, Abstract No. 1442 and the Hugh Anderson Survey, Abstract No. 31, in Burnet County, Texas, and being more fully described as Lot 3, in Exhibit "B" attached hereto and made a part hereof for all pertinent purposes.

LOT 5:

Being 285.318 acre tract land out of and a part of the J. W. Powers Survey, Abstract No. 1442 and the H. M. Fock Survey, Abstract No. 318 and the Hugh Anderson Survey, Abstract No. 31, the J. W. Glimp Survey, Abstract No. 1606 and the John Crews Survey, Abstract No. 1220, in Burnet County, Texas, and being more fully described as Lot 5, in Exhibit "C" 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.

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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 1

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. Raising of livestock shall be permitted but subject to the terms of paragraph 2.12 below.

Requirement of Minimum Floor Plan Size

2.02. The ground floor area of the main structure of any residence, exclusive of open porches and garages, may be not less than 1,400 square feet in the case of a one story structure and not less than 700 square feet in the case of a one and one-half or two story structure.

Setbacks

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

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Resubdivision or Consolidation

- 2.04. 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

2.05. 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

2.06. 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. Portable storage buildings shall be allowed but only if placed out of sight from public roads and adjoining tracts.

Signs

2.07. 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

2.08. 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

2.09. 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

2.10. 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.



3

Water Supply

2.11. 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

2.12. No feed lots for hogs or livestock or poultry of any kind shall be maintained or kept on any Tract. Dogs, cats, or other household pets are allowed, provided they are not kept, bred, or maintained for any commercial purpose or in such a manner as would create a nuisance to adjoining property owners.

Permitted livestock and minimum acreage allocation are as follows:

Cattle	No more than1	per	5	acres
Horses, Mules & Donkeys	No more than1	per	5	acres
Goats & Sheep	No more than1	per	3	acres
Exotics	No more than1	per	5	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

2.13. No poles, masts or antennas more than 30 feet in height shall be installed on any Tract.

Hunting and Discharge of Firearms

2.14. Hunting and discharge of firearms is permitted provided due care is exercised to insure that bullets or projectiles do not travel to adjoining tracts. Deer hunting is allowed provided that the deer population, as determined by the Texas Parks and Wildlife Department does not fall below a one deer per 15 acre population for the total subdivided property. If the deer population falls to fewer than one deer per 15 acres then hunting shall cease until the population has recovered to the ratio of more than one deer per 15 acre population.

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.

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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 328.5 acres or more (75% of 437.917 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.

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ARTICLE 8

Variances

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

Declarant:

Mohall Thirde

JEAN L. THREADGILL

THE STATE OF TEXAS *

COUNTY OF BURNET *

This instrument was acknowledged before me on the

day of June, 2000, by Michael

R. Threadgill.

SHEILA BAREFOOT MY COMMISSION EXPIRES August 29, 2001

NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS *

COUNTY OF BURNET *

This instrument was acknowledged before me on the _

day of June, 2000, by Jean L.

Threadgill.

SHEILA BAREFOOT MY COMMISSION EXPIRES August 29, 2001

NOTARY PUBLIC, STATE OF TEXAS

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LOT 1

Being a 62.599 acre tract out of and a part of the J. H. Powers Survey, Abstract No. 1442, and the H. M. Fock Survey, abstract No. 318, situated in Burnet County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 60d nail in a fence corner post at an inside ell corner of that certain tract conveyed to Billy Joe Fox in Vol. 587, Page 478, Deed Records of Burnet County, Texas, and being the Northeast corner of the J. H. Power Survey, Abstract No. 1442, for the Northeast corner Hereof;

THENCE S 2°11'43" E, a distance of 2355.51 feet to an iron rod found in the Northern Right of Way of County Road No. 110;

THENCE S 76°16'42" W, a distance of 355.25 feet to a cedar fence post;

THENCE S 14°05'11' E, a distance of 13.12 feet to an iron spike set in the center of a cattle guard;

THENCE with the approximate centerline of said County Road, the following five (5) courses and distances to iron spikes set:

- 1. S 74°43'56" W, a distance of 60.00 feet,
- 2. S 74°43'56" W, a distance of 231.80 feet,
- 3. S 50°26'59" W, a distance of 208.83 feet,
- 4. S 32°37'49" W, a distance of 210.35 feet, and
- 5. S 29°03′58" W, a distance of 93.73 feet;

THENCE N 2°11'43" W, a distance of 2190.08 feet to an iron spike set for angle point hereof;

THENCE N 53°14'17" W, a distance of 1122.91 feet to an iron spike set in the Southern boundary of said Fox tract, for the Northwest corner hereof;

THENCE N 88°14'51" E, a distance of 1837.85 feet to the POINT OF BEGINNING, and containing 2,726,813.017 square feet or 62.599 acres, more or less.

LOT 3

Being a 90.000 acre tract out of and a part of the J. H. Powers Survey, Abstract No. 1442, and the Hugh Anderson Survey, Abstract No. 318, situated in Burnet County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 60d nail in a fence corner post in the South line of that certain tract conveyed to Billy Joe Fox in Vol. 587, Page 478, Deed Records of Burnet County, Texas, and being the Northeast corner of that certain tract conveyed to George Pangborn as described in Vol. 839, Page 691, Official Public Records of Burnet County, Texas, and being the Northwest corner of the J. H. Power Survey, Abstract No. 1442, for the Northwest corner Hereof;

THENCE S 53°14'17" E a distance of 1168.92 feet to an iron spike set for angle point hereof;

THENCE S 2°11'43" E, a distance of 2241.19 feet to an iron spike set approximately in the Centerline of County Road No. 110;

THENCE with the approximate centerline of said County Road, the following seventeen (17) courses and distances to iron spikes set:

- 1. S 39°36'18" W, a distance of 296.44 feet,
- 2. S 15°21'09" W, a distance of 127.58 feet,
- 3. S 43°40'36" W, a distance of 198.42 feet.
- N 84°25′18" W, a distance of 158.59 feet,
- 5. N 57°08'27" W, a distance of 337.00 feet;
- 6. S 73°43'33" W, a distance of 200.92 feet,
- 7. S 83°48'55" W, a distance of 146.42 feet,
- 8. N 80°42'32" W, a distance of 126.00 feet,
- 9. N 45°10'51" W, a distance of 140.76 feet.
- 10. N 41°23'30" W, a distance of 121.49 feet,
- 11. N 52°58'37" W, a distance of 115.83 feet,
- 12. N 55°18'53" W, a distance of 85.82 feet,
- 13. N 34°09'26" W, a distance of 95.41 feet,
 14. N 13°51'26" W, a distance of 103.32 feet,

16.

- 15. N 79°24'59" W, a distance of 279.20 feet,
- 17. N 33°37'41" W, a distance of 20.04 feet, said point being in a cattle guard;

THENCE leaving the County Road, N 66°46'46" E, a distance of 17.33 feet to a fence corner post:

N 68°15'36" W, a distance of 102.88 feet, and

THENCE N 7°49'30" W, a distance of 628.25 feet to a 60d nail in a fence corner post;

THENCE N 20°51'07" E, a distance of 56.70 feet to 60d nail at a fence corner post,

TUENCE N 97949"12" E. a distance of 1124 27 feet to an iron rod found

LOT 5

Being a 285.318 acre tract out of and a part of the J. H. Powers Survey, Abstract No. 1442, the H. M. Fock Survey, abstract No. 318, the Hugh Anderson Survey, Abstract No. 31, the J. W. Glimp Survey, Abstract No. 1606, and all of the John Crews Survey, Abstract No. 1220, all situated in Burnet County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a fence corner post in the North line of that certain tract conveyed to Gardan L. Gerdes as described in Vol. 512, Page 274, Deed Records of Burnet County, Texas, said point also being the Northerly most Northwest corner of the W. A. Cox Survey, Abstract No. 1419;

THENCE with the Westerly boundary hereof, the following eleven (11) courses and distances to Iron spikes set:

- 1. N 20°22'32" E, 1074.89 feet,
- 2. N 23°19'44" E, 469.87 feet.
- 3. N 19°16'08" W, 276.39 feet,
- 4. N 2°38'06' E, 244.51 feet,
- 5. N 20°03'09" E, 373.92 feet,
- 6. N 41°20'51" W, 353.95 feet,
- 7. N 85°41'47" W, 369.47 feet,
- 8. N 68°26'43" W, 149.76 feet,
- 9. N 53°23'44" W, 268.91 feet,
- 10. N 33°52'20" W, 279.08 feet, and
- 11. N 9°39'11" W, 350.42 feet to am iron rod set in the fenced southerly boundary of the Don Breneman tract, of record in Vol. 826, Page 856, Official Public Records of Burnet County, Texas;

THENCE S 86°51'16" E, a distance of 1184.84 feet to a 24 inch cedar tree;

THENCE N 0°53'04" E, a distance of 559.72 feet to a T-post for angle point hereof;

THENCE N 2°47'38" W, a distance of 485.28 feet to a 24 inch elm tree for corner;

THENCE with the fenced boundary hereof the following five (5) courses and distances:

- N 84°24'22" W, 326.09 feet to a fence corner post,
- 2. N 54°38'40" W, 58.97 feet to a fence corner post,
- 3. N 34°09'19" W, 31.94 feet to a fence corner post,
- 4. N 10°55'36" w, 20.99 feet to a fence corner post, and
- 5. N 66°46'16" E, 17.33 feet to an iron spike set in a cattle guard in the centerline of County Road No. 110;

THENCE with the centerline of said County Road, the following twenty-two (22) courses and distances to iron spikes set:

- 1. S 33°37'41" E, 20.04 feet,
- S 68°15'36" E, 102.88 feet,
- 3. S 79°24'59" E, 279.20 feet,
- 4. S 13°51'26" E, 103.32 feet,
- 5. S 34°09'26" E, 95.41 feet,

- 15. N 43°40'36" E, 198.42 feet.
- 16. N 15°21'09" E, 127.58 feet,
- 17. N 39°36'18" E, 296.44 feet.
- 18. N 34°54'54" E, 99.45 feet.
- 19. N 29°03'58" E, 93.73 feet,
- 20. N 32°37'49" E, 210.35 feet.
- 21. N 50°26'59" E, 208.43 feet, and
- 22. N 74°58'09" E, 231.80 feet, said point being the Northwest corner of a 60.00 foot wide roadway to be known as Lot 4 as previously described;

THENCE with the Westerly boundary of said 60.00 foot wide roadway (LOT 4), the following five (5) courses and distances to iron spikes set:

- 1. S 14°05'09" E, 1353.04 feet,
- 2. S 14°02'09" E, 401.08 feet.
- 3. S 5°17'07" E, 263.28 feet,
- 4. S 56°10'12" E, 769.77 feet, and
- 5. S 14°20'40" E, 1339.90 feet:

THENCE with the Southern boundary hereof, the following five (5) courses and distances:

- S 75°58'35" W, 651.81 feet to an iron spike found at the Northeast corner of the said W. A. Cox survey, and the Southeast corner of the John Crews Survey;
- 2. S 75°58'35" E, 2356.95 feet to a nail found in a cedar fence post,
- 3. S 60°01'43" W, 9.63 feet to a nail found in a cedar fence post,
- 4. S 75°21'10" W, 293.26 feet to a T-post for angle point, and
- 5. S 75°43'13" W, 1140.79 feet to the POINT OF BEGINNING and containing 12,428,441.456 square feet or 285.318 acres, more or less.

STATE OF TEXAS COUNTY OF BURNET

I hereby certify that this instrument was FILED on this date and at the time stamped hereon by me and was duly RECORDED in the OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS in the volume and Page as shown.



Janet Parker County Clerk Burnet County Texas By

Any provision herein which restricts the sale, rental or use of the described real property because of color or race is invalid and unenforceable under federal law.