DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS THAT:
COUNTY OF GILLESPIE §

WHEREAS, JACYLYN M. RIOS, is the owner of that 74.308 acres of land out of the Martha Norrod (sometimes called "Narrod") Survey No. 219, Abstract No. 516, Gillespie County, Texas, an unplatted Subdivision, known as "Charles Preserve II", and being more fully described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all pertinent purposes;

WHEREAS, JACKIE RIOS will convey the above-described lands subject to certain protective covenants, reservations, conditions, restrictions and charges as hereinafter set forth;

NOW, THEREFORE, it is hereby declared that all of the Property shall be owned, held, sold, transferred and conveyed subject to all of the terms and provisions set forth below which are for the purpose of protecting the value and desirability of, and which shall run with, said Property and shall be binding on all parties having a right, title or interest in or to the above-described property or any part thereof, and their heirs, successors and assigns and which restrictions, covenants and conditions shall inure to the benefit of each owner thereof, any contract or deed which may hereafter be executed in connection with said tract or tracts or any part thereof shall be conclusively held to have been executed, delivered and accepted subject to the terms and conditions contained in this instrument, regardless of whether or not such terms and conditions are specifically set out in said contract or deed.

I.

DEFINITIONS

1.01. OWNER shall refer to the record owner, whether one or more persons or entity, of the fee simple title to any portion of the above-described property, excluding however, those having any interest therein merely as security for the performance of an obligation.

1.02. TRACT shall refer to any portion of the land as owned by any Owner.

1.03. DEVELOPER as used in these restrictions shall refer to JACYLYN M. RIOS, her heirs, successors or assigns.

1.04. PROPERTY shall mean and refer to that certain real property hereinbefore described as 74.308 acre tract of land out of the Martha Norrod Survey No. 219, Abstract No. 516, Gillespie County, Texas, an unplatted Subdivision, known as "Charles Preserve II", and being more fully described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all pertinent purposes.

II.

BUILDING RESTRICTIONS

2.01. All tracts shall be used solely for residential and agricultural purposes. No more than one single-family dwelling, containing not less than 1,500 square feet, exclusive of open porches, breezeways,

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carports and garages, shall be erected or maintained on a single tract. An Owner may also construct one or more guest homes and other related improvements on a tract, so long as such improvements are for the personal use of the Owner and guests or invitees of the Owner.

2.02. All residences shall be newly constructed. The exterior siding of a residence may not be composed of metal. No second hand or used homes shall be moved on to the Property unless the prior written approval of Developer has been obtained. Approval shall be in the Developer's sole discretion. An Owner shall be entitled, however, to incorporate historical and other previously used building materials and fixtures into a newly constructed residence.

2.03. The exterior of any residence shall be completed not later than ten (10) months after laying the foundation for such residence.

2.04. A residence shall not be occupied until the exterior thereof shall be completely finished and connected to a septic tank or other waste disposal system approved by the County and/or State Health Department or other governing body controlling wells and septic tanks.

2.05. Doublewide, modular, or singlewide mobile homes and/or trailer houses are prohibited. No recreational vehicles, travel trailers, or other temporary structures shall be used as a residence on any tract except that a recreational vehicle or travel trailer may be occupied while the residence is under construction.

2.06. The Owner of a tract may fence the perimeter of the tract at Owner's sole cost and expense. The fence shall be constructed of new material and shall be completed and maintained in a good and workmanlike manner, regarding quality and appearance, and shall be constructed and designed to restrain livestock. Until such time as an Owner completes the construction of a fence, Owner agrees that Developer, Developer's agents or lessees may graze livestock upon the tract purchased by Owner without compensation or lease payment to Owner. Upon completion of the construction of a fence, all privileges to continue the grazing of livestock by Developer, Developer's agents or lessees shall terminate and immediately cease.

III.

SETBACKS

3.01. No residence or other permanent structure shall be constructed nearer than 50 feet from the side or rear property line of the tract and no closer than 100 feet from the front property line.

3.02. In the event an Owner shall own title to two or more tracts which have a common boundary line, the building setback restrictions provided herein shall not apply to the common property line of the abutting tracts. Solely for purposes of determination of building setbacks, the tracts shall be treated as if they constituted a single tract of land and there shall be no building setback as to the common boundary line so long as the tracts which share a common boundary line are owned by the same person.

IV.

USE RESTRICTIONS

4.01. Except as otherwise provided below, no commercial or manufacturing activity shall be

conducted on upon any part of the Property, nor shall any activity be allowed which has the possibility of creating environmental hazard to other Owners of the Property. These use restrictions shall not prevent the growing and processing of various agricultural products or commodities, including by illustration a vineyard and winery, or the raising of livestock, poultry and other animals on a tract. Swine shall not be kept on any tract, except when raised by youth as a part of a 4-H or FFA project ("permitted swine"). Permitted swine, other livestock, pets and poultry ("animals") shall be permitted provided such animals are sheltered and kept within the boundaries of the tract at all times.

4.02. The conduct of a bed and breakfast business upon the tract is permitted provided no more than four (4) units for the purpose of bed and breakfast activities shall be allowed.

4.03. Noxious or offensive activities shall not be permitted on any tract. Owners are to keep their tract clean and neat in appearance and free of litter at all times, including the occasional mowing of grass and weeds which shall enhance the beauty of the tract and act as a fire protection measure. Garbage or refuse shall not be disposed of or buried on any tract.

4.04. All dogs must be kept inside a pen or on a leash at all times. No dog shall be permitted to roam freely upon any tract at any time when not penned or leashed for as long as the tract is used by the Developer, Developer's agents or Lessee's, for grazing purposes.

4.05. Mineral exploration of any type which will damage the surface shall not be permitted on any Tract. Tract owners shall not alter the natural drainage of surface water over and across said tracts.

4.06. Developer, in Developer's discretion, may subdivide the Property into Tracts. Resubdivision of a Tract after conveyance by Developer is prohibited prior to January 1, 2010. Thereafter, a tract may be subdivided provided the original tract and all resultant tracts exceed four (4) acres in size and the resubdivision complies with all county regulations and ordinances.

4.07. No firearm shall be discharged on the property unless it is for the purposes of eradication of snakes, varmints or other animals which endanger Owners or their property. The harvest or taking of wildlife by firearm is expressly prohibited.

V.

UTILITY EASEMENTS

5.01. Developer reserves unto himself and/or his assigns, an easement for utility purposes ten (10) feet wide on each side of all Tract lines, ten (10) feet wide on each side of the eastern boundary of the roadway easement which crosses a Tract, and twenty (20) feet wide along the entire perimeter (boundary) of the Property for the installation and maintenance of electric, telephone, and utility lines and easements for anchor/guy combinations wherever necessary, and reserves the right to trim trees which at any time interfere or threaten to interfere with the maintenance of such lines, with the right of ingress to and egress from and across said Tract to employees of utilities owning said lines.

VI.

MISCELLANEOUS

6.01. These restrictive covenants shall be binding upon and inure to the benefit of all parties claiming under Developer until January 1, 2025, at which time said restrictive covenants shall be automatically extended without further notice until such time that the owners of 65% of the tracts shall execute an instrument waiving or amending the restrictive covenants. One vote shall be permitted for each tract. A Tract owner shall be the record owner of legal title as shown by the real property records of Gillespie County, Texas. Any amendments shall be in writing and shall not be effective until duly recorded. A copy of the amendments as recorded shall be forwarded to the last known address of all Tract owners.

6.02 Developer shall have and hereby reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend these restrictive covenants by an instrument in writing duly signed and acknowledged by Developer only, filed for record in the office of the County Clerk of Gillespie County, Texas, for the purpose of correcting any typographical or grammatical error or any ambiguity or inconsistency appearing herein, or for any reason whatsoever deemed necessary for the benefit or enhancement of the overall development as determined by Developer. Amendments shall be effective upon filing the amended restrictions with the County Clerk of Gillespie County, Texas.

6.03. If any term or provision of this instrument or the application thereof shall be held to be invalid, all other terms and provisions of these restrictive covenants or the application thereof shall not be affected thereby, nor shall any failure of the Developer or Tract owner to seek enforcement of any term or provision constitute a waiver of any right to do so in the future or the validity or enforceability of such term or provision.

6.04. Developer and every other person, firm or corporation hereinafter having any right, title or interest in any Tract in the Property shall have the right to enforce, by any proceeding at law or in equity, all restrictive covenants by injunction or other lawful procedure and to recover any damages resulting from such violations. Damages for the purpose of this paragraph shall include court costs and necessary attorney fees.

VII.

ROADWAY EASEMENTS AND MAINTENANCE

7.01. THE ROADWAY ACCESSING THE PROPERTY IS A PRIVATE EASEMENT ROAD IN AN UNPLATTED SUBDIVISION OF GILLESPIE COUNTY, TEXAS. THE ROADWAY SHALL BE PRIVATELY MAINTAINED BY THE OWNERS OF TRACTS OUT OF THE PROPERTY. GILLESPIE COUNTY, TEXAS SHALL NOT BE RESPONSIBLE FOR THE MAINTENANCE AND REPAIR OF THE ROADWAY. THE ROADWAY WILL BE MAINTAINED AND REPAIRED BY MAINTENANCE ASSESSMENTS WHICH ARE COLLECTED FROM OWNERS OF TRACTS OUT OF THE PROPERTY. BY ACCEPTANCE OF A DEED TO A TRACT OUT OF THE PROPERTY, EACH OWNER OF SUCH TRACT COVENANTS AND AGREES TO WAIVE ANY RIGHT SUCH OWNER MAY HAVE TO DEMAND OR COMPEL THE MAINTENANCE OR REPAIR OF THE ROADWAYS OUT OF THE PROPERTY BY GILLESPIE COUNTY, TEXAS AND IS ESTOPPED FROM DOING SO.

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Each owner, by acceptance of a deed, whether or not it shall be so expressed in such deed, agrees to pay a prorata share of all assessments which may be made for the purposes of maintaining, repairing and replacing the road, and repairing, maintaining and replacing the electronically controlled access gate located at the entrance to the Property on the Old Harper Road. The maintenance agreement is more fully set out in the Declaration of Covenants, Conditions, Restrictions and Maintenance Agreement of Charles Wildlife Foundation Subdivision, recorded at Volume 545, Pages 369-385 of the Official Records of Gillespie County, Texas, to which reference is hereby made for all purposes.

EXECUTED this _____ day of _____, 2004.

_____
JACYLYN M. RIOS

THE STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this _____ day of _____, 2004, by JACYLYN M. RIOS.

_____
Notary Public, State of Texas