

Driftwood Ranch on the Brazos

**FIRST REVISED AND AMENDED DECLARATION
OF
COVENANTS, RESTRICTIONS, AND EASEMENTS
For
DRIFTWOOD RANCH ON THE BRAZOS**

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**FIRST REVISED AND AMENDED DECLARATION OF COVENANTS,
RESTRICTIONS, AND EASEMENTS
For
DRIFTWOOD RANCH ON THE BRAZOS**

This FIRST REVISED AND AMENDED DECLARATION OF COVENANTS, RESTRICTIONS, and EASEMENTS for DRIFTWOOD RANCH ON THE BRAZOS (the "Declaration") is made effective the 2nd day of January, 2006 by DRIFTWOOD RANCH ON THE BRAZOS, L.P., a Texas Limited Partnership (Declarant).

BACKGROUND

Declarant is the owner of certain real property in Parker County, Texas, described in Exhibit "A", attached hereto and being made a part hereof by reference.

Declarant intends to develop on lands, including, but not limited to, the real property described above, a development to be known as "DRIFTWOOD RANCH ON THE BRAZOS" (the "Development"). Declarant intends by the Declaration to: (1) impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the Development; (2) provide a flexible and reasonable procedure for the overall completion of the Development; and (3) establish a method for the administration, maintenance, preservation, use, and enjoyment of the property that is now or hereafter subjected to this Declaration.

The Driftwood Ranch Homeowners' Association is formed as a Texas non-profit corporation to perform certain functions for the common good and general welfare of the Owners (as hereinafter defined).

Declarant declares that all of the real property described above shall be held, sold, and conveyed subject to this Declaration to enhance and protect the value, desirability, and attractiveness of the Property (as hereinafter defined). The Covenants, Restrictions, and Easements set forth herein shall run with the Property and shall be binding on all parties acquiring any right, title, or interest in the Property or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, distributees, legal representatives, successors, and assigns, and to the Association.

ARTICLE I - DEFINITIONS

The following words, when used in this Declaration, shall have the following meanings:

Association - "Association" means the DRIFTWOOD RANCH HOMEOWNERS' ASSOCIATION, Inc., a Texas non-profit corporation organized under the Texas Non-Profit Corporation Act, its successors and assigns.

Board - "Board" means the Association Board of Directors.

Bylaws - "Bylaws" means the Association Bylaws.

Commencement Date - "Commencement Date" means the date on which a Tract (as hereinafter defined) is transferred to any person other than Declarant.

Common Property - "Common Property" means all real property and improvements owned by the Association or over which the Association has been granted permanent easements. Such Common Property shall be held for the common use and enjoyment of the Owners as set out in Article II.

Declarant - "Declarant" means DRIFTWOOD RANCH ON THE BRAZOS, L.P., a Texas Limited Partnership, their successors or assigns, provided any such successors or assigns shall acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the real property described in Exhibit A, or the real property which is intended to become part of the Development, and provided further, in the instrument of conveyance to any such successor or assign, such successor or assign is designated as the "Declarant" hereunder by the grantor of such conveyance;

provided further, upon the designation of successor Declarant, all rights and obligations of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the property described in "Exhibit A", attached, and which is now or hereafter subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

Development-Wide Standard - "Development-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Development. Such standard may be more specifically determined by the Board pursuant to the Declaration and Bylaws. Any determination shall be consistent with the Development-Wide Standard originally established by Declarant.

Member - "Member" means any member of the Association.

Membership - "Membership" means the collective total of all Association Members.

Occupant - "Occupant" means any person occupying all or any portion of a Residence located within the Development for any period of time, regardless of whether such Person is a tenant, guest, or the Owner of the Residence.

Owner - "Owner" means the record owner (including Declarant) whether one or more persons or entities, of fee simple title to any Tract. If fee simple title has been transferred and is being held merely as security for the repayment of a loan, the person or entity who would own the Tract in fee simple if such loan were paid in full shall be considered the Owner.

Property - "Property" means that certain real property described on Exhibit A together with any additional real property as may be subjected to this Declaration pursuant to Article X.

Residence - "Residence" means a Structure situated upon a Tract intended for independent use and occupancy as a residence for a single family. A Structure situated on a Tract shall not become or be used as a Residence until all required permits and certificates have been issued for such Residence.

Restrictions - "Restrictions" means all covenants, restrictions, easements, charges, liens, and other obligations created or imposed by this Declaration.

Structure - "Structure" means:

(a) Any thing or object the placement of which upon any Tract may affect the appearance of such Tract, including by way of illustration and not limitations, any temporary or permanent building, hangar, garage, barn, porch, shed, greenhouse, bathhouse, patio, deck, boat dock, swimming pool, tennis or other sport courts, ponds, lakes, fence, curbing, paving, wall, landscaping, sign, or temporary or permanent living quarters, or any part thereof.

(b) Any excavation, grading, fill, ditches, diversion, drain site preparation work, or other thing or device which affects or alters the natural flow of surface waters from, upon, or across any Tract, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash, or drainage channel from, upon, or across any Tract; and

(c) Any change in the grade at any point on a Tract of more than six (6) inches, whether or not subsection (a) or (b) of this Section applies to such change.

Tract - "Tract" means:

(a) Any Lot conveyed by Declarant to an Owner;

(b) Any Lot platted of record in the real property records of Parker County, Texas, in accordance with Article X of this Declaration; and

(c) Any Lot Declarant projects may be added to the Development.

ARTICLE II - COMMON PROPERTY

2.01 Conveyance of Common Property

(a) Declarant may from time to time convey to the Association or grant easements to the Association, at no expense to the Association and pursuant to this Section: (1) real and personal property for the common use and enjoyment of the Owners; (2) property for access, ingress, and egress of both vehicular traffic and pedestrians, as well as for landscaping and security purposes; and (3) such real and personal property as the Declarant may determine to be necessary or proper for the completion of the Development. Such property is hereinafter collectively referred to as "Common Property". The Association hereby covenants and agrees to accept from the Declarant all conveyances of Common Property.

(b) Notwithstanding any presumption to the contrary: (1) Declarant may, at Declarant's sole discretion, modify, alter, increase, reduce, and otherwise change the Common Property (or the use to be made thereof) to be conveyed to the Association in accordance with subsection (a) at any time prior to conveyance of such Common Property to the Association; and (2) fee title to, and all rights in any portion of the Property owned by Declarant and designated as Common Property or designated for public use shall be reserved to Declarant until such time as the same shall be conveyed to the Association or to any municipality or other governmental body, agency, or authority.

(c) Declarant reserves the right to use the right of ways for access ingress and egress to adjacent undeveloped property owned by Declarant.

2.02 Type of Common Property

At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as Common Property, the Declarant:

(a) Shall designate in the conveyance or easement that such property is to be Common Property; and

(b) May designate in the conveyance or easement the purpose or purposes for which such property may be used.

(c) Thereafter, such property or portion thereof shall not, without a two-thirds (2/3) vote of the Members, be used for any different purpose or purposes without Declarant's prior written consent.

2.03 Enjoyment

Every Owner shall have a right and easement to use the Common Property, which right shall be appurtenant to and shall pass with the title to every Tract on transfer; provided, however, that no Owner shall do any act which interferes with the free use and enjoyment of the Common Property by any other person. The Association may permit persons who are not Owners to use part or all of the Common Property subject to such limitation and upon such terms and conditions, as it may from time to time establish.

2.04 Delegation of Use

Any Owner may delegate to his immediate family or his tenants who reside on a Tract his right to use the Common Property.

2.05 Association Rights, Powers, and Duties

The rights and privileges conferred in Section 2.03 shall be subject to the right, power, and obligation of the Association, acting through the Board, to:

(a) Regulate and provide for the use, operation, and maintenance of the Common Property, including the maintenance of the Common Property as set forth in paragraph 2.06;

(b) Borrow money to carry out the Association's activities, including the acquisition, construction, improvement, equipping, and maintenance of Common Property, and in aid thereof to encumber by deed

of trust, mortgage, or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees, and other sources; and provided, however, that during the period when the Declarant has the Right of Appointment, the Association shall not grant or convey to anyone any mortgage, deed of trust, or other security interest on or in Common Property consisting of real estate without written approval by Declarant and a two-thirds (2/3) vote of the Members who are present in person or by proxy and voting at a meeting of Members duly held pursuant to the Association Bylaws;

- (c) Grant easements or rights of way over Common Property;
- (d) Dedicate or transfer all or any part of the Common Property or interests therein to any municipality or other governmental body, agency, or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the Association and such grantee, including a provision that such property or interest shall, if such dedication or transfer is approved by a two-thirds (2/3) vote of the Members who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the Bylaws of the Association, cease to be subject to this Declaration or all or any part of the Restrictions while held by a municipality or other governmental body, agency, or authority;
- (e) Suspend, pursuant to Section 3.05, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.03.
- (f) Sell, lease, or otherwise convey all or any part of its properties and interests therein;
- (g) Contract on behalf of all Tracts for services and charge each Owner his pro-rata share of the cost. If the Association elects, the charge to each Owner for garbage and rubbish pick-up shall be in addition to the Assessments described in Article IV;
- (h) Pay all expenses attributable to or connected with the Common Property; and
- (i) All maintenance shall be consistent with the Development-Wide Standard.

If approved by two-thirds (2/3) of the votes of the Members who are present, in person or by proxy, at a duly held meeting of Members, the Association shall have the right, but not the obligation, to maintain and provide services for other property not owned by the Association, whether located within or without the boundaries of the Development, and to enter into easements and covenants to share cost agreements regarding such property where the Board has determined that this would benefit Owners.

2.06 Common Expenses

The Association shall maintain and keep in good repair the Common Property. In addition, to the extent permitted by governmental authority, subject to any insurance in affect:

- (a) The Association shall maintain, repair, and replace, all private drives, gates, fences, and mailboxes not reserved for the exclusive use of an individual Owner, including, without limitation, all landscaping and improvements located along or within such drives, and any other property Declarant reasonably designates as a maintenance obligation of the Association by amendment to this Declaration;
- (b) The Association shall maintain, repair, and replace all landscaping and improvements located along or in dedicated rights of way;
- (c) The Association shall pay all utility charges incurred for street lights, security gates, and sprinkler systems on or about the Common Property, and all insurance premiums attributable to or connected with the Common Property.
- (d) The Association shall have the right, but not the obligation, to maintain and provide services for other property not owned by the Association, whether located within or without the Development boundaries, and to enter in agreements regarding such property where the Board has determined that this would benefit Owners.
- (e) All maintenance shall be consistent with the Development-Wide Standard.

ARTICLE III - HOMEOWNERS' ASSOCIATION

3.01 Association Purposes, Powers, and Duties

The Association shall be formed as a non-profit corporation for the sole purpose of performing certain functions for the common good and general welfare of the Members. The Association shall have no power or duty to do or perform any act or thing other than those acts and things which will promote in some way the common good and general welfare of the Members. To the extent, and only to the extent, necessary to carry out such purpose, the Association (a) shall have all of the powers of a Texas non-profit corporation organized under the Texas Non-Profit Corporation Act, and (b) shall have the power and duty to exercise and perform all rights, powers, privileges, duties, and obligations of the Association as set forth in this Declaration.

3.02 Association Membership

Every Owner shall automatically be a Member of the Association. Such membership shall terminate only as provided in this Declaration. For voting purposes, there shall be two (2) classes of Members as set forth in Section 3.03.

3.03 Voting Rights

(a) Owner, with the exception of Declarant, shall be a Class A Member. Each Class A Member shall be entitled to one (1) Class A vote per Tract. Where an Owner is a group or entity other than one individual person, the vote on behalf of such Owner shall be exercised only by such individual as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the Association.

(b) Declarant Shall be the sole Class B Member, and shall be entitled to nine (9) votes for each Tract or Residence owned by Declarant; provided, however, in no event shall the Class B Membership have less than the total number of Class A votes plus one (1). The Class B Membership shall cease and be converted to Class A Membership at such time as Declarant no longer retains the right to appoint and remove Board members and Association officers pursuant to Section 3.08.

(c) The Development will consist of approximately 270 acres. A Tract may be platted on record in the real property records of Parker County, Texas, in accordance with Article X of this Declaration. By acceptance of a deed conveying a Tract, each owner acknowledges that, upon the filing by Declarant of additional plats covering additional tracts, the total votes outstanding in the Association will automatically increase based upon the number of Tracts added.

3.04 Board of Directors

Association affairs shall be managed by a Board of Directors. The number of Directors and the election of Directors shall be set forth in the Bylaws.

3.05 Suspension of Membership Rights

The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property of any person who:

(a) Shall be subject to the Right of Abatement, as defined in Section 8.02, by reason of having failed to take reasonable steps to remedy a violation or breach of either the Restrictions or the Design Standards (as hereinafter defined) of the RRC (as hereinafter defined) within thirty (30) days after having received notice of same as required herein.

(b) Shall be delinquent in the payment of any assessment levied by the Association pursuant to Article IV; or

(c) Shall be in violation of Association rules and regulations relating to the use, operation, and maintenance of Common Property.

Such suspension shall be for the balance of the period in which such Member or person remains in violation, breach, or default, as set forth above, except that in the case of a violation described in subsection (c) of Section 3.05, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No suspension shall prevent an Owner's ingress to or egress from his Tract.

3.06 Termination of Membership

Membership shall only cease when a person ceases to be an Owner.

3.07 Voting Procedures

The procedures for the election of Association Directors and the resolution of such other issues as may be brought before the Association membership shall be governed by this Declaration, the Texas Non-Profit Corporation Act, and the Association Articles of Incorporation, and By-laws, as each shall from time to time be in force and effect.

3.08 Appointment of Board

(a) Notwithstanding any provision to the contrary in this Declaration, the Association's Articles of Incorporation or Bylaws, Declarant retains the right to appoint and remove any member of the Board of the Association and any Association Officer ("Right of Appointment") until 30 days after the first of the following events shall occur: (1) the expiration of 20 years after the date of the recording of this Declaration; (2) the date upon which all of the Tracts intended by Declarant to be part of the Development have been conveyed by Declarant to Owners other than a person or persons constituting Declarant; or (3) the surrender by Declarant of his authority to appoint and remove directors and officers by recorded amendment to this Declaration. Each Owner, by acceptance of a deed to or other conveyance of a Tract, vests in Declarant such Right of Appointment as provided in this Section.

(b) Upon the expiration of the period of Declarant's Right of Appointment, such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Tracts. A special meeting of the Association shall be called at such time. At such meeting the Owners shall elect a Board of Directors. Declarant shall thereupon deliver to the Board all Association books, accounts, and records Declarant then possesses.

ARTICLE IV - ASSESSMENTS

4.01 Covenants for Assessments and Creation of Lien and Personal Obligation

Each Owner, jointly and severally, for himself, his heirs, distributees, legal representatives, successors, and assigns, by acceptance of a deed for a Tract, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:

(a) To pay to the Association all assessments (annual or special), which may or shall be levied by the Association pursuant to this Declaration against all Tracts owned by him in a timely manner;

(b) That there is hereby created a continuing charge and lien upon all Tracts owned by him against which all such assessments are made to secure payment of such assessments and any interest thereon as provided in Section 4.09 hereof and cost of collection including reasonable attorneys' fees;

(c) That such continuing charge and lien on such Tract binds such Tract in the hands of the then Owner, the Owner's heirs, devisees, legal representatives, successors, and assigns. Such charge and lien is superior to any and all charges, liens, or encumbrances which may hereafter in any manner arise or be imposed upon such Tracts, whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed of trust, or other instrument, except (1) such liens for taxes or other public charges as are made superior by law, and (2) all deeds to secure debt given to secure a loan, the proceeds of which are used to purchase a Tract or Tracts (together with any and all Structures which

may from time to time be placed or located thereon), and to finance the construction, repair, or alteration of Structures. A person or entity acquiring a lien or encumbrance on a Tract after this Declaration is recorded shall acknowledge, by the act of filing an instrument creating such lien, that such lien or encumbrance is inferior to the continuing lien for the charge and lien provided for herein, whether or not such acknowledgment is specifically stated in the instrument creating the lien or encumbrance, except as provided by Subsections (c) 1 and (c) 2 above,

(d) That no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Tract from liability for any assessment thereafter assessed;

(e) That all annual and special assessments (together with interest thereon as provided in Section 4.09 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Tract owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Tract as provided in Section 4.01(b) of this Declaration) a personal obligation which will survive any sale or transfer of the Tract; provided, however, that such personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by such successor;

(f) That the failure to pay any assessment when due shall constitute a default of the Owner's obligations hereunder, and shall entitle the Association to exercise the remedies provided in this Declaration.

4.02 Purposes of Assessments

Assessments shall be used exclusively to provide for the common good and general welfare of Development Residents, primarily including, but not limited to, maintenance of the Common Property and common roads or other improvements, the payment of Association costs and expenses including, without limitation, any ad valorem real and personal property taxes on all Association property, and the enforcement of Declaration Restrictions, provided; however, for so long as Declarant has the Right of Appointment, Assessments shall be used exclusively for Actual Operating Expenses, as hereinafter defined, incurred by the Association. For purposes of this Declaration, "Actual Operating Expenses" shall be limited to expenses incurred for the maintenance and repair of Common Property, ad valorem real and personal property taxes, accounting, and other necessary professional services required for the day-to-day operation of the Association and the enforcement of Declaration Restrictions.

4.03 Accumulation of Funds Permitted

The Association shall not be obligated to spend all monies collected in a year, and may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any later year, but may carry forward a surplus as the Board deems desirable for the greater financial security of the Association. Upon the expiration of the period of Declarant's Right of Appointment, the Association may distribute to the Members any or all of such surplus monies if such distribution is approved by ninety-five percent (95%) of the Members. Any such distribution shall be equal per Tract.

4.04 Annual Assessment

(a) Beginning on the Commencement Date and continuing thereafter until January 1 of the year immediately following the Commencement date, each Tract shall be subject to an Annual Assessment of Four Hundred Eighty and No/100 Dollars (\$480.00) per Tract.

Owners of Tracts having Airstrip access shall be subject to an additional Annual Assessment of Six Hundred and No/100 Dollars (\$600.00) for maintenance and improvements to Airpark infrastructure and amenities, regardless of whether or not said owner uses the Airstrip, unless specifically exempted (in writing) by the Board.

If a Commencement Date falls on a day other than January 1, the Annual Assessment for such year shall be prorated for such calendar year. The words Assessment Year as used herein shall mean

the calendar year, with the first Assessment Year commencing on January 1 of the year immediately following the Commencement Date. For so long as Declarant has the Right of Appointment, the Annual Assess-

ment for all tracts shall not be reduced below \$480.00 nor below \$600 for the additional Assessment applicable to Owners of Tracts having Airstrip access without Declarant's express written consent.

(b) Commencing with the first Assessment Year and continuing thereafter, the annual assessment may be increased at any time and from time to time during each Assessment Year by the Board; provided, however, such increase shall not be more than fifteen percent (15%) above the Annual Assessment for the previous Assessment Year without a vote of the Membership.

(c) Upon the expiration of the period of Declarant's Right of Appointment, the Association may increase or decrease the Annual Assessment by vote of the Membership.

4.05 Other Assessments

(a) In addition to Annual Assessments, the Association may levy a Special Assessment to pay any unanticipated operating expense, as well as the cost of any construction, reconstruction, repair, or replacement to the Common Property or any common road. Special Assessments may be levied by the Board in any Assessment Year without the approval of the Members, which special assessments in the aggregate do not exceed an amount equal to the Annual Assessment then in effect. Special Assessments exceeding such amount shall require the approval of two-thirds (2/3) of the Members who are present in person or by proxy at a meeting of Members duly held pursuant to the Association Bylaws and this Declaration.

(b) The Association may also levy, in any Assessment Year and with such frequency as the Association deems necessary, Specific Assessments. Specific Assessments shall be levied to pay expenses incurred for the benefit of a particular Tract(s), and shall be allocated equitably among the Tracts benefited. The failure to exercise authority under this Section shall not be grounds for any action against the Association or the Board, and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses. If the total of the Special Assessment and any Specific Assessment for any Assessment Year exceed an amount equal to the Annual Assessment then in effect, such Specific Assessment shall require the approval of two-thirds (2/3) of the Members who are present in person or by proxy at a meeting of Members duly held pursuant to Association Bylaws and this Declaration.

4.06 Assessment Procedures

(a) Each Assessment Year, the Board shall establish the annual assessment and the "Due Date" of such assessment. The Association shall give each Owner 30 days written notice of the total amount of all assessments due by such Owner and their Due Date.

(b) If the Board proposes increasing the Annual Assessment or making a special or Specific Assessment, and such increase or assessment requires a vote of the Members pursuant to section 4.04 or Section 4.05, all Members shall be given written notice of a Members' meeting by the Board. Such notice shall be given not less than 30 nor more than 60 days prior to such meeting. Such notice shall specify the assessment(s) proposed. At such meeting, the presence of Members or of proxies entitled to cast fifty percent (50%) of the total votes outstanding shall constitute a quorum. If the required quorum is not present at such meeting, a second meeting may be called by the Board subject to the same notice requirement, and the required quorum at such second meeting shall be thirty percent (30%) of the total votes outstanding. No such second meeting shall be held more than 60 days following the first meeting. If the required quorum is not present at the second meeting, the Board may take such action without Members' vote.

4.07 Uniform Rate of Assessment

All Assessments other than Specific Assessments shall be fixed at a uniform rate for all Tracts.

4.08 Contribution by Declarant

For so long as Declarant has the Right of Appointment, Declarant shall not be liable for the payment of any assessments; provided, however, during such period Declarant shall advance funds to the extent possible to the Association sufficient to satisfy the deficit, if any, between the Association's actual operating expenses (but specifically not including an allocation for the reserve allowance), and the sum of all Annual, Special, and Specific Assessments collected by the Association in any Assessment Year. Such advances shall be evidenced by promissory notes from the Association.

4.09 Effect of Non-payment of Assessments

Any Assessments which are not paid on or before the Due Date shall bear interest after the Due Date at the lower of the highest legal rate of interest which can be charged, or the rate of eighteen percent (18.0%) per annum. In no event shall the Board establish a rate of interest in violation of Texas law. If an Owner does not fully pay any Assessment by the Due Date, such unpaid portion together with interest and collection cost, including reasonable attorneys' fees, shall be a binding personal obligation of such Owner and a lien on such Owner's Tract(s), enforceable as provided herein.

ARTICLE V - RESTRICTIONS

5.01 Restrictions Review Committee - Creation and Composition

(a) A Restrictions Review Committee ("RRC") shall be established consisting of not less than three (3) nor more than five (5) individuals; provided, however, the RRC shall always have an uneven number of members. For so long as Declarant has the Right of Appointment, Declarant shall appoint all RRC members. Upon termination of Declarant's Right of Appointment, the Board shall appoint all RRC members.

(b) Each RRC member shall be appointed for a calendar-year term. If any vacancy occurs, the remaining RRC members shall continue to act and such vacancy shall be filled by Declarant (or Board after termination of Declarant's Right of Appointment). Any RRC member may resign at any time by written notice to the RRC. Any RRC member may be removed at any time without cause by Declarant (or the board after termination of Declarant's Right of Appointment).

5.02 RRC Purpose, Powers, and Duties

The RRC's purpose is to assure that any proposed installation, construction, or alteration of any Structure on any Tract is in conformity and harmony of external design and general quality with the existing standards of the Development and the Development Design Standards. The RRC shall have all powers and duties to do each and everything necessary, suitable, convenient, or proper for, or in connection with, or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty to promulgate Development Design Standards ("Design Standards") and to approve or disapprove plans and specifications for any installation, construction, or alteration of any Structure on any Tract.

5.03 RRC Officers and Subcommittees

The RRC members shall, from among their number, appoint such officers and subcommittees of RRC members as they may from time to time determine necessary.

5.04 Submission of Plans and Specifications

No Structure shall be commenced, erected, placed, moved onto, or permitted to remain on any Tract nor shall any existing Structure upon any Tract be altered in any way which materially changes the exterior appearance of the Structure or Tract, unless plans and specifications therefore shall have been submitted to and approved in writing by the RRC. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the RRC in the Design Standards, including, without being limited to:

(a) A site plan showing the location of all proposed and existing Structures on the Tract including building setbacks, open space, driveways, walkways, and parking spaces, including the number thereof,

water wells, septic tanks, or other approved sewer systems, fences, and all landscaping, including siltation and erosion control measures and grading; and

(b) Specifications of materials, lighting schemes, and other details affecting the exterior appearance of all proposed Structures and alterations to existing Structures.

Two copies of the proposed plans and specifications shall be deposited with the RRC at least ten (10) days prior to the next regularly scheduled meeting of the RRC.

5.05 Plan Approval

Upon RRC review and approval, one copy of such plans and specifications bearing written approval shall be returned to the applicant. The second copy shall become the RRC's file copy and will not be returned to the applicant. Prior to commencing construction, the property owner shall engage the services of a licensed Surveyor to locate and stake the proposed structures on the tract as approved by the RRC. After foundation forms are set, the Surveyor shall prepare a "Forms Survey" which certifies that the placement of structures on the tract is as approved by the RRC. The owner shall deliver the Forms Survey to the Chairperson of the RRC. Upon receipt and review of the appropriate documents, the RRC shall provide written approval to commence construction.

No approval shall be deemed a waiver of the RRC's future right to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features, or elements are subsequently submitted in connection with any other Tract or Structure. Approval of any plans and specifications relating to any Tract or Structure shall be final as to that Tract or Structure, and such approval may not be revoked thereafter, provided that construction commences within 120 days of RRC approval and adheres to the plans and specifications as approved. RRC approvals are automatically revoked should construction fail to commence within 120 days or should construction and/or specifications differ from that approved by the RRC. Revocations require the re-submission of plans and specs to the RRC for approval. If the RRC does not respond to the deposit of any plans and specifications submitted to it within thirty (30) days of receipt of such plans and specifications, such plans and specifications shall be deemed approved.

5.06 Plan Disapproval

The RRC shall have the right to disapprove any plans and specifications because of the failure of such plans or specifications to comply with this Declaration or the Design Standards; or any other matter which, in the judgment of the RRC, would be likely to cause the proposed installation, construction, or alteration of a Structure or Tract (1) to fail to be in conformity and harmony of external design and general quality with Development Standards, or (2) as to location to be incompatible with topography, finished ground elevation, and/or surrounding Structures. If the RRC disapproves or modifies any plans and specifications, such disapproval or qualified approval shall be accompanied by a statement setting forth the basis for such action. The RRC shall make reasonable efforts to assist an applicant in the preparation of an acceptable proposal.

5.07 Inspection Rights

Any Association or RRC member, employee, or agent may, on reasonable notice, at any reasonable time, enter upon any Tract and Structure to ascertain whether the installation, construction, alteration, or maintenance of any Structure or the use of any Tract or Structure complies with this Declaration.

5.08 Violations

If any Structure is erected, placed, maintained, or altered upon any Tract, other than in accordance with the plans and specifications approved by the RRC pursuant to this Article, such erection, placement, maintenance, or alteration shall be deemed to have been undertaken in violation of this Article. If a violation occurs, the RRC shall notify the Association, and the Board shall take appropriate measures to correct the violation. The Board shall provide written notice to the Owner by certified mail, setting forth in

reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner does not take reasonable steps toward the required remedial action within 30 days after the mailing of the notice of violation, then, in addition to any other remedy provided by law, the Association shall have the Right of Abatement as provided in Section 8.02.

5.09 Fees

The RRC may charge reasonable fees for the cost of reviewing plans and for the cost of inspections. Should the RRC determine that a plan approval request requires professional evaluation and/or assessment, the Chairperson of the RRC will notify the owner of such a determination. Upon notification, the owner must agree to pay the professional's fee or the plan shall be automatically disapproved with no further action required by the RRC.

5.10 Nondiscrimination

The RRC shall not discriminate against any applicant because of such applicant's race, color, sex, religion, age, or national origin.

5.11 Disclaimer as to Approval

By approving plans and specifications, neither the RRC, the members thereof, nor the Association assumes any liability or responsibility therefore, whether for any defect in any Structure constructed from such plans and specifications or otherwise. Neither Declarant, the Association, the RRC, the Board, nor the officers, directors, members, employees, and agents of any of them shall be liable for damages to anyone submitting plans and specifications to any of them for approval, or to any Owner affected by these Restrictions, by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the RRC, the Board, or the officers, directors, members, employees, and agents of any of them to recover any such damages, and each hereby releases, quitclaims, and covenants not to sue for any claims, demands, and causes of action arising out of or in connection with any judgment, negligence, or nonfeasance, and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands, and causes of action not known at the time the release is given.

ARTICLE VI - GENERAL COVENANTS AND RESTRICTIONS

6.01 Application

The covenants and restrictions contained in this Article VI shall apply to all Tracts and to all Structures erected or placed thereon.

6.02 Use Restriction

Except as provided in this Declaration, no part of the Property or any Tract shall be used for any use other than residential and/or agriculture purposes, excepting Individual Hangar Tracts which are specifically designated as non-residential, Airplane (and related equipment) storage hangars. No part of the Property or any Tract shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, renting, vending, or other non-residential purposes, provided, however, professional businesses are permitted on a Tract, such as legal, insurance, accounting, etc., if such services do not give the appearance of commercial use. Space required for business purposes must be contained within a Residence. No other business shall be conducted on a Tract. Signage for a professional business is specifically prohibited on all tracts.

6.03 Minimum Tract Size

No Residential Tract shall be smaller than 1.00 acre. Non-Residential Individual Hangar Tracts may be less than 1.00 acre. Residential use of Hangars is not permitted per section 6.05.

6.04 No Re-division

After a Tract has been conveyed by Declarant to an Owner, no Tract may thereafter be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise. Notwithstanding the foregoing, nothing herein shall prevent the Owners of any Tract from combining two or more Tracts into one Tract for construction of a single Residence thereon.

6.05 Improvements

Not more than one primary single family residence and one guest residence and related improvements shall be built as a dwelling on any Tract. No guest dwelling will be permitted on any tract containing less than two (2) acres. All buildings, Residences, Structures, and other improvements erected, altered, or placed on a Tract shall be of new construction, built on-site. No Structure shall be placed on any Tract until the plans and specifications have been approved and the Construction Permit issued by the RRC.

No Structure of a temporary character, recreational vehicle, motor home, truck with camper, camping trailer, mobile home, tent, shack, garage, barn, boat house, airplane hangar, or out-building of any kind shall be used on a Tract at any time as a shelter or Residence, either temporarily or permanently. Once construction has begun on any primary Residence, such construction shall be completed within 270 days. All other out-buildings, structures, and improvements shall be completed within 90 days from commencement of construction, unless otherwise approved in writing by the RRC.

Location of water wells and septic systems must be approved by the RRC in accordance with Parker County Health Department regulations. It shall be the sole responsibility of the Owner to pay any applicable fees and obtain required permits, if any, in advance of installation.

(a) Primary Single Family Residence-Block One (1) and Block Three (3). The primary single family residence placed upon a Tract in Blocks One (1) and Three (3) shall be of new, site-built construction, with exterior walls containing a minimum of eighty five percent (85%) glass and/or masonry and shall contain a minimum of 2,850 square feet of air conditioned living space, exclusive of porches, garages, and attached structures.

Any Residence placed upon a tract in Blocks One (1) and Three (3) shall be oriented so that the frontal elevation faces the common road. Log structures are not permitted. Structures which incorporate log construction with stone or brick, and otherwise meet restrictions, will be considered by the RRC.

NOTICE: Tracts 8 thru 11, Block One (1) and Tracts 11 thru 17, Block Three (3) are partially located in a "FEMA" (Federal Emergency Management Agency) controlled 100 Year Flood Plain. In addition to obtaining approval of the RRC, a FEMA permit may be required prior to commencing construction. Tracts 12 and 13, Block One (1), Tracts 18 thru 22, Block Three (3) are located in a FEMA controlled 100 Year Flood Plain. In addition to obtaining approval and permitting by the RRC, a FEMA permit is required prior to commencing construction.

(b) Primary Single Family Residence-Block Two (2) (Lake Frontage Tracts) and Blocks Six (6) and Seven (7) (Airstrip Tracts). The primary single family Residence placed upon a Tract in Blocks Two (2), Six (6), and Seven (7) shall be of new, site built construction, with exterior walls containing a minimum of eighty-five percent (85%) glass and/or masonry and shall contain a minimum of 2,650 square feet of air conditioned living space, exclusive of porches, garages, and attached or detached structures, including hangars.

Any Residence placed upon a Tract in Block Two (2) shall be oriented so that the frontal elevation faces the common road (Driftwood Ranch Trail). Any residence placed upon an airstrip tract in Blocks Six (6) and Seven (7) shall be oriented so that the front elevation faces the common road. All structures shall be located within the building envelope of the respective Tract as shown on the Plat. Any Residence placed upon two or more Tracts shall utilize the front, rear and side lines of the respective building envelopes without regard to the common lot lines and related utility easements. Log structures are not permitted. Structures which incorporate log construction with stone or brick, and otherwise meet restrictions, will be considered for approval by the RRC.

NOTICE: Tracts located in Blocks Two (2), Six (6), and Seven (7) are in a “FEMA” (Federal Emergency Management Agency) controlled 100 Year Flood Plain. In addition to obtaining approval and permitting by the RRC, a FEMA permit is required prior to commencing construction.

(c) **Guest Dwelling.** A guest dwelling shall be constructed simultaneously with or after completion of the primary residence in a design compatible with, and with materials of like kind and quality as those used

to construct the Primary Residence. Guest Dwellings may not contain less than six hundred (600) square feet of finished and air conditioned living area nor exceed fifty percent (50%) of the finished and air conditioned living area of the Primary Residence. No Guest Dwelling shall incorporate a garage in excess of the maximum number of garages permitted on the tract. No Guest Dwelling will be permitted on any Tract containing less than two (2) acres. No Duplexes shall be erected on any Tract.

(d) **Roofs.** The roof of each single family Residence shall be of high-definition, laminated type asphalt composition shingles, cement fiber shingles, clay tile, cement fiber tile, standing seam metal (hidden clip installation type), or other materials as may be approved by the RRC. Wood shingles and/or wood shake roofs must be rated fire resistant. Metal roof coverings such as “R” Panel, “M” Panel, “AP” Panel, Corrugated Panel, or other types of sheet metal roofing material utilizing visible fasteners are considered unacceptable and will not be approved for residential applications by the RRC. All roof coverings will be subject to color approval by the RRC so as to blend harmoniously with the natural character of the Development. White roofs and brightly colored roofs will not be permitted. All residential structure roofs shall have a minimum pitch of 7/12 (seven feet of vertical rise for every twelve feet of horizontal run). The minimum roof pitch for porch areas shall be 4/12.

(e) **Garages.** Every Residence shall have a Garage. All Garages on Tracts in Blocks One (1) and Three (3) shall have a capacity of not less than two (2) and not more than five (5) full size automobiles. All Garages on Tracts in Blocks Two (2), Six (6) and Seven (7) shall have a capacity of not less than two(2) full size automobiles and not more than three (3) full size automobiles. No garage door shall directly face any common road, except that front-facing Garages shall be considered for approval by the RRC on Tracts in Block Two (only) when it can be shown that the preferred side-entry or “turn-in” Garage can not be suitably placed on the Tract.

Garages may be detached from the primary Residence. All detached Garages must be constructed in the style of the primary Residence with materials of like kind and quality as those used to build the primary Residence. All detached Garages must be fully enclosed. Garage doors shall be kept closed when not in use. Open Garages or “Car Ports” will not be permitted.

(f) **Barns.** Barns are required to be constructed in a design compatible with, and with materials of like kind and quality as those used to build the primary Residence. Metal barns shall be of a color and design compatible with the primary Residence and must incorporate materials for design accent elements like those used in the primary Residence. Should the proposed design fail to incorporate sufficient coordinating design elements (in the subjective judgment of the RRC), the RRC may require wainscoting or other appropriate coordinating trim of stone or brick (as used on the primary Residence) on all exterior wall surfaces (except doors). The minimum wainscoting height shall be equal to one-third (1/3) of the sidewall eave height of the barn.

Typical sheet metal roofing materials, except corrugated panels, will be considered acceptable for use on barns. Barns shall be constructed simultaneously with or after completion of the primary Residence. Barns must be located toward the rear of the Tract, substantially, but not less than one hundred (100) feet behind the primary Residence. No barn shall incorporate living quarters. Residential use of barns is not permitted per section 6.05. Barns will not be permitted on any Tract of less than Two (2) acres. RRC approval is required per sections 5.04 and 5.05 prior to starting construction.

(g) **Airplane Hangars.** (General Requirements)

No Hangar shall incorporate living quarters. Residential use of hangars is not permitted per section 6.05.

Rental of hangars is prohibited per section 6.02. RRC approval and permitting is required per sections 5.04 and 5.05 prior to commencing construction.

1) **Airplane Hangars (Detached)**. Airplane Hangars which are detached from the primary Residence are required to be constructed in a design compatible with, and with materials of like kind and quality as those used to build the primary Residence. Metal hangars shall be of a color and design compatible with the primary Residence and must incorporate materials for design accent elements like those used in the primary Residence. On metal hangars, wainscoting or other appropriate coordinating trim of stone or brick (as used on the primary Residence) will be required on all exterior wall surfaces (except doors). The minimum wainscot height shall be equal to one-third (1/3) of the sidewall eave height. Maximum eave height shall be sixteen (16) feet. Maximum (detached) hangar size shall be in reasonable proportion to the size of the primary Residence as determined by the RRC, but may not exceed three thousand (3000) square feet. All hangars shall have a concrete foundation and floor.

Typical sheet metal roofing materials, except corrugated panels, shall be acceptable for use on detached airplane hangars. The maximum roof pitch shall be 2/12. Detached Airplane Hangars shall be constructed simultaneously with or after completion of the primary Residence. Hangars shall be located toward the rear of the Tract, substantially behind the primary Residence, but not closer than fifteen (15) feet to the side lot boundary and not closer than forty (40) feet to the rear property boundary. No hangar door (for airplanes) shall face the primary street or road. Not more than one (1) airplane hangar, attached or detached, shall be permitted on tracts in Blocks 3, 6, and 7, regardless of the number of tracts occupied by the primary residence.

2) **Airplane Hangars (Attached to and part of the primary Residence)**. Airplane Hangars which are integrated into the primary Residence are to be constructed of the same materials, consistent in kind and quality with those used to construct the primary Residence. Hangar size and roof pitch should be in proportion to and compatible with the design of the living area portion of the Residence. Roofing material over the hangar area of the structure shall be of the same material as that used over the living area of the Residence. No hangar door (for airplanes) shall face the primary street or road. All hangars shall be located to the rear (airstrip side) of the residence. Not than one (1) airplane hangar, attached or detached, shall be permitted on tracts in Blocks 3, 6, and 7, regardless of the number of tracts occupied by the primary residence.

3) **Airplane Hangar Tracts**. Airplane Hangars built on Individual Hangar Tracts shall be identical in design, materials, door structure, color, and trim so as to be consistent in appearance. Each Tract shall designate the size and orientation of the Hangar to be constructed on said Tract together with the size and placement of related approach and parking "aprons" connecting the hangar to taxiways and adjacent (hangar) aprons. Construction materials and hangar specifications may be found in the "Design Guidelines and Rules for Individual Hangars", as promulgated by the Declarant. Design Guidelines may be modified and amended from time-to-time by the Declarant or his successors.

(h) **Fences**. All fences shall be constructed of new and previously unused materials. Metal fences shall be primed and painted so as to be durable. Wood fences shall be stained and appropriately maintained for appearance and durability. Paint and stain colors should blend harmoniously with existing development fencing and must be approved by the RRC. RRC approval is required per section 5.04 prior to commencing construction.

1) The following describes the only permitted fencing styles and materials to be used for the perimeter fencing of a tract. On all tracts, perimeter fencing may extend no further forward (on the tract) than the rear plane of the primary residence, unless otherwise permitted by the RRC.

Running Rail Style Fences constructed of new dimensional steel and having three or four rails (as used in existing Driftwood development fencing). The design, dimensions, material, and color shall be the same as that of existing development fencing. To insure continuity, this

is the only permissible fencing style for the perimeter of a tract when the proposed fence is visible from the common road in front of and/or beside a tract.

Other Types of Fences Other types of fencing which may be permitted by the RRC on a case by-case basis (depending on proposed style, height, and placement):

- a. Wrought iron or ornamental metal fences (Preferred for Pool and Hot Tub areas)
- b. Masonry (brick, stone, stucco, or a combination of masonry and running rail) fences

2) Exceptions & Special Conditions:

Stockade or similar wood privacy fences constructed of new cedar or redwood shall be permitted only on Tracts in Blocks One (1), Three (3), Six (6), and Seven (7) when used for residential privacy in an area behind the rear plane of the primary residence. The maximum fenced area may not exceed twice the square footage of the foundation of the primary residence (including attached garage). The minimum height shall be four (4) feet. The maximum height shall be six (6) feet unless otherwise restricted. Privacy fencing is not permissible for perimeter fencing of the entire tract.

- a. For fences erected on the rear or sides of Tracts in Blocks One (1) and Three (3) only, wire fencing with Cedar Staves shall be permitted so long as the sides do not extend further forward than the rear plane of the primary Residence and are not beside a common road. All Cedar Stave fencing shall have a top rail and a bottom rail with posts spaced not more than twelve (12) feet apart. The bottom rail shall be no more than six (6) inches off the ground. Cedar Stave spacing shall not exceed six (6) inches. Minimum height shall be four (4) feet. Maximum height shall be six (6) feet unless otherwise restricted.
- b. Other types of wire fencing materials such as (but not limited to) barbed wire, stranded wire, welded wire panels (cattle panels), "no-climb" horse wire, "goat wire" or similar fencing materials) may be used behind the rear plane of the primary residence, but only when the wire material is not visible from the common roads in front of and/or beside the Tract.
- c. Rear fencing on Block Two (2) Tracts (Lake Front Tracts - between the rear of the primary Residence and Lake Granbury) shall be restricted to 4'-6' ornamental iron or similar non-privacy fencing. Rear fencing shall extend from the rear plane of the primary Residence to no closer than fifty (50) feet to the rear property line of the Tract (at the 50' offset pins).
- d. Free-stacked stone fences (no setting mortar) are permitted only if existing on the subject tract at the time of conveyance to the original owner. Free-stacked fences shall be neatly stacked and maintained at all times.
- e. Chain link fences are not permitted on any tract for any purpose.
- f. Plastic and/or plastic composite fences are not permitted on any tract.

(i) **Water Wells and Septic Systems.** The location and installation of water wells and septic systems must be approved by the RRC and by the Parker County Health Department prior to commencing construction. All well heads, piping, wiring, filtration systems, pressure tanks, and storage tanks shall be enclosed in an appropriate structure compatible in design with, and constructed with materials of like kind and quality as those used to build the primary Residence. Alternatively, the RRC will consider the approval of other forms of screening so long as the proposed screen effectively obscures visibility of the well equipment from the common road and is not objectionable to adjacent property owners.

(j) **Propane Tanks.** Underground propane tanks are preferred. Above ground propane tanks shall be screened by an appropriate structure compatible in design with, and constructed with materials of like

kind and quality as those used to build the primary Residence. Alternatively, the RRC will consider the approval of other forms of screening so long as the proposed screen effectively obscures visibility of the propane tank from the common road and is not objectionable to adjacent property owners. Additionally, above ground propane tanks on Block two (2) Lake Frontage Tracts must be anchored and/or elevated in compliance with FEMA regulations.

(k) **Electrical.** Electric service is 120/240 Volt single phase. All primary electrical service lines must be installed underground on all Tracts in the Development. No overhead service lines shall be permitted.

(l) **Culverts.** All drainage structures located under driveways or on tracts may be of reinforced concrete pipe (RCP) with pre-cast safety ends (as used on the roads in the Development) or with "safety ends" wrapped with stone and mortar or cement, having a slope of not more than 3:1. The use of Corrugated Metal Pipe (CMP) or similar metal drain piping will be permitted so long as the required "safety ends" are wrapped with stone and mortar or cement and have a slope of not more than 3:1. Driveway culverts installed in the Development's right of ways must not adversely affect drainage.

(m) **Boat Docks and Boat Houses** Boat docks are permitted on all Tracts in Block Two (2). Covered boat docks and/or boat houses will be required to be constructed in a design compatible with, and with materials of like kind and quality as those used to build the primary Residence. The RRC may require lighting on boat docks on any tract. Plans showing the design and specifications together with a plot plan showing the proposed location must be submitted to the RRC for approval prior to commencing construction as required in Sections 5.04 and 5.05.

The 10' side lot building set-back shall apply to boat dock placement on the Tract. Boat docks and Boat Houses on Lake Granbury are authorized and regulated by the Brazos River Authority (BRA) and require annual permitting. When approved by the RRC and properly permitted by the BRA, the construction of a boat dock may precede construction of the primary Residence.

(n) **Lake Front Retaining Walls.** Tracts 17 thru 24, Block Two (2) are permitted to construct a lakefront retaining wall. The wall is to be constructed of natural ("Palo Pinto") stone like that used to construct the retaining walls on Tracts 2 thru 16, Block Two (2). No visible concrete blocks, concrete structure, bagged concrete mix, railroad ties, landscape ties, nor sheet pilings (of any material) will be permitted. Plans showing the design and the specifications must be submitted to the RRC for approval and permitting prior to beginning construction as required in Section 5.04.

6.06 Temporary Buildings and Prefabricated Structures

No temporary building, trailer, garage, or building under construction shall be used, temporarily or permanently, as a Residence on any Tract except as temporary sleeping or living quarters required or desired for security purposes in accordance with plans and specifications approved by the RRC. Prefabricated or factory built structures shall not be permitted within the Property, and such manufactured units shall not be employed as elements in the construction of Structures within the Property.

6.07 Out-Buildings

All Out-Buildings shall be constructed in a design compatible with, and with materials of like kind and quality as those used to build the primary Residence. No Out-Building will be permitted to be placed on easements, or be within the setback area as provided in Section 6.12. No motor home, mobile home, bus, trailer, railroad car, shipping container, storage container, or other movable vehicles or structures of any kind shall be placed on a Tract as a residence, service house, or Out-Building.

6.08 Signs

(a) No signs or advertisement devices whatsoever (including but not limited to commercial and similar signs) shall, without the RRC's prior written approval, be installed or maintained on any Tract or on any portion of a Structure visible from the exterior, except: (1) such signs as may be required by legal proceedings; (2) not more than one "For Sale" sign, such sign having a maximum face area of four square feet; (3) directional signs for vehicular or pedestrian safety as approved by the RRC; (4) any sign required

by any governmental authority; (5) temporary signs (i.e. garage sales, lawn sales, lost pets, etc.) and (6) signs by builders in the Development advertising Tracts or Residences for sale. Block Two (2) (Lake Front Tracts) shall be allowed one additional sign placed so as to be visible from Lake Granbury.

(b) In no event, during approved and permitted construction of any Structure, shall more than one job identification sign be approved and permitted by the RRC.

(c) "For Rent" or "For Lease" signs are limited to one per Tract, such sign having a maximum face area of four square feet. Block Two (2) (Lake Front Tracts) shall be allowed one additional sign placed so as to be visible from Lake Granbury.

(d) A maximum of three (3) temporary signs may be put up no sooner than 24 hours prior to a sale. Sale signs must be removed promptly after a sale has ended.

(e) No sign may be placed on the Common Property or at the Entrance Area to the Development without the written approval of the RRC.

6.09 Satellite Dishes and Antennas.

Satellite dishes may not exceed twenty-four inches (24") in diameter. Whenever possible, satellite dishes are to be mounted on the side or rear of the primary Residence, so as to obscure visibility from the common road. No satellite dishes will be permitted to be mounted in the front yard of any Tract. Antennas or any other aerial devices shall be restricted to the rear of the roof ridge line, gable, or center line of the primary Residence so as to be hidden from sight when viewed from the common road in front of the Tract. No antenna shall exceed fifteen feet in height above the peak of the roof line. No towers shall be permitted. No radio signals, television signals, or other forms of electromagnetic radiation shall originate from any Tract so as to interfere with the reception of television or radio signals on any other Tract.

6.10 Lighting

No lighting or illumination shall be placed upon any Tract or Structure in such a manner as to cause unreasonable or objectionable glare or illumination on any other Tract, Structure, or Common Road.

6.11 Mailboxes

All mail boxes shall comply with all applicable laws and shall be constructed of masonry, stone, brick, brick veneer, or stucco consistent with the design of the primary Residence.

6.12 Setbacks

Block One (1) All Tracts in Block One (1) require a minimum building setback line of 125 feet from the front (road side) property boundary, 20 feet from the side property boundary, and 50 feet from the rear property boundary.

Block Two (2) All Tracts in Block Two (2) (Lake Front Tracts) require a front building set-back of 100 feet from the front property boundary and 10 feet from the side property boundary. To insure harmony and avoid obstructing the views of adjacent residences, rear (lakeside) setbacks will be established based on the average setback of the existing Block Two (2) residences, unless topography dictates minor deviations. The rear property boundary of all Block Two Tracts is determined from the (offset) property pins set fifty (50) feet inland from the lakeside boundary of each Tract. No above ground structure may be placed within seventy-five feet of the lakeside property boundary as determined from the rear pins. (e.g. 50' offset pin plus 25') No above ground structure may be located outside of the "building area" as shown on the filed Plat.

Block Three (3) All Tracts in Block Three (3) require a minimum building setback line of 100 feet from the front (road side) property boundary, 20 feet from the side property boundary, and 50 feet from the rear property boundary.

Block Six (6) and **Block Seven** (7) All Airstrip Tracts require a minimum building setback line of

thirty-five (35) feet from the front (road side) property boundary, fifteen (15) feet from the side property boundary, and forty (40) feet from the rear (airstrip side) boundary. No structure may be located outside of the "building area" as shown on the filed Plat.

No trees, shrubbery, or above ground structures may be placed on any Airstrip Tract closer than one hundred and twenty-five (125) feet to the centerline of the runway. This area is designated as a Wing Easement Area. No Structure shall be erected or placed on any Tract unless its location is consistent with such setbacks, in harmony with the Development and surrounding structures, and approved and permitted by the RRC as required in Section 5.05.

6.13 Tree Removal

No healthy, living tree having a trunk diameter of six (6) inches or greater shall be removed without the prior written consent of the RRC. Tree removal necessitated by the placement of a structure upon a tract shall be considered approved when the RRC allows construction to commence per Section 5.05.

6.14 Variance

The RRC may grant variances from compliance with any of the provisions of Sections 6.01 through 6.13 of this Declaration when, in its opinion and in its sole and absolute discretion, such variance will not impair or detract from the high quality of this Development. All variances must be in written, acknowledged form.

The granting of a variance shall not operate to waive or amend any provision of this Declaration except as to the particular Tract and matter covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification, or amendment of the provisions of this Declaration.

6.15 Maintenance

The Owner of each Tract shall maintain their Tract and improvements in a neat and attractive manner. Such maintenance shall include regular mowing and trimming of the Tract and its related road right of way(s). Lawns shall be maintained to a maximum height of five (5) inches. Acreage used for the production of hay shall be maintained by cutting or grazing so as to present a neat appearance that is not objectionable to other residents. Diseased or dead trees, shrubbery, and fallen limbs shall be removed within a reasonable time. All improvements upon the Property shall be kept in good condition at all times, adequately painted or otherwise maintained. If an Owner fails to comply with this Section, the Association or Declarant shall have all rights provided under Article VIII to correct such default.

6.16 Commercial Vehicles, Recreational Vehicles, Boats, Trailers, and Equipment

No commercial vehicle or commercial truck and/or trailer shall be garaged on any Tract in the Development. Any recreational vehicle, boat, trailer of any type, camper, and truck with camper top, self propelled or towable equipment, lawn mowers, lawn tractors, tractors and machinery of any sort, or any like equipment must be stored in an enclosed structure so as not to be visible from any public road, common road, and/or neighboring Tracts. No such equipment shall be parked on any common road. No recreational vehicle, boat, trailer, or equipment in excess of thirty two (32) feet in length shall be stored in any Structure located on a Tract in Blocks Two (2), Six (6), and Seven (7).

Wrecking and salvage yards and other similar businesses are specifically prohibited on any Tract on the Property. No junk appliances or furniture, junk vehicles, or vehicles in disrepair or neglect shall be stored, repaired, or displayed on any Tract, street, road, or common area in the Development. During the construction of improvements on a Tract, necessary construction vehicles may be parked thereon for and during the time of construction. The Board or the RRC may restrict right-of-way parking on specific streets and roads within the Development at any time and without notice as they may deem necessary.

6.17 Non-Discrimination

No Owner or person authorized to act for an Owner shall refuse to sell or rent, after receiving a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any Tract to any persons because of race, color, religion, sex, age, or national origin. Notwithstanding any provision in this Declaration to the contrary, this covenant shall run with the land and

shall remain in effect without limitation

6.18 Animals

One head of livestock per two acres shall be permitted on Tracts located in Blocks One (1) and Three (3). Block three tracts may have a minimum of two (2) head per Tract. Livestock permitted are equine, bovine, llama, alpaca, and goats. No livestock shall be permitted on Tracts located in Block Two (2) (Lake Front Tracts), on Tracts located in Blocks Six (6) and Seven (7) (Airstrip Tracts), and on Individual Hangar Tracts. No swine or fowl shall be allowed on any Tract on the Property; however, FFA or other similar youth project animals, except swine, shall be permitted on Tracts located in Blocks One and Three only.

No part of the Property or any Tract shall be used for any feed lot or kennel operation, commercial or private. All animals must be restricted and contained within appropriate fencing and housing. No animal shall be permitted to run freely away from its Owner's Tract. Pets must be controlled by a leash or trained to walk with the Owner unleashed. No animal shall be allowed to become a nuisance to other Owners. All Parker County domestic pet and animal regulations shall apply to these animal provisions.

6.19 Trash and Rubbish Removal

No trash, rubbish, garbage, or debris of any kind shall be kept on any Tract. An Owner shall remove such prohibited matter from his Tract at regular intervals at his expense. Prior to removal, all prohibited matter shall be placed in sanitary refuse containers with tight fitting lids in an area adequately screened by plantings or fencing so as not to be visible from neighboring Tracts or from the common roads. If rubbish, garbage, or any other form of waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed at the owner's curbside pick-up area in the evening prior to the day that a pick-up is to be made. Emptied containers should be returned to their screened storage area promptly.

Except for building materials employed during the course of construction approved by the RRC, no commercial lumber, metals, bulk materials, or solid waste of any kind shall be kept, stored, or allowed to accumulate on any Tract unless adequately screened by plantings or fencing so as not to be visible from neighboring Tracts or from the common roads. During construction, reasonable amounts of construction materials and equipment may be stored on a Tract for a period of time not to exceed 30 days.

6.20 Reasonable Enjoyment

No nuisance shall be erected, placed, or allowed to remain upon any Tract in the Development. No Owner of, or resident on, any Tract shall use the Tract so as to endanger the health or to disturb the reasonable enjoyment of any Owner or resident. No excessive, obnoxious, or offensive activity, noise, or conditions shall be carried on or maintained upon any Tract in the Development, nor shall anything be done thereon which may be or become an annoyance or nuisance to others. The Board is authorized to determine what constitutes a violation of this restriction.

6.21 Pools and Spa Equipment

All swimming pools and hot tubs must be appropriately fenced per 6.05(h). Above ground pools are prohibited. Equipment shall be screened by an appropriate structure, fencing, and/or shrubbery so as to obscure visibility from the common road. Cabanas or Pool House Structures must be constructed in a design compatible with, and with materials of like kind and quality as those used to build the primary Residence. RRC approval and permitting is required per section 5.05 prior to commencing construction.

6.22 No Vehicles

No motorized vehicles shall be operated on the Common Property (other than Common Roads) and/or on the Common Road Right-of-Ways designated for walking, jogging, biking, and horseback riding without the written consent of the Board. The operation of maintenance vehicles in these areas is permitted.

6.23 No Mining or Drilling

No oil or natural gas drilling, oil or natural gas refining, sand, gravel, or mineral quarrying or mining

operations shall be permitted on any Tract, nor shall oil wells, natural gas wells, or mineral excavations be permitted on any Tract.

6.24 Development Period

During that time while any property in the Development is being developed or marketed ("Development Period"), Declarant, with the right of assignment, shall have and hereby reserves the right to the reasonable use of the Common Areas and land owned by Declarant within the Development for promotion and marketing of the Development.

6.25 Construction

Except in an emergency, or when other unusual circumstances exist as determined by the Board, outside construction work or noisy interior construction work shall be permitted only after 7:00 A.M. and before 6:00 P.M. Portable (chemical) toilet facilities shall be utilized on all construction sites. Appropriate "roll-off" or "dumpster" type containers shall be employed at all times during construction for the deposit, collection, containment, and removal of construction waste or refuse. Burning of construction waste or refuse is prohibited. All construction sites shall be maintained in a clean and orderly manner at all times. Assuring compliance with this article is the responsibility of the respective Tract owner.

6.26 Burning

No person shall burn rubbish, garbage, or any other form of waste or refuse on any Tract or Common Property Area in the development. Plant trimmings may be burned if such burning is (1) approved by the local government agency required to approve burning; and (2) such burning is properly supervised as required by the local government agency regulating the burn. Excavations for the purpose of burning waste or refuse (burn pits) are prohibited on any Tract or Common Area.

6.27 Hunting, Firearms, & Fireworks

Hunting and/or the discharge of firearms is prohibited on all Tracts and Common Areas in the Development.

The use of fireworks is prohibited on all Tracts and Common Areas in the Development at all times except on the Fourth of July and New Years, subject to regulation by the local government agency.

6.28 Entry

The only ground access allowed to any Tract shall be through the Main Entry, the Common Roads, and approved private drives.

ARTICLE VII - EASEMENTS, ZONING, AND OTHER RESTRICTIONS

7.01 Easements

(a) Declarant reserves to Declarant, his heirs, executors, or administrators forever, the right to create perpetual easements in, on, over, and under any part of the Property owned by Declarant for any purpose Declarant deems necessary and not inconsistent with the common good and welfare of the Members.

(b) An easement is hereby granted to all police, fire protection, ambulance, and other emergency vehicles and other service vehicles and the Association, its officers, agents, employees, and management personnel, to enter the Common Property including, but not limited to, common roads, in the performance of their duties.

(c) An easement for public utilities is hereby granted along ten feet (10') of each exterior lot line. Owners of two or more contiguous Tracts combining the same into one Tract for construction of a single Residence thereon shall not be burdened by a public utility easement along the common Tract lines. A twenty foot (20') utility/slope easement is reserved along and adjoining all rights of way.

7.02 Easement Area

The words "Easement Area" as used herein shall mean those areas on any Tract or any other portion of the Property with respect to which easements are shown on a recorded deed, easement agreement, or on any filed or recorded map or plat relating thereto.

7.03 Entry

The Declarant and his employees, agents, successors, assigns, heirs, executors, and administrators shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved; and shall have the right to enter upon a Tract to make emergency repairs and to do other work reasonably necessary for the proper maintenance of the Property when an Owner fails to maintain his Tract as required herein, or in the event of an emergency, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and the carrying out of such purposes. Neither Declarant nor the Association shall be liable for any damage unless such damage is caused by willful misconduct or gross negligence.

7.04 Zoning and Private Restrictions

None of the covenants, restrictions, or easements created or imposed by the Declaration shall be construed as permitting any action prohibited by any recorded Plat of the Development, zoning laws, or by the laws, rules, or regulations of any governmental body. In the event of any conflict between such laws, rules, or regulations and the covenants, restrictions, and easements created or imposed by the Declaration, the most restrictive provision shall control.

ARTICLE VIII - ENFORCEMENT

8.01 Right of Enforcement

This Declaration and the Restrictions contained herein shall inure to the benefit of and shall be enforceable by (1) the Declarant so long as it is an Owner, (2) the Association, and (3) each Owner, his legal representative, heirs, successors, and assigns. Suits brought for the enforcement of said Restrictions may be filed in the County Court of Parker County, Texas, or in the Justice of the Peace Court in the precinct where the Property is situated.

8.02 Right of Abatement

(a) Except where provided herein, in the event of a violation or breach of any Restriction contained in this Declaration, the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action to be taken. If the Owner fails to take reasonable steps to remedy such violation within 30 days after the mailing of written notice, the Association shall have a Right of Abatement.

(b) The Right of Abatement, as used in this Section and in Section 3.05, 5.08, and 6.15, means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Tract or Structure where a violation, breach, or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such condition without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions.

The Owner of such property at the time such work is performed by the Association shall be personally obligated to reimburse the Association for the cost of such work within 10 days after it is performed by the Association. If such amount is not paid within said period of time, such Owner shall be obligated thereafter to pay interest thereon at the lower of the highest rate permitted by law or 18% per annum, and to pay attorneys' fees and costs incurred by the Association in collecting such obligation. All of the same shall be secured by a lien on such Owner's property enforceable pursuant to Section 8.04.

8.03 Specific Performance

Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the

Association, or any Owner to enforce the Restrictions by appropriate judicial proceedings or to recover damages. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors, or assigns, because of a violation of, or failure to perform any of the obligations provided by this Declaration. Therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce these provisions.

8.04 Collection of Assessments and Enforcement of Lien

(a) If any assessment, interest, cost, or other charge is not paid as required herein, the Association may (1) bring an action by law against the Owner personally obligated to pay the same, (2) bring an action to foreclose any lien created by the Declaration against the Tract or Tracts subject to the lien (which shall include the right, but not the obligation, to file a notice of lien against said Tract in the deed records of Parker County, Texas, or both, for the purpose of collecting such assessment, cost, or charge, plus any interest thereon and costs of collection, including reasonable attorneys' fees.

(b) As an additional remedy, but in no way as a limitation on the remedies, if any Assessment, interest, cost, or other charge is not paid as required by the Declaration, each Owner hereby grants to the Association and its assigns the following irrevocable power of attorney: To sell the said Tract or Tracts subject to the lien at auction, at the usual place for conducting sales at the Court House in Parker County, Texas, to the highest bidder for cash, after providing to the Owner all notices and performing all acts

required by Section 51.002 of the Texas Property Code, all other notice being hereby waived by each Owner, and the Association or any person on behalf of the Association, or assigns, may bid and purchase at such sale and thereupon execute and deliver to the purchaser or purchasers at such sale a conveyance of said property in fee simple, which conveyance shall contain recitals as to the happenings of the default upon which the execution of the power of sale herein granted depends.

Each Owner hereby constitutes and appoints the Association and its assigns, the agent and attorney in fact of each Owner to make such recitals, and hereby covenants and agrees that the recitals so to be made by the Association, or its assigns, shall be binding and conclusive upon the Owner whose property is the subject matter of such sale, and the heirs, executors, administrators and assigns of such Owner, and the Association or assigns shall collect the proceeds of such sale, and after reserving therefrom the entire amount of Assessment, interest, cost, or other charge due, together with all costs and expenses of sale and the amount due for attorneys fees, shall pay any excess to such Owner, or to the heirs or assigns of such Owner as provided by law. The power and agency hereby granted are coupled with an interest and are irrevocable by death, incapacity, or otherwise, and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

(c) **WAIVER.** TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OWNER, BY ACCEPTANCE OF A DEED CONVEYING A LOT SUBJECT TO THIS DECLARATION, WAIVES ANY RIGHT WHICH OWNER MAY HAVE UNDER THE TEXAS CONSTITUTION OR TEXAS LAW (EXCEPT SECTION 51.002 OF THE TEXAS PROPERTY CODE) OR THE LAWS OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS DECLARATION. EACH OWNER WAIVES ALL RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED PURSUANT TO THIS DECLARATION ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING. ALL WAIVERS BY OWNER IN THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY, AND KNOWINGLY, AFTER OWNER HAS BEEN ALLOWED TO CONSULT LEGAL COUNSEL WITH RESPECT TO THE OWNER'S POSSIBLE RIGHTS.

8.05 No Waiver

The failure of Declarant, the Association, or the Owner of any Tract, their or its respective legal representatives, heirs, executors, administrators, successors, and assigns, to enforce any Restrictions herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

ARTICLE IX - DURATION AND AMENDMENT

9.01 Duration

This Declaration and the Restrictions contained herein shall run with and bind the Property for thirty (30) years from and after the date when this Declaration is filed for record in the county records of Parker County, Texas, after which time this Declaration and the Restrictions shall be automatically renewed for successive periods of ten (10) years; provided however, that after the end of said thirty (30) year period and during any ten (10) year renewal period (but only during such renewal period), this Declaration and the Restrictions contained herein may be terminated by an instrument executed by the proper Association officers and recorded in the deed records of Parker County, Texas, or in such other place of recording as may be appropriate at the time of the execution of such instrument, pursuant to a resolution approving such termination which is approved by two-thirds (2/3) of the votes of those Class A Members who are present, in person or by proxy, at a meeting of Members duly held in accordance with the Bylaws.

9.02 Amendments by Declarant

During any period in which Declarant has the Right of Appointment, Declarant may amend this Declaration by an instrument in writing, filed and recorded in the deed records of Parker County, Texas, without the approval of any Member or mortgagee; provided, however, that (1) if such amendment materially changes any Owner's right to the use and enjoyment of such Owner's Tract or of the Common Property as set forth in this Declaration or if such amendment adversely affects the title to any Tract, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Members affected thereby, or (2) if such amendment would materially and adversely affect the lien status, security, and interest of any mortgagee, such amendment shall be valid only upon the written consent thereto of all such mortgagees so affected.

(a) Any amendment made pursuant to this Section 9.02 shall be certified by Declarant as having been duly approved by Declarant, and such Members and mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself.

(b) Each Owner, by acceptance of a deed or other conveyance to a Tract, agrees to be bound by such amendments as are permitted by this Section 9.02 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development (1) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any governmental statute, rule, or regulation, or any judicial determination which shall be in conflict there-with, (2) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Tracts subject to this Declaration, (3) if such amendment is required by an institutional or governmental lender, purchaser, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to, make or purchase mortgage loans on any Tract subject to this Declaration, (4) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Tracts subject to this Declaration, or (5) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration.

9.03 Amendments by Association

Amendments to this Declaration, other than those authorized by Section 9.02, shall be proposed and adopted in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member.

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least two thirds (2/3) of the total votes in the Association provided, however, that any amendment

which materially and adversely affects the lien status, security, and interest of any mortgagee must be approved by such mortgagee.

(c) The agreement of the required percentage of the Owners and, where required, the Declarant and any mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice President or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment.

(d) Notwithstanding any provision in this paragraph 9.03, during such time as Declarant has the Right of Appointment, any amendment pursuant to this paragraph 9.03 must be approved by Declarant.

ARTICLE X - ANNEXATION AND FUTURE DEVELOPMENT

10.01 Annexation

For so long as Declarant has the Right of Appointment, additional real property may be annexed to the Property by the Declarant without the consent of the Class A Members. Such annexation may be accomplished by (1) filing an approved subdivision plat describing the property to be annexed to the Development and by including on such subdivision plat a statement that expressly sets forth the Declarant's intent to make such annexed real property subject to the provisions of the Declaration; or (2) filing an amendment to the Declaration which has been consented to by the owners of the real property to be annexed if such real property is owned by someone other than Declarant; or (3) amending the existing subdivision plat to include the real property to be annexed. Each Owner, by acceptance of a deed to his or her Tract, shall be deemed to have consented to and approved of all such amendments to the Declaration, amendments to any existing subdivision plats, and new subdivision plats placed of record which are to be subject to this Declaration. At the expiration of Declarant's Right of Appointment, no real property may be annexed to the property unless such annexation is approved by a two-thirds (2/3) vote of the Members who are present in person or by proxy and voting at a meeting of Members duly held pursuant to the Association Bylaws.

ARTICLE XI - MISCELLANEOUS

11.01 No Liability

No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reversion.

11.02 Severability

A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

11.03 Headings

Article and Section headings are for convenience only and shall not affect the meaning or interpretation of this Declaration.

11.04 Gender

The masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

11.05 Notices

All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures, or consent of any kind made pursuant to this Declaration, whether made by the Declarant, the

Association, the RRC, the Owner, or any other person, shall be in writing. All such writings shall be sufficient only if (1) deposited in the United States Mail, certified, return receipt requested, with sufficient postage, (2) deposited with an alternative delivery service, such as Federal Express, with appropriate provisions made for delivery, or (3) actually delivered, and sent to the following addresses:

(a) To the Declarant: Driftwood Ranch, LP
P. O. Box 470024
Fort Worth, Texas 76147

With a copy to the General Partner: Sybarite Management, LLC
P.O. Box 470024
Fort Worth, Texas 76147
Attn: Richard Lipscomb, Member

(b) Notice to any Member shall be sufficient if sent to such Member at his or her last known address, whether within or without the Development.

11.06 No Liability

Declarant has, using best efforts and all due diligence, prepared and recorded this Declaration so that each and every Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Owner. If this Declaration is, for any reason whatsoever, unenforceable by an Owner or any other person in a court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability. Each Owner, by acceptance of a deed conveying a Tract, acknowledges that Declarant shall have no such liability.

11.07 Indemnification and Hold Harmless

(a) To the extent allowed by law, the Association shall indemnify every officer and director against any and all expense, including counsel fees reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being, or having been, an officer or director.

The officers and directors shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, gross negligence, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall at its election, as a common expense, maintain adequate general liability and officers and directors liability insurance to fund this obligation.

(b) Each Owner shall be liable to the Association for any damage to the Common Property or to any equipment thereon which may be sustained by reason of the negligence of said Owner, his tenants, employees, agents, customers, guests, or invitees. Each Owner does further, by the acceptance of a deed, agree to indemnify each and every other Owner, and to hold harmless each and every other Owner, from any claim of any person for personal injuries or property damage occurring within or upon his Tract.

ARTICLE XII - MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first mortgages on Residences in the Development. This Article applies to both this Declaration and to the Bylaws, notwithstanding any other

provisions contained therein.

12.01 Notice

An institutional holder, insurer, or guarantor of a first mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, guarantor, and the Residence number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Development or which affects any Residence on which there is a first mortgage held, insured, or guaranteed by such eligible holder;
- (b) Any delinquency in the payment of Assessments or charges owed by an Owner of a Residence subject to the mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days provided; however, notwithstanding this provision, any holder of a first mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Residence of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days; or
- (c) Any proposed action which would require the consent of a specified percentage of eligible mortgages.

12.02 FHLMC

If required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first mortgagees or at least two-thirds (2/3) of the total Members of the Association entitled to vote thereon consent, the Association shall not:

- (a) By act or omission seek to directly or indirectly abandon, partition, subdivide, encumber, sell, or transfer the Common Property which the Association owns, (the granting of easements for utilities or other purposes consistent with the intended use of the Common Property shall not be deemed a transfer within the meaning of this subsection);
- (b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;
- (c) By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Tracts and of the Common Property (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);
- (d) Fail to maintain insurance, as required by this Declaration; or
- (e) Use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

First mortgagees may, jointly or singularly, pay taxes or other charges which are in default and which have become a charge against the Common Property; and pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy. A first mortgagee making such payments shall be entitled to reimbursement from the Association.

12.03 No Priority

No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first mortgage of any Tract in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owner's Tract.

12.04 Amendment by Board

If the Veterans Administration, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation subsequently deletes any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

12.05 Applicability of Article XII

Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Texas law for any of the acts set out in this Article.

12.06 Failure of Mortgagee to Respond

Any mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the mortgagee within 30 days of the date of the Association's request.

ARTICLE XIII - CONDEMNATION

13.01 Condemnation or Governmental Taking

If all or any part of the Common Property are taken by any authority having the power of condemnation or eminent domain, or are conveyed in lieu thereof, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Property to replace that which has been condemned or to take whatever steps it deems reasonably necessary to repair any damage suffered from the condemnation. If all of the funds cannot be used in such manner, any remaining funds may be distributed equitably to the Members.

13.02 Tract Condemnation

(a) If all or any part of a Tract is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and the Owner elects not to restore the remainder of the Tract, then the Owner shall promptly remove any remaining improvements damaged or destroyed by such taking or conveyance and shall leave the Tract in an orderly, safe, and neat condition.

(b) If any part of a Tract is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and the Owner elects to restore the remainder of the Tract, then, subject to the provisions of this Declaration, the Owner shall diligently commence within 60 days after the taking to restore the remainder of the Tract to the same condition it was in prior to such taking or conveyance.

IN WITNESS WHEREOF, Declarant has executed this FIRST REVISION OF THE DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS FOR DRIFTWOOD RANCH ON THE BRAZOS this 2nd day of January, 2006.

DRIFTWOOD RANCH On The Brazos, LP, a Texas Limited Partnership

By: SYBARITE MANAGEMENT, LLC, General Partner

RICHARD LIPSCOMB, Member

THE STATE OF TEXAS
COUNTY OF PARKER

This instrument was acknowledged before me on January 02, 2006 by Richard Lipscomb, Member of SYBARITE MANAGEMENT LLC, General Partner of DRIFTWOOD RANCH On The Brazos, LP, a Texas Limited Partnership, on behalf of such partnership.

Notary Public