

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DOUBLE OTT RANCH

THIS DECLARATION is made on the date executed below by STC Ranch Land, LLC, a Texas limited liability company, hereinafter referred to as the "Declarant".

WITNESSETH:

WHEREAS, the Declarant is the Owner of certain real property in Lampasas County, Texas, (sometimes referred to herein as "County") which is described in Exhibit "A", attached hereto and made a part hereof (the "Property").

WHEREAS, Declarant desires to create an exclusive planned ranch community known as Double OTT Ranch on the Property;

NOW THEREFORE, the Declarant declares that the Property shall be held, sold and conveyed subject to the restrictions, covenants and conditions declared below, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Property in order to maintain within the Property a planned community of high standards. Such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Annual Assessments" will be that amount determined from time to time to be reasonable and necessary to cover the annual budget of recurring maintenance or operational charges of the Association, and will otherwise have the meaning given such term in Article II, Section 5 (a) of this Declaration.

Section 2. "Assessments" will mean all the amounts that may be imposed by the Association upon its members to pay for Association expenses, including the Annual Assessments, Working Capital Assessments, Non-Recurring Maintenance Assessments and Specific Assessments described in Article II, Section 5.

Section 3. "Association" shall mean the DOUBLE OTT ASSOCIATION OF HOMEOWNERS, INC., a Texas not-for-profit Corporation established for the purpose set forth herein or such other similar association name for which Declarant can obtain approval for usage by the Secretary of State of Texas.

Section 4. "Common Areas" shall mean that portion of the Property, if any, conveyed to the Association for the use and benefit of the Owners. Common area shall include any gated entry, gate house, if any, private roads, or other land or improvements owned by the Association, which may be constructed for the use and benefit of the Owners.

Section 5. "Common Maintenance Areas" shall mean the Common Areas, if any, and property dedicated to the Association that require Association maintenance such as (i) right of way, (ii) water line facilities, (iii) electric line or other utility line facilities, (iv) drainage improvements, (v) slope improvements, (vi) entrance monuments, (vii) gated entry, (viii) gate house, if any, (ix) drainage easements, (x) paving (xi) right-of-way landscaping, (xii) improved landscape buffer easements, and (xiii) such other areas as deemed appropriate by the Board of Directors of the Association for the preservation, protection and enhancement of the property values and the general health, safety or welfare of the Owners, lying within dedicated private streets, easements or rights-of-way as shown on the final plat(s) of the Property approved by the County and recorded in the records of Lampasas County.

Section 6. "Declarant" shall mean STC Ranch Land, LLC, as well as its successors and assigns who are designated as such in writing by the Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Section 7. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions and any amendments, annexations and supplements hereto made in accordance with its terms.

Section 8. "Declarant Control Period" shall mean the period during which Declarant maintains Class B membership in the Association as further described in Article II, Section 8 of this Declaration.

Section 9. "Lot" shall mean any plot of land indicated upon any recorded subdivision map of Property or any part thereof creating single-family home sites, with the exception of the Common Areas and areas, if any, deeded to a governmental authority or utility, together with all improvements thereon.

Section 10. "Maintenance Fund" will mean the fund to be established by the Association that will accumulate receipts from the Annual Assessment and such other amounts as the Board may determine from Working Capital or other Assessments received.

Section 11. "Management Certificate" will mean the informational document required to be filed by the Association in accord with the Texas Property Code and described in Article III, (f) hereof.

Section 12. "Mortgage" shall mean any mortgage, deed of trust or similar instrument granted by an Owner and filed of record for the purpose of encumbering real property as security for an obligation with respect to the property.

Section 13. "Mortgagee" shall mean the lawful holder in due course of a Mortgage.

Section 14. "Non-recurring" Assessment will mean an assessment that may be imposed by the Association to pay for maintenance or operational charges that may arise for the Association

that are not annually recurring but one time or limited time occurrences and will otherwise have the meaning given such term in Article II, Section 5 (e) of this Declaration.

Section 15. "Owner" shall mean the record Owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 16. "Property" (sometimes also referred to herein as "Double OTT" or) shall mean the real property described in Exhibit "A" and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section 17. "Resale Certificate" will have the meaning assigned under Article II, Section 6 of this Declaration.

Section 18. "Specific Assessment" will mean an assessment that may be imposed by the Association against particular Owners connected with specific costs to the Association arising as a result of that Owner's acts or omissions or that benefit that Owner's Lot in a disproportionate degree and will otherwise have the meaning given such term in Article II, Section 5 (f) of this Declaration.

Section 19. "Vehicle" will mean any instrument of conveyance or device in, upon or by which a person or property is or may be transported upon a highway on a road or right of way

Section 21. "Working Capital Assessment" will mean an amount charged against a Lot by the Association at the time of the transfer of title of a Lot and will otherwise have the meaning given such term in Article II, Section 5 (d) of this Declaration.

Section 22. "Unit" shall mean any residential dwelling situated upon any Lot.

ARTICLE II

DOUBLE OTT ASSOCIATION OF HOMEOWNERS, INC.

Section 1. Establishment of Association. The formal establishment of the Association will be accomplished by the filing of the Articles of Incorporation of the Association with the Secretary of State for the State of Texas and the subsequent issuance by the Secretary of State of the Certificate of Incorporation of the Homeowner's Association.

Section 2. Adoption of Bylaws. Bylaws for the Association will be established and adopted by the Board of Directors of the Association and filed of record in the Deed Records of Lampasas County, Texas.

Section 3. Membership. The Declarant and every other Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. Every member shall have the right at all reasonable times during business hours to inspect the books of the Association.

Section 4. Funding. Subject to the terms of Section 5, Article II, and the other terms and conditions of Article II of this Declaration, for each Lot owned by Declarant, Declarant hereby covenants to pay, and each Owner of any Lot by accepting a deed of conveyance for the Lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (1) Annual Assessments; (2) the Working Capital Assessments (3) Non-Recurring Assessments; and (4) Specific Assessments as authorized by this Declaration, including without limitation, fines, attorneys' fees or sanctions as well as specific charges relating to damages caused to Common Areas and as a result of a specific Owner's negligence or conduct, such Assessments to be established and collected as hereinafter provided. The Association's rights to impose and collect Assessments will remain effective for the full term (and extended term, if applicable) of this Declaration. The Assessments, together with interest thereon, costs, and reasonable attorney's fees, shall constitute a charge on the land, and there shall be a continuing lien upon the Lot of each Owner for the amount of all such charges. The Assessments together with interest, costs and reasonable attorney's fees shall, except as otherwise expressly provided herein, also be the personal obligation of the person who was the Owner or becomes the Owner of such Lot at the time when the Assessment fell due. Upon transfer of title to a Lot, the grantee shall be jointly and severally liable for any Assessments and other charges against the Lot due either prior to or at the time of conveyance; provided, however, the liability of a grantee for the unpaid Assessments of its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings or deed in lieu of foreclosure.

No Owner may exempt himself from liability for Assessments, by non-use of Common Area, abandonment of his Lot, or for any other reason. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Section 5. Assessments.

(a) Lots Owned by Class A Members and Annual Assessments. Subject to the terms of this Article, each Lot owned by a Class A member is hereby subject to an initial maximum Annual Assessment of \$5.50 per acre size of the Lot, per annum, unless and until such Annual Assessment shall be adjusted by the Association. Class A Members will be responsible for the entire amount of the Annual Assessment. The Association may begin charging Annual Assessments under this Section 5 (a) immediately upon the sale of the first Lot to a Class A Member, and such Annual Assessments will be accumulated in the Maintenance Fund and continue to be charged throughout the term of this Declaration. The rate at which each Lot will be assessed, and whether such Annual Assessment shall be payable monthly, quarterly, semi-annually or annually, will be determined by the Board of Directors of the Association at least thirty (30) days in advance of each affected Annual Assessment period. Notwithstanding, until otherwise determined by the Board of Directors as set forth in the preceding sentence, the Association will collect the prorated amount of Annual Assessments annually on the first of January in each calendar year, except in relation to any amounts that are collected upon the closing of the sale of a Lot as described below. Upon the closing of the sale of a Lot to any party, Association will collect the

prorated amount of uncollected Annual Assessments, if any, from the Closing through the end of the calendar year, together with any amount due for the Working Capital Assessment (defined below), as well as any other unpaid Assessments that remain due and payable against such Lot. The rate at which each Lot will be assessed for Annual Assessments may be adjusted from time to time by the Board of Directors as the needs of the Association may, in the judgment of the Directors, require. The Annual Assessment for each Lot will be a per acre amount based on the size of the Lot as measured in the Plat of the Property recorded in the Deed Records of the County, except as provided in Subsection (b) of this Section 5. The Association shall, upon written demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the Annual Assessment has been paid for the Annual Assessment period as part of the Resale Certificate described below.

(b) Exemptions and Obligations of Declarant. Notwithstanding the foregoing, the Declarant and Declarant's affiliates or any entity under common control with Declarant shall be exempt from any Assessment charged to Owners so long as there is a Class B membership as provided in Section 8 of this Article II. Declarant hereby agrees that for such period of time as there is a Class B membership in effect and Declarant's Lots are exempt from Assessment as provided above, that i) Declarant shall provide initial funding of a reasonable amount as necessary in Declarant's sole discretion, to begin the operation of the Association; and ii) for one year after the sale of the first Lot to a Class A Member (on condition that Declarant still remains a Class B member), pay any amount necessary to make up any deficit in the operating expenses of the Association, in the event that the Maintenance Fund revenues and Working Capital Assessment revenues (if maintained in a separate account) are insufficient to pay the operating expenses of the Association. Declarant shall provide the funds necessary to make up the first calendar year deficit, within thirty (30) days of receipt of a request for payment thereof from the Association, provided that if the deficit is the result of the failure or refusal of an Owner or Owners to pay their Annual Assessments or Working Capital Assessments, the Association shall diligently pursue all available remedies against such defaulting Owners, including foreclosure of the lien for Assessment charges and/or the immediate institution of litigation to recover the unpaid Assessments, and shall reimburse Declarant the amounts, if any, so collected. If the operating expenses of the Association exceed the Annual Assessments and Working Capital Assessments collected after the first calendar year of operation, and so long as during the Declarant Control Period, Declarant will cause such deficit to be funded by one of the following means: i) capital contribution; ii) by loan from Declarant represented by a promissory note; or iii) by causing Association to borrow the funds from a lending institution. The Board will specifically have the authority to determine, at its sole discretion, whether to maintain separate bank accounts in connection with reserves, capital improvement projects or other non-recurring expense items or maintaining one bank account but separately account for capital improvement projects or other non-recurring expense matters that do not constitute Maintenance Fund expenses.

(c) Purpose of Maintenance Fund. As described in Section 5(a), the Association shall establish a Maintenance Fund. The Association shall use the proceeds of such fund in providing for normal, recurring maintenance or operational charges for the

Common Maintenance Areas for the use and benefit of all members of the Association, as provided in Article III, hereof. In determination of the manner of use of the Maintenance Fund, the judgment of the Board of Directors in the expenditure of said funds and the determination of what constitutes normal, recurring maintenance, including reasonable reserves, shall be final and conclusive so long as such judgment is exercised in good faith, exclusive of utilizing the Maintenance Fund to install new capital improvements which is generally prohibited from the Maintenance Fund except in the event of a surplus as more fully described below. Notwithstanding, in the event the Board of Directors determines that there is a surplus of funds in the Maintenance Fund, upon an affirmative vote of the Members in a duly called meeting, surplus Maintenance Funds may be utilized for capital improvements.

(d) Working Capital Assessment for Maintenance Fund, Nonrecurring Maintenance and Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy working capital Assessments (the "Working Capital Assessment") as follows:

The Working Capital Assessment will be that amount collected at the time of each sale transaction resulting in the conveyance of title to a Lot and may be utilized toward the Maintenance Fund, nonrecurring maintenance or capital improvements. The Working Capital Assessment will apply as follows: i) Upon the sale of each Lot by Declarant or any Owner, the amount of one year's Annual Assessment pertaining to the applicable Lot will be assessed as the Working Capital Assessment. The Working Capital Assessment is nonrefundable, and shall be due and payable upon closing of the sale and conveyance of such Lot by the applicable party. The Working Capital Assessment shall be available for all necessary expenditures of the Association. All Working Capital Assessments imposed on a sale will be the responsibility of purchaser and imposed as a lien against the Lot in the event of failure to pay at Closing.

(e) Non-Recurring Assessment. In any Assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any nonrecurring maintenance, or the acquisition, construction, reconstruction, repair, or replacement of a capital improvement upon any Common Maintenance Area, including fixtures and personal property related thereto may be assessed (a "Non-Recurring Assessment"). Such Non-Recurring Assessment may be assessed upon thirty (30) days written notice to the Owners after the affirmative vote of the Board of Directors at any regular or special Board of Directors meeting. The Association shall not commingle the proceeds of such Non-Recurring Assessment with the Maintenance Fund. Non-Recurring Assessment proceeds shall be used solely and exclusively to fund the nonrecurring maintenance or improvements in question.

(f) Specific Assessments. In addition to the Assessments provided above, the Association, through its Board of Directors, is authorized to levy specific Assessments (a "Specific Assessment") against a particular Lot or Lots or Owner or Owners, without

imposing such levy against all Owners of Lots within the Association, under the following circumstances:

(i) In the event special benefits are provided for an Owner or Lot as requested by one or more Owners of Lots, the Board may charge a Specific Assessment. These costs may include overhead, administrative costs or other expenses associated with providing the benefit conferred. Specific Assessments under this circumstance may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred in the future;

(ii) In the event the Association acts to cause a Lot to be brought into compliance with the provisions of this Declaration, the Bylaws or rules of the Association, and in the event of damage caused to Common Areas as a result of a specific Owner or Owners' direct or indirect conduct, a Specific Assessment may be charged with respect to such Lot. In the event of a Specific Assessment under these circumstances, the Board shall give the Owner ten (10) days prior written notice and an opportunity for a hearing according to the Bylaws before levying a Specific Assessment under this subsection; and

(iii) For sanctions or fines levied pursuant to this Declaration and the Bylaws.

Action or inaction of the Board of Directors in exercising or failing to exercise its authority to charge a particular Specific Assessment shall not constitute a waiver or release of the Board's continuing authority to subsequently impose a Specific Assessment at any other time or for any reason.

Section 6. Remedies of the Association for Nonpayment of Assessments and Requirements at Law. Any Assessment not paid within ten (10) days after the due date shall bear interest from the due date at the highest non-usurious rate of interest allowed by Texas law or 18% per annum, whichever is less. The Association shall have the authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by duly adopted resolutions and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien retained herein against the property. All cost incurred in such action, including, without limitation, attorney's fees, court costs and interest, shall be added to the amount of the Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Maintenance Area or abandonment of his property.

To secure the payment of the Assessments established in this Declaration and to be levied on individual Lots as provided above, together with all late charges accrued thereon, attorney's fees and all other costs of any kind associated with foreclosure, there is hereby reserved a lien for the benefit of the Association, said lien to be enforceable through appropriate proceedings at law or in equity by such beneficiary. Subject to the requirements specified herein and under the applicable laws of the State of Texas, the lien may be foreclosed through judicial or non-judicial foreclosure proceedings in accordance with Tex. Prop. Code Ann. Section 51.002 et seq. (Vernon

2007) and subject to Tex. Prop. Code Ann. Section 209.010 and 209.011 et seq. (Vernon 2009), as it may be amended from time to time (the "Foreclosure Statute"), in like manner for any deed of trust on real property. In connection with the lien created herein, each Owner of a Lot hereby grants to the Association, whether or not it is so expressed in the deed or other conveyance to such Owner, a power of sale to be exercised in accordance with the Foreclosure Statute.

The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage or convey the same. The Association may sue for unpaid Assessments and other charges without foreclosing or waiving the lien securing the same.

Notwithstanding anything contained herein to the contrary regarding collection of Annual Assessments, the Board must establish reasonable guidelines whereby any Owner delinquent in the payment of Annual Assessments may enter into a payment plan with the Association to repay delinquent Annual Assessments. Such plan must be reasonable in compliance with Tex. Prop. Code Ann. Section 209.0062, et seq. (Vernon's 2011), that currently provides such plan as being reasonable if requiring payment no less than 3 months but no more than 18 months, without penalty (excluding reasonable costs associated with administering the payment plan or interest), with the acknowledgement that the requirements hereof will be deemed amended in the event of any applicable amendment to the Texas Property Code. The Association, so long as in accord with Section 209.0062 cited above, is not required to enter into any payment plan with any Owner who failed to honor the terms of a previous payment plan during the two years following the Owner's default under the previous payment plan.

In compliance with the Texas Property Code and with the acknowledgement that the requirements hereof will be deemed amended in the event of any applicable amendment to the Texas Property Code, the Association will provide "Notice of Membership in a Property Owners' Association" to comply with any requirement to place the public on notice of the condition of joining the Association to ownership of a Lot within the Property, including without limitation making such Declaration available on the Association's website, if any.

Also in compliance with the Texas Property Code Section 207.001, et seq. (Vernon's 2011) and with the acknowledgement that the requirements hereof will be deemed amended in the event of any applicable amendment to the Texas Property Code, Association will make available the Declaration and the Association constituent documents and a "Resale Certificate" within ten days of receiving a request for same from an Owner or an Owner's agent. The Resale Certificate, as required under the Code, must be prepared not earlier than the 60th day before the date the certificate is delivered. For a request from a purchaser in the Property or the purchaser's agent, the Association may require the purchaser or purchaser's agent to provide to the Association, before the Association begins the process of preparing or delivers the items listed above, reasonable evidence that the purchaser has a contractual or other right to acquire property in the subdivision. The Resale Certificate will include such information as may be required from time to time under Section 207.003, et seq., supra. The Association may require payment of a reasonable charge before beginning the process of providing a Resale Certificate but may not process a payment for a Resale Certificate until the certificate is available for delivery. The

Association may not charge a fee if the certificate is not provided within ten (10) days of the request for same.

The authority granted under this Declaration for foreclosure will be deemed to satisfy the grant of a right to foreclose under Texas Property Code Ann. Section 209.0093 (Vernon 2012) in connection with the Lots and unpaid amounts that may become due to the Association.

Section 7. Subordinated Lien to Secure Payment. Notwithstanding the lien rights referenced in Section 6 above, each such lien in favor of the Association to secure payment of Assessments shall be specifically made secondary, subordinate, and inferior to all liens, present and future, given, granted, and created by or at the insistence and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot; and further provided that as a condition precedent to any proceeding or procedure to enforce such lien upon any Lot upon which there is an outstanding, valid, and subsisting first mortgage, Association shall provide sixty (60) days written notice of such proposed action, such a notice, which shall be sent to the nearest office of the lienholder by prepaid U.S. registered mail, to contain the statement of the delinquent Assessment upon which the proposed action is based. Upon the request of such first mortgage lienholder, beneficiary shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular property covered by such first mortgage lien to the holder thereof. Sale or transfer of a Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure shall extinguish the lien of such Assessment as to payments which became due prior to such sale or transfer. No sale, foreclosure, or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof. The Association shall have the right to file notices of liens in favor of such Association in the official records of Lampasas County, Texas.

Section 8. Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A Members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B. The Class B Member shall be the Declarant who shall be entitled to ten (10) votes for each unoccupied Lot owned by it. The Class B membership shall cease and be converted to Class A membership at the earlier to occur of (i) fifteen (15) years from the date of execution of this Declaration; or (ii) one hundred twenty (120) days after the conveyance of the Lot which causes the total votes outstanding in the Class B membership to be less than twenty-six percent (26%) of all votes. Notwithstanding anything contained in this Declaration to the contrary, Declarant will have the perpetual right to voluntarily convert its membership from Class B membership to Class A membership, prior to the automatic conversion provided in the preceding sentence, at Declarant's sole discretion. Class B membership may also be reinstated (at the sole option

of Declarant) at any time that Declarant's Class B status would again constitute 26% or more of all votes if additional Lots owned by Declarant are annexed to this Declaration.

(c) Suspension. All voting rights of an Owner, exclusive of Declarant, shall be suspended during any period in which such Owner is delinquent in the payment of any Assessment duly established pursuant to this Article or is otherwise in default hereunder or under the Bylaws or Rules and Regulations of the Association and such suspension shall apply to the proxy authority of the Voting Representative, if any.

(d) Class A Members' Right to Appoint Board Members. Notwithstanding anything contained in this Declaration to the contrary, regardless of the duration of Class B membership, at least one-third of the Board of Directors must be elected by Owners other than Declarant not later than the 10th anniversary of the date the Declaration was recorded (so long as the number of Lots that may be created and made subject to the Declaration remains undetermined). If the number of Lots that may be created and made subject to the Declaration becomes specified in the Declaration, then one-third of the Board of Directors must be elected by Owners other than Declarant no later than the 120th day after the date that 75 percent of the Lots subject to the Declaration (including without limitation annexed lots after the date of this Declaration) are conveyed to Owners other than Declarant.

Section 9. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized herein shall be sent to all members, or delivered to their residences, not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At any such meeting called in the presence of members or of proxies of then qualified Voting Representatives entitled to cast in excess of twenty-five percent (25%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be two-thirds (2/3) of the quorum requirement for such immediately preceding the meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (the quorum requirement being reduced for each such meeting). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 10. Purpose of Assessments. The Assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and occupants of Lots, including the maintenance and insurance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

ARTICLE III GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 1. Purpose of Maintenance Fund. The Board, for the benefit of the Owners, shall provide and shall pay out of the Maintenance Fund provided in Article II above, the following:

(a) Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any;

(b) Care and preservation of the Common Maintenance Area that may include, by way of clarification and not limitation, any and all of the following: i) normal, recurring maintenance of the Common Maintenance Areas (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking, and otherwise caring for existing landscaping as well as installation of screening or expenses necessary to preserve and/or enhance Common Area improvements); ii) maintaining the improvements to such Common Maintenance Areas, such as private streets or roadways, sprinkler systems, water lines, electric lines, utilities, drainage improvements, rights of way, landscaping, and any other improvements dedicated to the Association; iii) oversight of vacant Lots; and iv) doing any other thing or things necessary or desirable in the opinion of the Board of Directors of the Association to keep the Property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property;

(c) The services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board (provided that any contract for management of the Association shall be terminable by the Association, with no penalty upon ninety (90) days prior written notice to the managing party) and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager;

(d) Legal and accounting services and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions, and conditions affecting the property to which the Maintenance Fund applies;

(e) Expenses in connection with retaining policemen, security guards, gatehouse guards, and/or watchmen, if any;

(f) A policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors; and

(i) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, costs, expenses, taxes or assessment (including taxes or Assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or Bylaws or which in its opinion shall be necessary or proper for the enforcement of this Declaration.

Section 2. Powers and Duties of Board. The Board, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the Bylaws of the Association:

- (a) To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners;
- (b) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board sees fit;
- (c) To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association;
- (d) To protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements;
- (e) To make reasonable rules and regulations for the operation of the Common Areas and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument in writing signed by Owners constituting a majority of the votes of the Association;
- (f) To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners upon written request, at reasonable times and intervals in accord with Tex. Prop. Code Ann. Section 209.005 (2012), exclusive of the attorney's files and records relating to the Association or other information excluded from such production in accord with Section 209.005. The Board will further adopt a records production policy in compliance with 209.005 that prescribes the costs of production of said information, and shall further adopt a document retention policy that includes all documents and the time for retention specified under 209.005.
- (g) To adjust the amount, collect and use any insurance proceeds to repair damaged property or replace lost property, and if proceeds are insufficient to repair damaged property or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency;
- (h) To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules; and
- (i) To collect all Assessments and enforce all penalties for non-payment including the filing and foreclosure of liens and institution of all other legal proceedings, so long as in compliance with the laws of the State of Texas.
- (j) To comply with the requirement of Tex. Prop. Code Ann. Section 209.004, and any amendments thereto to record in the County where the Property is located a "Management Certificate" signed and acknowledged by an officer or the managing agent of the Association, stating the names of the subdivision, Association, recording data of the Property and Declaration; mailing address of the Association, name and mailing address

of the management company for the Association; and other information deemed appropriate. The Board will keep such information current in the event of any change in the underlying information contained in the Management Certificate by amending said Certificate within 30 days of receiving notice of such change.

Section 3. Enforcement. The Association may impose sanctions for violation(s) of this Declaration, the Bylaws or rules, in accordance with procedures set forth in the Bylaws and as allowed at law and in particular in accordance with the Tex. Prop. Code under the "Texas Residential Property Owner's Protection Act", including without limitation, by means of setting and imposing monetary fines and suspending an Owner's right to vote and/or use recreational facilities, if any, within the Common Area. In addition, consistent with the Powers and Duties of the Board specified in the Bylaws, the Association may exercise self-help to cure violations (including, without limitation, the towing of vehicles and the removal of personal property), and may suspend any services it provides to the Lot of any Owner who is more than thirty (30) days delinquent in paying any Assessment or other charge due to the Association. Failure to comply with this Declaration, the Bylaws or the rules and regulations shall also be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board on behalf of the Association, or, in a proper case, by an aggrieved Owner. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Board Powers Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the Maintenance Fund and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

Section 5. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

Section 6. Insurance. The Association shall obtain and maintain at all times, as a Maintenance Fund expense, such insurance as the Board of Directors may deem appropriate, including without limitation, i) errors and omissions insurance covering the board of directors and officers of the Association together with such other persons and in such amounts of coverage as the Board may deem reasonable and necessary; ii) a casualty insurance policy or policies affording fire and extended coverage in an amount that at least equals the full replacement value of all structures within the Common Maintenance Area of the Association; and iii) a liability insurance policy or policies in amounts not less than Five Hundred Thousand (\$500,000.00) Dollars for injury, including death, to a single person, One Million (\$1,000,000.00) Dollars for injury or injuries, including death, arising out of a single occurrence, and One Hundred Thousand (\$100,000.00) Dollars property damage; such casualty and liability policies to cover the Association, the Board of Directors, officers, and all agents and employees of the Association, and all Unit Owners and other persons entitled to occupy any Unit or other portion of the Association Property. The Declarant shall also be a named beneficiary of any such policy.

ARTICLE IV
TITLE TO AND USAGE OF COMMON AREAS

Section 1. Association to Hold. The Association shall assume all maintenance obligations with respect to any Common Maintenance Areas which may be hereafter established. Nothing contained herein shall create an obligation on the part of Declarant to establish any Common Area.

Section 2. Condemnation. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas to replace that which has been condemned or to take whatever steps that it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. In the event that the Board of Directors of the Association determines that the funds cannot be used in such a manner due to lack of available land for additional Common Areas or for whatever reason, any remaining funds may be utilized by the Association for the general Maintenance Fund.

Section 3. Private Gated Entrance. At Declarant's sole and absolute discretion and without obligation to do so, Declarant may install the entry roadway as a private, gated community entrance road, subject to the laws, rules, and regulations of Lampasas County. In the event the entry to the Property is developed as a private gated entry then the following rules will apply:

- (a) If any roadway contained within the Property is dedicated to the Association rather than the County, then such roadway will be a private roadway owned by the Association ("Private Roadway") and may not be conveyed to the County (except in the event of Court order) or otherwise without the approval of seventy-five percent (75%) of the Owners.
- (b) For Private Roadways within Double OTT, maintenance of the paving of such roadways will be the responsibility of the Association according to the requirements of the County related to roadway maintenance applicable to private communities.
- (c) To the extent the County requires indemnification to retain Private Roadways, the Association shall expressly indemnify and hold County harmless from any cost of maintenance and reconstructions of, or tort liability or award of damages related to or stemming from, the Private Roadways and/or related drainage systems that remain privately held by the Association.
- (d) Upon any uncured violation by the Association of these Articles, at its option and after due notice of its declaration of a default and the stated time to cure, County may remove the entry gates to the Property and, upon dedication of the rights-of-way, assume responsibility for maintenance using available Association revenues or, if none or an insufficient amount exist, use other financing methods as the County may elect.

ARTICLE V
RIGHTS AND RESTRICTIONS AFFECTING OWNERSHIP

Section 1. Association Existence, Lot Boundaries, and Common Areas. Regardless of any other provision in this Declaration to the contrary, unless Declarant and at least two-thirds (2/3) of the first Mortgagees (parties holding a purchase money security interest pledged by an Owner against a Lot and improvements thereon) or at least two-thirds (2/3) Owners other than Declarant shall have given their prior written approval, neither the Association or any Unit Owner shall:

- (a) by act or omission seek to abandon or terminate the Association;
- (b) except as provided herein and in the Act for condemnation, substantial damage and destruction, and expansion of the Association, change the percentage interest in the Common Areas, or obligations for common expenses or votes in the Association of any unit;
- (c) by act or omission, withdraw the submission of the subjected property, except as provided by the Association Instruments, or abandon, subdivide, partition, encumber, sell, or transfer the Common Areas (the granting of easements for public utilities or for similar purposes, including cable television in the community, consistent with the intended use of the Common Areas by the Association or the Declarant shall not be deemed a transfer); or
- (e) use hazard insurance proceeds for losses to any portion of the Property for other than repair, replacement, or reconstruction of such property, except as provided by statute for substantial loss to the Units, Lots and/or Common Areas.

The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from first Mortgagees or Unit Owners when a larger percentage vote is otherwise required by the Act or the Association Instruments for any of the actions contained in this subparagraph.

Section 2. Liability for Unpaid Dues. Any person, institution or entity who obtains title to a Lot pursuant to the remedies provided in a Mortgage is not liable for such Lot's unpaid dues or charges that accrue prior to the acquisition of title to such unit by such person, but such person shall be responsible for all charges that occur subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

Section 3. Mortgage Holder's Rights. A Mortgagee shall have certain rights, with regard to the Association and the Association shall cooperate regarding such rights as follows:

- (a) Any holder of a first Mortgage shall be entitled, upon written request, to receive within a reasonable time after request, an unaudited financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting.

(b) Regardless of anything to the contrary contained in these documents, the provisions of this Declaration governing sales and leases shall not apply to impair the right of any first Mortgagee to:

- (i) foreclose or take title to a unit pursuant to remedies contained in any Mortgage;
- (ii) take a deed or assignment in lieu of foreclosure; or
- (iii) sell, lease, or otherwise dispose of a unit acquired by the Mortgagee.

Section 4. Owner's Responsibility. Except as provided with respect to Common Area Maintenance by the Association, all maintenance of a Lot and unit and all structures, landscaping and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot to the minimum standards provided in this Declaration.

ARTICLE VI EASEMENTS

Section 1. Utility Easements. As long as Class B membership shall be in effect, the Declarant hereby reserves the right to grant perpetual, non-exclusive easements for the benefit of the Declarant or its designees, upon, across, over, through and under any portion of the Common Area or any portion of any Lot outside of the permitted building area of such Lot, for ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including without limitation, gas, electric, water and sewer, if any. Declarant, for itself and its designees, reserves the right to retain title to any such easements. Upon cessation of Class B membership, the Association shall have the right to grant the easements described herein. Further, one or more electrical providers or their assigns (collectively referred to herein as the "Provider") is intended to provide electrical service to the Lots. Accordingly, for so long as the Provider provides electric service to the Lots, the Provider is hereby granted a nonexclusive easement upon all electric easements ultimately identified on an Identification Plat for Electric Utilities (the "Electrical Plat"), to be approved by the County, to install, replace, repair, maintain, use and operate lines and service systems to provide primary and secondary electric service.

Section 2. Declarant's Easement of Correct Drainage. As long as Class B membership shall be in effect, Declarant hereby reserves a blanket easement on, over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety, and appearance and shall be entitled to remove trees or vegetation, without liability for replacement or damage, as may be necessary to provide adequate drainage for any portion of the Property. Notwithstanding the foregoing, nothing herein shall be interpreted to impose any duty upon Declarant to correct or maintain any drainage facilities within the Property.

Section 3. Easement for Unintentional Encroachment. The Declarant hereby reserves an exclusive easement for the unintentional encroachment by any Common Area improvement caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment as an easement appurtenant to the encroaching property to the extent of such encroachment.

Section 4. Entry Easement. In the event that the Owner fails to maintain the Lot as required herein, or in the event of emergency repairs and to do the work reasonably necessary for the proper maintenance and operation of the Property, the Declarant and Association reserves an easement of entry upon the Lot and any such entry thereon shall not be deemed a trespass, and the Association or Declarant shall not be liable for any damage so created unless such damage is caused by the Declarant's or Association's willful misconduct or gross negligence.

Section 5. Lampasas County Restrictions and Maintenance.

(i) Blocking the flow of water or construction of improvements in drainage easements, and filling or obstruction of the floodway is prohibited.

(ii) The existing creeks or drainage channels traversing along or across the subdivision will remain as open channels and will be maintained by the individual owners of the lot or lots that are traversed by or adjacent to the drainage courses along or across said lots.

(iii) Lampasas County will not be responsible for the maintenance and operation of said drainage ways or for the control of erosion.

(iv) Lampasas County will not be responsible for any damage, personal injury or loss of life or property occasioned by flooding or flooding conditions.

(v) **Lampasas County shall not be responsible for maintenance of private streets, drives, emergency access easements, recreation areas and open spaces; and the owners shall be responsible for the maintenance of private streets, drives, emergency access easements, recreation areas and open spaces, and said owners agree to indemnify and save harmless Lampasas County, from all claims, damages and losses arising out of or resulting from performance of the obligations of said owners set forth in this paragraph.**

ARTICLE VII USE AND OCCUPANCY

All Lots and dwellings shall be used and occupied for single-family residence purposes. No Lot or dwelling may be used for commercial, institutional or other non-residential purpose if such use involves the attendance or entry of non-residents or their guests upon the Lot or otherwise diminishes the residential character of the Lot or development.

ARTICLE VIII PROPERTY RIGHTS

Section 1. Owners' Easement of Enjoyment. Every Owner shall have a right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions executed within the allowances of the Texas Residential Protection Act:

(a) The right of the Association to establish and publish rules and regulations governing the use of the Common areas affecting the welfare of Association members and their guests, including without limitation the right to establish and control the scheduling of usage of parks and other amenities promulgate rules that may require waivers and/or insurance for guest usage and may require restricted key pad access codes;

(b) The right of the Association to suspend the right of use of the Common Areas and the voting rights of an Owner for any period during which any Assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association, subject to the provisions hereof, to dedicate or transfer all or any part of the Common Areas, if any, to any public agency, authority or utility for such purposes and subject to the conditions as may be agreed by the Association. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded agreeing to such dedication or transfer;

(d) All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of and be binding upon the Owners, and all of their grantees, and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

Section 2. Effect of Declaration. Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 3. Damage and Destruction – Insured by Association.

(a) General. Immediately after damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring

the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Repair and Reconstruction. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, Class "A" Members representing at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and the Class "B" Member, if any, otherwise agree.

If the damage or destruction for which insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to cover the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a Specific or other applicable Assessment against each Lot and the Owner thereof for the deficiency pursuant to Article II, Section 5 (f) (ii) hereof.

In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the property shall be restored to its natural state and maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

Section 4. Damage and Destruction – Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy-five (75) days after such damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris therefrom within seventy-five (75) days after such damage or destruction.

ARTICLE IX CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Notwithstanding anything contained in this Article to the contrary, the following will also remain subject in all respects to the requirements for submission to the Architectural Control Committee:

Section 1. Residential Use. All Lots shall be used for single-family residential purposes only.

Section 2. Restrictions on Subdivision and Roadways. None of the Lots shall be subdivided into Lots smaller than 15 acres and only on condition that Owner obtains County approval. No road or right of way will be constructed on any Lot that allows access to a Lot through a perimeter boundary, unless approved in writing by the Association and County.

Section 3. Construction Activity. After commencement of construction of a Unit, construction must be completed no later than twelve (12) months from the completion of the slab or other form of foundation, subject to force majeure. Any Unit must be constructed in compliance with applicable building, windstorm and/or flood codes.

Section 4. Relocated Structures. Except for storage sheds, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon. Specifically, without limitation, no mobile homes may be installed or placed on any Lot. Notwithstanding, "Barndominiums" (typically a steel building, that has room for both living quarters and a shop or garage area) are permitted on condition that they be of a ranch or farm house style with wood style siding.

Section 5. Boats, Aircraft, and Recreational Vehicles. No boat, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for occupancy or storage on the Property unless completely concealed from public view. No such vehicle shall be used as an office or residence temporarily or permanently, except as otherwise provided below. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a residence in the immediate vicinity. "Storage" of any vehicle or equipment described in the first sentence of this Section, shall mean that the vehicle or equipment remains in any area not allowed for storage in excess of 14 days. Notwithstanding the foregoing, prior to construction of a Unit on the Lot, Owner may store a travel trailer or recreational vehicle on the Lot for purposes of temporary occupancy but not as a permanent residence.

Section 6. Parking and Vehicle Restriction. All Vehicles shall be parked, stored or placed so as not to be visible from an adjoining Lot, except for temporary parking in the driveway constructed on a Lot. No parking shall be permitted in Common Areas. No inoperative or unlicensed Vehicle may be parked or stored, other than in an enclosed garage, within the Property. All work on Vehicles (other than emergency repairs or routine maintenance) shall be performed only in an enclosed garage. The foregoing provisions shall not restrict the parking of trucks and other Vehicles as necessary in connection with construction of Residences or other Structures on Lots.

Section 7. Drilling. No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted in the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. Neither derrick nor other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted within the Property.

Section 8. Animals and Livestock. Animals and livestock, including without limitation, cows, horses, sheep and goats, are permitted to be raised, bred or kept on a Lot except for hogs or pigs which are **not** permitted to be kept on any Lot in the Property, except pigs being raised by school-aged children for 4H or FFA projects are permitted for the duration of the 4H or FFA project. Livestock must be fenced so as to restrict their travel from one Lot to another. No overgrazing is permitted on any portion of the Lot. All animals should be properly marked or tagged for identification.

Section 9. Trash. No Lot or other area in the Property shall be used as a dumping ground for rubbish, including without limitation, abandoned cars or scrap. Trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay.

Section 10. Air-Conditioning Equipment and Trash Receptacles. All air-conditioning apparatus and trash receptacles must be screened by evergreen landscaping or appropriate fencing material so as not to be visible from any adjacent Lot.

Section 11. Business Use. Except as otherwise permitted in Section 9 of this Article, i) no Lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind; ii) no activity, whether for profit or not, shall be conducted which is not related to single-family residential purposes; and iii) no noxious or offensive activity shall be undertaken within the Property, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet inoffensive activities so long as such activities do not materially increase the traffic or interfere with other Owners' use and enjoyment of their Lots.

Section 12. Side Line and Front Line Setback Restrictions. No dwelling or other structure shall be located on any Lot nearer to the front Lot line or nearer to the side Lot line than fifty feet (50').

Section 13. Fences and Walls. Fences may be erected on a Lot, at Owner's discretion, but shall not be required. No fence, wall or hedge shall be erected or maintained on any Lot nearer to the street than is permitted by applicable County ordinance or regulation. All fences and walls shall be properly maintained in good condition by the Owner of the Lot upon which the fence or wall sits unless the maintenance thereof is specifically assumed by Declarant or the Association by written notice to Owner.

Section 14. Signs. No signs for advertising or billboards of any kind shall be displayed to the public view on any Lot, other than one professionally made "for sale" sign.

Section 15. No Shooting Range. There is no restriction to the recreational use of firearms on any Lot, except that all usage of such firearms must be undertaken in compliance with all applicable federal or state laws and in accord with recommended guidelines for safety promulgated by the National Rifle Association or other similar organization. Notwithstanding, no Owner may construct a professional shooting range or course or charge for the use of a shooting range or course on its Lot. The determination of whether the use of firearms or construction of a shooting range or course violates this restriction will fall within the determination to be made at the sole and absolute discretion of Declarant or the Association.

ARTICLE X GENERAL

Section 1. Establishing Association and Release of Declarant. For so long as Declarant shall own any of the Lots contained within the Property as it currently exists and continuing until such date as Declarant no longer owns any Lot contained within the Property (or such Property as may be annexed pursuant to these Declarations), Declarant shall have the sole and exclusive right to establish the Homeowner's Association contemplated by these Declarations. UPON ESTABLISHING THE HOMEOWNER'S ASSOCIATION MADE REFERENCE TO HEREIN, AND TRANSFERRING BY DEED OR DEDICATION THE COMMON AREA, TO ASSOCIATION AND/OR TO THE COUNTY, EXCEPT FOR CONTINUING OBLIGATIONS OF DECLARANT EXPRESSLY PROVIDED IN THIS DECLARATION, DECLARANT IS

HEREBY RELEASED AND FOREVER DISCHARGED, AND EACH OWNER BY ACCEPTING A DEED OF CONVEYANCE UPON ANY LOT HEREBY AGREES THAT DECLARANT IS HEREBY RELEASED AND FOREVER DISCHARGED OF AND FROM ANY AND ALL OBLIGATIONS RELATING TO THE PROPERTY AND/OR THE DEVELOPMENT, SALE, OR USAGE THEREOF, INCLUDING WITHOUT LIMITATION, DEFECTS IN MATERIALS OR WORKMANSHIP, EXPRESS OR IMPLIED WARRANTIES, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, REPRESENTATIONS OR OTHERWISE, INCLUDING ANY CLAIMS RELATED IN ANY WAY TO THE SOLE, CONTRIBUTORY, OR SHARED NEGLIGENCE OF DECLARANT. ANY OWNER ACCEPTING TITLE TO ANY LOT HEREBY REPRESENTS THAT OWNER HAS NOT RELIED ON ANY REPRESENTATIONS BY DECLARANT IN PURCHASING THE LOT (S) AND HAS UNDERTAKEN AND RELIED SOLELY UPON OWNER'S OWN INVESTIGATION OF THE LOT BEING PURCHASED AND THE CONDITION OF THE PROPERTY. IN ADDITION, UPON ESTABLISHING THE ASSOCIATION AND TRANSFERRING THE COMMON AREA THERETO, DECLARANT SHALL BE RELIEVED OF ALL OBLIGATIONS WITH RESPECT TO THE PROPERTY (EXCEPT THOSE OBLIGATIONS SPECIFICALLY APPLICABLE TO CLASS B MEMBERSHIPS AND THEN ONLY TO THE EXTENT DECLARANT IS A CLASS B MEMBER AND ONLY TO THE EXTENT SUCH OBLIGATIONS ARE IMPOSED UPON DECLARANT BY THESE DECLARATIONS) AND SUCH OBLIGATIONS SHALL, FROM THE FORMATION OF SUCH HOMEOWNER'S ASSOCIATION FORWARD, BECOME THE OBLIGATIONS OF THE HOMEOWNER'S ASSOCIATION.

Section 2. Remedies. In the event of any default by any Owner under the provisions of the Declaration, Bylaws or rules and regulations of the Association, the Association and any Owner shall have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws and said rules and regulations, and those which may be available at law or in equity, and may prosecute any action or other proceeding against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgment for the payment of the money and collection thereof, or for any combination of the remedies, or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses, and all damages, permitted by law from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of the respective Assessment (to the same extent as the lien provided herein for such unpaid Assessments), upon the Lot and upon all of the additions and improvements thereto, and upon all of his personal property upon the Lot. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or any Owner.

Section 3. Term and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless seventy-five percent (75%) of the votes outstanding shall have voted to terminate the covenants and restrictions of this Declaration and prior approval has been obtained from the County which termination shall be by written instrument signed by seventy-five percent (75%) of the Owners and countersigned by a duly authorized representative of the County and properly

recorded in the Lampasas County, Texas land records. Notwithstanding anything contained herein to the contrary, during any time in which Declarant is the Owner of any Lot in the Property, Declarant shall have the right, within its sole discretion, to make amendments to this Declaration, without the consent of any other Owner or County representative. With respect to any amendments which do not result in termination of the covenants and restrictions of this Declaration, amendments may otherwise be effected by an instrument signed by Owners and Declarant constituting not less than seventy-five percent (75%) of the votes of the Association. Any amendment must be recorded.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain, in full force and effect.

Section 6. Rights and Obligations. The provisions of this Declaration and the Articles of Incorporation and Bylaws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording of the acceptance of a deed conveying a Lot of any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Homeowners Association, whether or not mention thereof is made in said deed.

Section 7. Indemnification of Declarant. EXCEPT TO THE EXTENT OF DECLARANT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE ASSOCIATION SHALL INDEMNIFY AND HOLD HARMLESS DECLARANT FROM ANY AND ALL CLAIMS, ACTIONS, DEBTS, DEMANDS OR CAUSES OF ACTION WHICH MAY BE BROUGHT AGAINST DECLARANT BY ANY OWNER, THE ASSOCIATION OR ANY OTHER PERSON OR ENTITY AND ARISING IN ANY WAY IN CONNECTION WITH THE ASSOCIATION. THIS OBLIGATION TO INDEMNIFY AND HOLD HARMLESS WILL COVER AND INCLUDE ALL ATTORNEY'S FEES AND COSTS OF COURT INCURRED BY DECLARANT, ALL EXPENSES OF LITIGATION INCLUDING EXPERT WITNESS FEES OR OTHER SIMILAR CHARGES AND WILL FURTHER SPECIFICALLY COVER AND INCLUDE ALL DAMAGES, AMOUNTS PAID IN SETTLEMENT, JUDGMENTS OR COURT AWARDS OF ANY KIND, AND ANY AND ALL CLAIMS MADE AGAINST DECLARANT REGARDLESS OF WHETHER SUCH CLAIMS ALLEGE OR INVOLVE NEGLIGENCE OF DECLARANT WHETHER SOLE, CONTRIBUTORY OR SHARED WITH ANY OTHER PARTY.

Section 8. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 9. Conflicts. In the event of conflict between the terms of this Declaration and the Bylaws, rules, regulations or Articles of Incorporation of the Association, this Declaration shall control.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on its behalf, and attested as of the 19 day of MAY, 2021. 2022 CDC

DECLARANT:

STC Ranch Land, LLC

[Signature]

By: Clint Cooper

Its: Manager

STATE OF TEXAS

§

COUNTY OF Dallas

§

§

The foregoing instrument was acknowledged before me on this the 19th day of MAY, 2021 by Clint Cooper, _____ of STC Ranch Land, LLC. 2022 CDC

[Signature]
Notary Public in and for the State of Texas

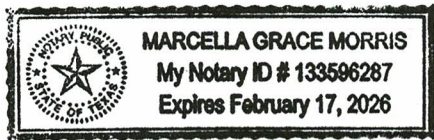


EXHIBIT “A”

PERIMETER FIELD NOTES

BEING 1422.78 acres of land, approximately 71.97 acres being out of the G. H. Royal Survey, Abstract No. 1615, approximately 80.76 acres being out of the H.A. Self Survey, Abstract No. 1671, 592.45 acres being out of the F.S. Bear Survey, Abstract No. 1505 and approximately 676.54 acres being out of the H.T.&B. R.R. Survey, Abstract No. 342, Lampasas County, Texas, and being that tract described in a General Warranty Deed with Vendor's Lien to STC Ranch Land, LLC dated May 9, 2021 and recorded in Volume 583, Page 713 of the Lampasas County Deed Records and described by metes and bounds as follows:

BEGINNING at a 1/2" iron pin with a red cap inscribed "G Amthor RPLS 2684" found in the north line of that tract described in a General Warranty Deed to Randall C. Taylor dated May 13, 2015 and recorded in Volume 508, Page 133 of said deed records and in the east line of that tract described in a Warranty Deed with Vendor's Lien to Nancy Rith Nalle-McKenzie dated April 25, 2018 and recorded in Volume 541, Page 752 of said deed records and being the southwest corner of said STC Ranch Land, LLC tract, from which a 1/2" iron pin with a red cap inscribed "G Amthor RPLS 2684" found for the southeast corner of said Nalle-McKenzie tract bears S 02°24'35" E 22.73 feet;

THENCE: with the west line of said STC Ranch Land, LLC tract the following courses and distances:

1. N 01° 39' 41" W 952.68 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found for the southeast corner of that tract described in a Warranty Deed with Vendor's Lien to Kelly V. Leland, et vor, dated May 11, 2018 and recorded in Volume 542, Page 590 of said deed records,
2. N 01° 40' 20" W 390.79 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found for the southeast corner of that tract described in a Warranty Deed with Vendor's Lien to Kenneth V. Hays, et al, dated May 11, 2018 and recorded in Volume 542, Page 532 of said deed records,
3. N 01° 39' 31" W 581.90 feet to a mag nail with a shiner inscribed "CCC 4835" found in the top of a wood fence corner post for the southeast corner of that tract described in a Partition Deed to Alfred Machen, et al, dated June 5, 1992 and recorded in Volume 292, Page 752 of said deed records;
4. N 01° 39' 46" W 941.57 feet to a mag nail with a shiner inscribed "CCC 4835" found in the top of a wood fence corner post for the southeast corner of that tract described in a Gift Deed to Lowell M. Wright and Suzane W. Killingsworth dated October 20, 2004 and recorded in Volume 402, Page 635 of said deed records;
5. N 01° 55' 06" W 2648.14 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
6. N 01° 15' 50" W 542.72 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
7. N 01° 31' 26" W 1999.87 feet to a mag nail with a shiner inscribed "CCC 4835" found in a wood fence corner post for the northeast corner of said Wright/Killingsworth tract;
8. S 85° 37' 35" W 408.57 feet to a mag nail with a shiner inscribed "CCC 4835" found in a wood fence corner post for the occupied southeast corner of that tract described in a General Warranty Deed to Bar V Land Company of Texas, LLC dated April 3, 2009 and recorded in Volume 451, Page 184 of said deed records,
9. N 01° 22' 41" W 1797.81 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
10. N 01° 51' 08" W 517.53 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
11. N 00° 09' 12" E 343.32 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
12. N 02° 37' 30" W 1948.33 feet to a cedar fence post found in the east line of said Bar V Land Company of Texas, LLC tract and being the southwest corner of said STC Ranch Land, LLC tract and being the northwest corner of said STC Ranch Land, LLC tract (580/409) and this tract;

THENCE: with the north line of said STC Ranch Land, LLC tract and this tract the following courses and distances:

1. S 80° 26' 46" E 1077.64 feet to a 1/2" iron pin with a yellow plastic cap inscribed "JM Goodson RPLS 1960" found in the south line of that tract described in a Warranty Deed with Vendor's Lien to Beth Ann Jenkins dated May 7, 1999 and recorded in Volume 349, Page 666 of said deed records,
2. N 65° 15' 09" E 295.95 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found for the southwest corner of that tract described as a 60 foot wide easement in a Warranty Deed to James Lee Hoffpauir, et ux, dated October 16, 1997 and recorded in Volume 335, Page 610 of said deed records and described by metes and bounds as follows:

THENCE: across said Jenkins tract and with the west line of said 60 foot wide easement and this tract the following courses and distances:

1. N 11° 14' 23" E 369.42 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
2. N 07° 27' 48" W 411.82 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found in the south line of F.M. 580 West and being the northwest corner of said 60 foot wide easement and this tract;

THENCE: N 89° 29' 33" E 60.44 feet with the south line of F.M. 580 West to a 1/2" iron pin with a yellow plastic cap (illegible inscription);

THENCE: with the east line of said Jenkins tract and the east line of said 60 foot wide easement the following courses and distances:

1. S 07° 27' 48" E 414.39 feet to a 1/2" iron pin with a yellow plastic cap inscribed "JM Goodson RPLS 1960" found,
2. S 11° 14' 23" W 335.72 feet to a 1/2" iron pin with no cap found in the north line of that tract described in an Independent Executor's Special Warranty Deed to Jessie Jo Hays dated April 12, 2018 and recorded in Volume 541, Page 113 of said deed records for the southeast corner of said Jenkins tract and said 60 foot wide easement and being the southeast corner of this tract;

THENCE: continuing with the north line of said STC Ranch Land, LLC tract the following courses and distances:

1. N 65° 22' 00" E 588.56 feet to a 1/2" iron pin with no cap found for the southeast corner of said Romans tract and the southwest corner of that tract described in a Warranty Deed with Vendor's Lien to Michael Krakowiak, et ux, dated March 18, 2008 and recorded in Volume 441, Page 542 of said deed records,
2. S 72° 48' 15" E 1356.81 feet to a spindle with a shiner inscribed "CCC 4835" found in the west line of that tract described in a Cash Warranty Deed to S.A. Baxter dated August 23, 1995 and recorded in Volume 318, Page 442 of said deed records for the southeast corner of said Krakowiak tract and being the northeast corner of said STC Ranch Land, LLC tract and this tract;

THENCE: with the west line of said STC Ranch Land, LLC tract the following courses and distances:

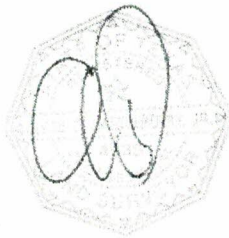
1. S 08° 51' 26" E 221.15 feet to a mag nail with shiner inscribed "CCC 4835" found in a fence post,
2. S 47° 54' 26" E 529.70 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found for the southwest corner of said Baxter tract and the northwest corner of that tract described in a Warranty Deed with Vendor's Lien to Todd Cooper and Pamela A. Henderson dated February 14, 2002 and recorded in Volume 374, Page 851 of said deed records,
3. S 21° 56' 39" E 1029.71 feet to a 1/2" iron pin with a yellow plastic cap inscribed "JM Goodson RPLS 1960" found for the southwest corner of said Cooper/Henderson tract,
4. S 21° 17' 47" E 1652.15 feet to a 1/2" iron pin with no cap found for the northwest corner of that tract described in a Warranty Deed with Vendor's Lien to Jack Mason, et ux, dated September 19, 2002 and recorded in Volume 380, Page 778 of said deed records,
5. S 21° 31' 45" E 1387.98 feet to a 60d nail found for the southwest corner of that tract described in a Warranty Deed with Vendor's Lien to Jack Mason, et ux, dated June 26, 2002 and recorded in Volume 378, Page 572 of said deed records and being the northwest corner of that tract described in a Warranty Deed with Vendor's Lien to Edwin L. Grainge dated September 19, 2002 and recorded in Volume 380, Page 754 of said deed records,
6. S 21° 31' 25" E 1162.79 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found for the southwest corner of said Grainge tract and being the northwest corner of that tract described in a General Warranty Deed to Mary Ann Wavell dated July 30, 2003 and recorded in Volume 389, Page 897 of said deed records,
7. S 21° 32' 51" E 2444.97 feet to a 1/2" iron pin with a yellow plastic cap inscribed "JM Goodson RPLS 1960" found for the southwest corner of said Wavell tract and being the northwest corner of that tract described in a Warranty Deed with Vendor's Lien to Thomas M. Watson III, et ux, dated September 9, 2015 and recorded in Volume 511, Page 313 of said deed records,
8. S 21° 02' 23" E 2905.24 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found in the

west line of said Watson tract and the north line of that tract described in a General Warranty Deed to J. Preston Carlton dated January 7, 2005 and recorded in Volume 404, Page 734 of said deed records and being the southwest corner of said STC Ranch Land, LLC tract and this tract;

THENCE: with the north line of said Carlton tract and said Taylor tract and with the south line of said STC Ranch Land, LLC tract the following courses and distances:

1. S 69° 02' 36" W 104.49 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
2. S 68° 41' 04" W 3591.04 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
3. S 29° 08' 25" W 115.30 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
4. S 65° 06' 11" W 528.67 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
5. S 55° 21' 09" W 36.55 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
6. S 69° 21' 07" W 305.29 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found,
7. S 34° 41' 30" W 171.65 feet to a 1/2" iron pin with a yellow plastic cap inscribed "G Amthor RPLS 2684" found,
8. S 86° 19' 05" W 209.08 feet to a 1/2" iron pin with a yellow plastic cap inscribed "G Amthor RPLS 2684" found,
9. S 87° 59' 10" W 294.78 feet to a 1/2" iron pin with a yellow plastic cap inscribed "G Amthor RPLS 2684" found,
10. S 88° 06' 43" W 627.50 feet to a 2 1/2" pipe fence post found,
11. S 88° 03' 24" W 1204.45 feet to the Point of Beginning.

Bearings based on Texas State Plane Coordinate System, Central Zone NAD 83.



October 19, 2021

Clyde C. Castleberry, Jr.

Registered Professional Land Surveyor No. 4835

192793

FILED FOR RECORD

4:30 pm

JUN 22 2022

CONNIE HARTMANN, COUNTY CLERK
LAMPASAS COUNTY, TEXAS

a.j.p. Donnell DEPUTY

THE STATE OF TEXAS
COUNTY OF LAMPASAS

}

I, Connie Hartmann CLERK OF THE

County Court in and for the County do hereby certify that the foregoing instrument
with its certificate of authentication was filed for
record in my office the 22nd day of June 2022 at 4:30 o'clock P.M
and duly Recorded the 22nd day of June 2022 at 4:45 o'clock P.M
deed Records of said County, in Vol 601 on page 158-185

WITNESS my head and seal of the County Court of said County, at office in Lampasas, Texas
the day and year last above written

A. J. Donnell

Deputy

Connie Hartmann

Clerk

County Court of Lampasas County