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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
LASSO RANCH SUBDIVISION

THE STATE OF TEXAS §

COUNTY OF KERR §

KNOW ALL MEN BY THESE PRESENTS:

THAT, 210 RANCH, LLC, a Texas Limited Liability Company, ("Declarant"), being the owner of that certain subdivision known as LASSO RANCH SUBDIVISION (hereinafter referred to as the "Subdivision"), a platted subdivision situated in Kerr County, Texas, and more particularly described in Subdivision Plat, which is filed at Volume ____, Page ____ of the Plat Records of Kerr County, Texas, and, as such, desiring to create and carry out a uniform plan for the improvement, development, and sale of the subdivided lots situated within the Subdivision, does hereby adopt and establish the following easements, restrictions, covenants and conditions ("Protective Covenants") to run with the land and to apply in the use, occupancy, and conveyance of the aforesaid described subdivided lots therein, which easements, restrictions, covenants and conditions shall be binding on all parties having a right, title or interest in or to the above described Subdivision or any part thereof, and their heirs, successors and assigns, and which easements, restrictions, covenants and conditions shall inure to the benefit of each owner thereof; and each contract or deed which may be executed with regard to any of such property shall be conclusively held to have been executed, delivered and accepted, subject to the following restrictions and covenants (the headings being employed for convenience only and not to be controlling over content):

ARTICLE I.

DEFINITIONS

"ARC" shall mean the Architectural Review Committee as referred to in Article IV, hereof.

"Declarant" shall mean and refer to 210 RANCH, LLC, its successors and assigns, if such successors or assigns should acquire all of the undeveloped and unsold lots or acreage from the Declarant for the purpose of development.

"Declaration" shall mean this instrument as it may be amended from time to time.

"Dwelling" shall mean and refer to any building or portion of a building situated upon the Property which is designed and intended for use and occupancy as a residence.

"Improvement" or "Improvements" shall mean or refer to all structures or other improvements to any portion of the Property, whether above or below grade, including, but not limited to, buildings, barns, carports, fences, pens, well houses, entryways, gates, recreation

areas, utility installations, driveways, and any exterior additions including any changes or alterations thereto.

"Plat" shall mean the map or plat of the Subdivision which is filed at Volume __, Page __ of the Plat Records of Kerr County, Texas.

"Owner" shall mean and refer to the record owner (including Declarant), whether one or more persons or entities, of a fee simple title to any Tract including contract Sellers, but excluding those having such interest merely as security for the performance of an obligation.

"Property" shall mean and refer to that certain real property hereinbefore described as the "Subdivision" and more particularly described as Lasso Ranch Subdivision, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

"Tract" shall mean and refer to any plot of land which is out of the Subdivision and which is described and delineated on the Plat.

ARTICLE II.

UTILITY EASEMENTS

Section 1. Reservation of Utility Easements. Declarant reserves unto Declarant and Declarant's successor and/or assigns, an easement for utility purposes ten (10) feet wide on each side of all Tract boundary lines for the installation and maintenance of water, electric, telephone, sewer, gas, cable television, and other utility lines, equipment and facilities, with the right of ingress and egress to and from and across each Tract and the Property to employees of utilities owning such utility lines, equipment or facilities, or supplying such utilities. Declarant shall have the right, without the necessity of joinder by any Owner, to execute and deliver any and all instruments that may be required by any provider of such utilities in order to grant or assign such provider the right to utilize the easement reserved hereby to provide such utilities.

Section 2. Changes, Additions, and Reservations. Declarant reserves the right to make changes in and additions to the above utility easements for the purpose of more efficiently and economically installing any improvements. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, (i) to grant, dedicate, reserve or otherwise create easements for utility purposes, (including, without limitation, water, sewer, gas, electricity, telephone, and cable television) in favor of any person or entity furnishing or to furnish utility services to the Properties, but only to the extent reasonably necessary and appropriate, and (ii) to execute and deliver any and all instruments and documents in connection therewith, including, without limitation, any and all instruments and documents that may be required by any provider of such utilities.

ARTICLE III.

RESTRICTIVE COVENANTS

The Declarant hereby declares that the Property shall henceforth be owned, held, transferred, sold and conveyed subject to the following covenants, conditions and restrictions which are intended for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding on Declarant and all Owners, and their respective heirs, successors and assigns, and which shall inure to the benefit of Declarant and each Owner of any part of the Property, and their respective heirs, successors and assigns.

Section 1. Building Restrictions

- (1) Not more than one single-family dwelling may be erected on any Tract. In addition, Servant's quarters, one (1) guest house, and related outbuildings, barns, stables, pens, fences and other similar improvements may be made or erected on a Tract.
- (2) Single-family dwellings shall contain a minimum of 2400 square feet of living area. For purposes of this restriction the term "living area" shall mean that area of a dwelling which is heated and cooled, exclusive of porches, breezeways, carports, garages or basements.
- (3) The exterior of the dwelling, servant's quarters, guesthouses and related outbuildings ("buildings") shall be constructed of rock, stone, stucco, masonry and/or logs hewn prior to 1900 ("permitted logs") constituting 75% of the exposed exterior of the buildings. The exposed exterior shall exclude area occupied by windows and doors.
- (4) The exterior of any building shall be completed not later than twelve (12) months after the issuance of the building permit for such building by the ARC.
- (5) All dwellings shall be newly constructed and erected on site. No dwelling shall be moved on to a Tract. An Owner shall be entitled, however, to incorporate historical and other previously used building materials and fixtures and permitted logs into a newly constructed dwelling.
- (6) A residence or dwelling shall not be occupied until the exterior thereof shall be completely finished and plumbing is connected to a septic system or other water disposal system which has been approved by Kerr County and/or State of Texas Health Department and/or other governing body regulating wells and septic systems.
- (7) Recreational vehicles, travel trailers, buses, mobile homes, modular homes, pre-manufactured homes and/or industrial-built homes shall not be used as a dwelling on any tract. All boats, tractors, golf carts and ATV's, motorcycles, and other similar types of vehicles shall be stored in a garage facility out of view. Recreational vehicles and travel trailers may be kept on a Tract provided they are kept in an enclosed structure and to the rear of the principal residence.

(8) All perimeter fences erected on any Tract shall be of new material and erected in accordance with professional fence building standards regarding quality and appearance. No chain link fence shall be permitted.

(9) No building, structure or other Improvement (e.g., fences, carports, barns, well houses, pens, entryways, gates, etc.), shall be constructed, erected or placed upon any Tract unless it is in accordance with a development plan approved by the ARC pursuant to Article IV hereof, nor shall any external lighting be installed on any Tract unless it is in accordance with an external lighting plan approved by the ARC pursuant to Article IV hereof. No building, structure or other Improvement, and no external lighting, shall be remodeled, renovated or otherwise modified unless such remodeling, renovation or modification is made in accordance with a development plan approved by the ARC.

(10) Roofs of all structures or improvements shall be constructed of wood shakes or shingles (fire retardant), standing seam or comparable metal roofing material, flat concrete or ceramic barrel tiles; and with permission of the ARC, quality dimensional composition shingles may be used.

(11) No external antenna, satellite receiving dish greater than thirty (30) inches in diameter, or other telecommunication device or equipment shall be permitted on any Tract unless totally screened from the view of streets and other Tracts.

(12) All swimming pools shall be constructed substantially at grade. No elevated swimming pools are allowed.

(13) All utility lines shall be buried underground to a depth of three feet, provided overhead utility lines may be erected and installed over and above creekbeds and the flood plains of the property.

Section 2. Setback Requirements

(1) Except for entrance and other gates, fences, roadways, and electric, telephone and other utility lines, nothing shall be stored, placed or erected on any Tract nearer than one hundred (100) feet from any boundary of such Tract, provided the setback lines shall be 50' from any boundary line of that portion of a tract which is less than 200' in width.

Section 3. Use Restrictions

(1) Except as set forth below, all Tracts constituting the Property shall be used for single-family residential purposes only, and no Tract shall be used for any commercial purpose. Notwithstanding the above, and as exceptions thereto, (i) a Tract may be used for raising livestock, poultry or other animals, except swine, and (ii) a bed and breakfast may be operated on a Tract. For purposes of these restrictions, the term "bed and breakfast" shall mean a lodging

service within rooms of the principal dwelling or in a separate guest house. Only one (1) bed and breakfast unit within the principal Dwelling or in a separate guest house shall be permitted.

(2) Swine shall not be kept on any Tract.

(3) All livestock, pets and poultry shall be provided shelter and shall be kept under fence within the boundaries of a Tract. This restriction shall not apply to unsold Tracts owned by Declarant. Furthermore, Declarant (and/or their tenants or assignees) shall have the right to graze cattle or livestock on an Owner's Tract until such time as such Owner has enclosed the Owner's Tract by fence; and each Owner and their respective heirs, successors and assigns, by acceptance of title to an interest in a Tract, hereby agree to indemnify and hold harmless Declarant (and their respective tenants or assignees), from and against, and hereby waive and release any claims or causes of action such Owner may have with respect to, any injuries to any persons or any damages to any properties that may be caused by livestock on an Owner's Tract, or that may otherwise arise out of, or be suffered or incurred in connection with, the exercise by Declarant (or their tenants or assignees) of the right to graze livestock on an Owner's Tract, and/or the presence of livestock on an Owner's Tract.

(4) The owner of a tract which has a boundary on the perimeter of the Subdivision (a boundary which abuts property other than a Subdivision Tract boundary) shall maintain the fence on the Tract's boundary perimeter in a manner which will restrain livestock.

(5) There shall be no commercial feeding operation or commercial breeding of animals or fowl on any Tract. Animals used for grazing a tract while simultaneously raising young (e.g., a cow/calf operation) shall not be considered commercial breeding of animals. Notwithstanding the foregoing, cattle and horses shall be limited to one (1) head for every two (2) acres. Small animals, such as sheep or goats, shall be limited to two (2) head per acre. Lamas, emus, ostriches or other exotic animals shall be limited to one (1) head for every two (2) acres.

(6) Prior to the construction of the principal residence, an owner may occupy a guest house which has been erected on the tract, for a maximum period of sixty (60) days during any calendar year. Additionally, while the principal residence is under construction, the owner of a tract may occupy a guesthouse which has previously been erected on the tract during the term of construction. The leasing of a guest house as a Bed and Breakfast will not constitute occupation of the guest house by the Owner.

(7) An Owner shall be permitted to camp on such Owner's Tract, for a period not to exceed ten consecutive calendar (10) days, and not more than forty (40) total calendar days in any one calendar year.

(8) Abandoned or inoperative equipment, vehicles or junk shall not be permitted on any Tract. Owners are to keep each Tract clean and neat in appearance and free of litter at all times. Garbage or refuse or any hazardous material, as defined by any state or federal law, rule or regulation, shall not be buried or disposed of on any Tract. Noxious or offensive activity shall

not be permitted on any Tract, nor any activity which would be considered an annoyance or nuisance to other Owners.

(9) Mineral exploration of any type which will damage the surface shall not be permitted on any Tract.

(10) No rifle hunting or harvesting of game animals shall be allowed on any Tract. Harvesting of game by shotgun or bow and arrow shall be permitted. No prolonged or persistent discharge of firearms, such as skeet or trap-shooting, shall be allowed on any Tract.

(11) No trapping of animals will be allowed, except animals can be trapped when they have become a nuisance and the trapping is for animal control purposes.

(12) No Tract shall be further divided or resubdivided without the express approval of Declarant.

ARTICLE IV.

ARCHITECTURAL REVIEW COMMITTEE

Section 1. Development Objectives. The aesthetic and ecological quality of the Property requires that all Improvements and exterior lighting be compatible with other improvements and be in harmony with the natural surroundings. To this end, an Architectural Review Committee (the "ARC") has been created as described in this Article IV. The ARC has the responsibility to carry out the goals and functions that have been adopted, and are described below, and which may be amended from time to time.

Section 2. Architectural Review Committee. The ARC shall be composed of three (3) persons selected and appointed by (i) the Declarant, as long as the Declarant owns any interest in any of the Tracts, and (ii) after the Declarant no longer owns any interest in any of the Tracts, by the selection of the Owners of the Tracts at a meeting called for that purpose by any Owner of a Tract during the month of January of each calendar year. Each Owner of a Tract shall be entitled to one vote for each member to be selected and the candidates receiving a majority of the votes for each position shall serve for a term for that calendar year as members of the ARC. Cumulative voting is not allowed.

Section 3. Goal of ARC. The goal of the ARC is to encourage the construction of improvements (including exterior lighting) of good architectural design, aesthetic quality and proper size compatible with other improvements and in harmony with the natural surroundings. Improvements should be planned and designed with particular attention to the design and aesthetic appearance of the exterior and the use of such materials as will, in the judgment of the ARC, create an attractive and harmonious blend with existing improvements and the natural surroundings. The ARC may disapprove the construction or design of an improvement on purely aesthetic grounds where, in its judgment, such disapproval is required to protect the continuity of

design or values of the Subdivision and of other Owners, or to preserve the serenity and natural beauty of any surroundings. Prior judgments regarding such matters of design or aesthetics shall not be deemed binding upon the ARC if the ARC feels that the repetition of such matters will have an adverse effect on the Subdivision.

Section 4. ARC Approval Required. No Improvement shall be erected, constructed, placed, altered (either by addition or deletion), maintained or permitted to remain on any Tract until plans and specifications, in such form and detail as the ARC may deem necessary, shall have been submitted to and approved in writing by the ARC. No external lighting shall be placed, altered (either by addition or deletion), installed, maintained or permitted to remain on a Tract until the type, location and other elements and characteristics of such lighting has been approved in writing by the ARC. The ARC shall have the power to employ professional consultants to assist it in discharging its duties, with the reasonable costs and fees of such professional consultants to be paid by the applicant for the permit. The decision of the ARC shall be final, conclusive, and binding upon the applicant.

Section 5. Procedures. The ARC may, but is not obligated to, establish and publish from time to time reasonable administrative procedures and separate building guidelines covering Improvements and exterior lighting.

Section 6. Design Submittal. The Owner must submit a design plan, which must adequately reflect to the ARC the true design quality of the proposed work. Final exterior plans and specifications shall be submitted in complete form in duplicate and shall include (i) all elevations of any proposed structure(s) (including walls, signs, pools, pool buildings, barns, pens, etc.), roof height, exterior lighting plans, specification of materials, textures and shapes, and (ii) a site plan showing the general location of all proposed and existing improvements, the dimensions and shapes of all proposed and existing improvements, and identifying any trees to be cut in connection with the proposed work. All exterior measurements and dimensions must be shown (1/4" = 1' minimum). Description of materials and finishes must be clearly indicated.

Section 7. Basis of Approval. Approval of preliminary design plans and final plans and specifications shall be based upon the following:

- (a) The architectural design.
- (b) Harmony and conformity of the design with the surroundings both natural and built.
- (c) Adequacy of the design to conditions of the site.
- (d) Conformity to specific and general intent of the restrictive covenants set forth in this Declaration.

Section 8. Variances. Upon submission of a written request for same, the ARC may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which

are in variance from the covenants, restrictions, or architectural standards which are provided in this Declaration or those which may be promulgated in the future. In any case, however, such variances must, in the ARC's sole discretion, blend effectively with the general architectural style and design of the Subdivision and must not detrimentally affect the integrity of the Subdivision, nor harmony with the natural surroundings. No member of the ARC shall be liable to any Owner for claims, causes of action or damages arising out of the grant of any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the ARC's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder, against any other Owner.

Section 9. Issuance of Building Permit. Upon approval of final submittals, a building permit will be issued and construction may begin. All such permits must be prominently displayed at the job site.

Section 10. Failure of ARC to Act. If the ARC fails to approve or to disapprove either the preliminary design plans or the final plans and specifications or to reject them as being inadequate within thirty (30) days after submittal thereof, it shall be conclusively presumed that such ARC has approved such preliminary design plan or such final plans and specifications. If preliminary design plans or final plans and specifications are not sufficiently complete or are otherwise inadequate, the ARC may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

Section 11. Limitation of Liability. Neither the Declarant, nor the ARC, nor any of the members of the ARC, shall be liable in damages or otherwise to anyone submitting plans and specifications for approval, to any Owner or to any other person or entity by reason of the exercise of or the failure of the ARC to exercise any of its rights and powers hereunder, including without limitation: (i) the approval or disapproval of any plans and specifications, (ii) the approval or disapproval of any variances, (iii) the failure to take action with respect to any plans and specifications or the construction of any improvements on any Tract, or (iv) the construction or performance of any work on any Tract, whether or not pursuant to any approved plans or specifications. Review and approvals by the ARC are for the purposes of the protection and maintenance of the aesthetic and ecological quality of the Property, and not for the purposes of determining the adequacy of the engineering, structural integrity, quality of construction, soundness of construction, safety of plans or construction, code compliance, compliance with any other laws, rules or regulations applicable to the improvement or the construction, or any other matters involving the plans, specifications or construction of the improvements ("Construction Matters"). Consequently, and without limiting the generality of the foregoing provisions of this section, neither the Declarant, nor the ARC, nor any of the members of the ARC, shall be liable in damages or otherwise to anyone for any causes of action, claims, debts, demands, losses, costs, damages, expenses, obligations or other liabilities arising out of or in any way related to any Construction Matters.

ARTICLE V.

TERM

The covenants and restrictions set forth in this Declaration are made and adopted to run with the land and shall be binding upon the undersigned and all parties and persons claiming through and under them until January 1, 2037, at which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless and until an instrument executed by Owners of at least eighty percent (80%) of the Tracts has been recorded agreeing to terminate said covenants and restrictions in whole or in part; provided that, if Declarant owns any interest in the Property at the time, the covenants and restrictions may only be terminated if the Declarant joins in executing such instrument.

ARTICLE VI.

ENFORCEMENT

Section 1. Right of Enforcement. Declarant, its successors or assigns, or any Owner, shall have the right to enforce, by proceedings at law or in equity, the terms, provisions, covenants, conditions, and restrictions of this Declaration. Failure of Declarant or any Owner to take any action upon any breach or default shall not be deemed a waiver of their right to take action upon any subsequent breach or default. Declarant, for itself, its successors or assigns, reserves the right to enforce this Declaration, though it may have previously sold and conveyed all Tracts controlled hereby. The reservation by Declarant of this right of enforcement shall not create a duty or obligation of any kind to enforce same, and Declarant shall not be subjected to any claim, demand, or cause of action from any Owner by virtue of not enforcing any term, provision, covenant, condition or restrictions herein contained.

ARTICLE VII.

PARTIAL INVALIDITY

The invalidation of any of the terms, provisions, covenants, conditions or restrictions contained in this Declaration, by judgment, court order, operation of law or otherwise, shall in no way affect the validity any of the other terms, provisions, covenants, conditions or restrictions hereof, which shall remain in full force and effect.

ARTICLE VIII.

AMENDMENT

(a) Except as otherwise provided herein, as long as Declarant owns any interest in the Property, the Declarant and the Owners (but expressly excluding their respective mortgagee's, if any) of at least fifty percent (50%) of the Tracts may amend this Declaration, by executing and filing an instrument containing such amendment, in the office of the County Clerk of Kerr County, Texas. Except as otherwise provided herein, from and after the date that Declarant no longer owns any interest in the Property, the Owners (but expressly excluding their respective mortgagee's, if any) of at least eighty percent (80%) of the Tracts may amend this Declaration by executing and filing an instrument containing such amendment, in the office of the County Clerk of Kerr County, Texas.

(b) Notwithstanding anything to the contrary, as long as Declarant retains an ownership interest in the property, Declarant shall have the right at any time, at its sole discretion and without any joinder or consent of any other party, to amend this Declaration for the purposes of correcting any error, ambiguity or inconsistency appearing herein or for any reason whatsoever deemed necessary for the benefit of the overall development as determined by Declarant in the exercise of its good faith judgment. Said amendment shall be effective upon filing of the instrument containing such amendment in the office of the County Clerk of Kerr County, Texas.

ARTICLE IX.

WAIVER AND LACHES

The obligation to abide by the provisions contained in this Declaration shall be deemed to be of a continuing and continual basis. Each and every day an Owner allows a condition to exist on such Owner's Tract which is not in compliance with the requirements contained herein shall constitute a separate and individual violation hereof, and shall give rise to a new cause of action for such breach. The intended effect and express purpose of this provision shall be that every Owner, by accepting title to a Tract, hereby waives the affirmative defenses of the statute of limitations, waiver and laches with respect to covenant violations. Noncompliant conditions shall be allowed to exist on a Tract only upon the Owner obtaining a written variance in accordance with the applicable provisions herein. Failure of Declarant, the ARC, or of any Owner to enforce the terms of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

EXECUTED by said Declarant, this 18 day of January, 2007.

210 RANCH, LLC, a Texas Limited Liability Company

By: DALE CRENWELGE
DALE CRENWELGE, Member and Manager

By: TODD VAUGHAN
TODD VAUGHAN, Member and Manager

STATE OF TEXAS §

COUNTY OF Kendall §

This instrument was acknowledged before me on this the 18 day of January, 2007, by DALE CRENWELGE, Member and Manager of 210 RANCH, LLC, a Texas Limited Liability Company, on behalf of said entity.



Tillie Moldenhauer
Notary Public, State of Texas

FILED FOR RECORD
at 9:20 o'clock A.M

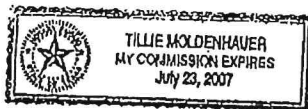
JAN 19 2007

STATE OF TEXAS §

COUNTY OF Kendall §

JANNETT PIEPER
Clark County Court, Clark County, Texas
Deputy

This instrument was acknowledged before me on this the 18 day of January, 2007, by TODD VAUGHN, Member and Manager of 210 RANCH, LLC, a Texas Limited Liability Company, on behalf of said entity.



Tillie Moldenhauer
Notary Public, State of Texas

Filed by & Return to:
The T.S. Vaughan Corp.
PO Box 37
Confort, TX 78043-0037

Provisions herein which restrict the sale, rental or use of the described property because of color or race is invalid and unenforceable under Federal Law THE STATE OF TEXAS }
COUNTY OF KERR }
I hereby certify that this instrument was FILED in the File Number Sequence on the date and at the time stamped hereon by me and was duly RECORDED in the Official Public Records of Kerr County, Texas on

JAN 22 2007



Janet R. Roper

COUNTY CLERK, KERR COUNTY, TEXAS

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