

After recording return to:  
Icarus Investments IV, Limited  
200 Crescent Court, Suite 1065  
Dallas, Texas 75201

**FILED**  
At 9:45 O'Clock A.M.  
MAR 08 2004  
Believe Smith  
Clerk of the County Court  
Palo Pinto County, Texas  
By [Signature] Deputy

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
7-R RANCH ESTATES  
PHASE 1

STATE OF TEXAS                   §  
  §                   KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF PALO PINTO       §

This Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 (this "Declaration"), made on the date hereinafter set forth by ICARUS INVESTMENTS IV, LTD., a Texas limited partnership (hereinafter referred to as "Developer").

WITNESSETH:

WHEREAS, Developer is the owner of that certain tract of land known as containing approximately 3900 acres of land known as commonly known as 7-R Ranch, Palo Pinto County, Texas (the "Ranch"). 7-R Ranch Estates, PHASE 1, is a part and portion of the Ranch, platted as 7-R Ranch Estates PHASE 1, a subdivision situated in Palo Pinto County, Texas. The Plat of 7-R Ranch Estates, PHASE 1 is to be recorded concurrently herewith in the Map Records of the County Clerk of Palo Pinto, Texas after having been approved as provided by law.

WHEREAS, it is the desire of Developer to place certain restrictions, easements, covenants, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against 7-R RANCH ESTATES, PHASE 1 in order to establish a uniform plan for its development, improvement and sale, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of tracts in 7-R RANCH ESTATES, PHASE 1.

WHEREAS, Developer reserves and retains unto itself, the right, as it, in its sole discretion, shall determine, to (i) add to or delete areas from the Subdivision (defined in Section 1.11 hereafter); and, (ii) hereafter place and impose such restrictions, easements, covenants, conditions, stipulations and reservations on any and all remaining unrestricted properties, or portions thereof, in the Subdivision, in order to establish any plan chosen by Developer for the development, improvement and sale thereof.

NOW THEREFORE, Developer hereby adopts, establishes and imposes upon 7-R RANCH ESTATES, PHASE 1 and declares the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said property, which Restrictions shall run with said property and title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof. Developer also declares that 7-R RANCH ESTATES, PHASE 1 shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

ARTICLE 1  
DEFINITIONS

**Section 1.01** "Association" shall mean and refer to the 7-R RANCH ESTATES PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

**Section 1.02** "7-R RANCH ESTATES" shall mean and refer to 7-R RANCH ESTATES, PHASE 1 according to the plat thereof recorded in the office of the County Clerk of Palo Pinto County, Texas in the



Map Records of Palo Pinto, Texas any other portions of the Ranch hereafter or heretofore made subject to this Declaration and the jurisdiction of the Association.

**Section 1.03** "Board of Directors" shall mean and refer to the Board of Directors of the Association.

**Section 1.04** "Builders" shall mean and refer to persons or entities that purchase tracts and build speculative or custom homes thereon for third party purchasers.

**Section 1.05** "Common Area" shall mean all real property (including the improvements thereto) within the Subdivision owned by the Developer and/or the Association for the common use and enjoyment of the Owners.

**Section 1.06** "Contractor" shall mean and refer to the person or entity with which an Owner contracts to construct a residential dwelling or other structure on such Owner's Tract.

**Section 1.07** "Developer" shall mean and refer, collectively to ICARUS INVESTMENTS IV, LTD., a Texas limited partnership, its successors and assigns and any party that (i) acquires substantially all of the property in 7-R Ranch Estates Phase 1, and/or (ii) prior to any such acquisition, is designated by Icarus Investments IV, Ltd., as a successor or assignee of Developer under this Declaration. Such instrument may specify the extent and portion of the rights or interests as Developer that are being assigned or otherwise transferred.

**Section 1.08** "Tract" or "Lot" shall mean and refer to any plot of land identified as a tract or home site on the Plat of 7-R RANCH ESTATES, PHASE 1. For purposes of this instrument, "Tract" shall not be deemed to include any portion of the "Common Areas" or "Unrestricted Reserves", (as defined herein or shown on the Plat) in 7-R RANCH ESTATES, PHASE 1 regardless of the use made of such area.

**Section 1.09** "Member" shall mean and refer to every person or entity who holds a membership in the Association.

**Section 1.10** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Tract which is a part of the Subdivision, including contract sellers (a seller under a Contract for Deed), but excluding those having such interest merely a security for the performance of an obligation.

**Section 1.11** "Guest" means any family member, customer, agent, employee, independent contractor, guest or invitee of any Owner, and any family member, customer, agent, employee, independent contractor, guest or invitee of such person or persons, entity or entities.

**Section 1.12** "Subdivision" shall mean all those properties or units forming a part of 7-R RANCH ESTATES PHASE 1. The Subdivision is located on the real property legally described on Exhibit "A", attached hereto and incorporated herein for all purposes.

**Section 1.13** "Ranch" has the meaning established in the first recital paragraph of this Declaration.

ARTICLE II  
RESERVATIONS, EXCEPTIONS, DEDICATIONS  
AND ANNEXATION AND WITHDRAWAL OF PROPERTY

**Section 2.01** Recorded Subdivision Map of the Property. The plat ("Plat") of 7-R RANCH ESTATES, PHASE 1 dedicates for use as such, subject to the limitations as set forth therein, the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable 7-R RANCH ESTATES, PHASE 1. All dedications, restrictions, easements and reservations created herein or shown on the Plat, replats or amendments of the Plat of 7-R RANCH ESTATES, PHASE 1 recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Developer, whether specifically referred to therein or not.



**Section 2.02 Easements.** Developer reserves for the private use of Developer, the Association, Owners and Guests the access, drainage and utility easements shown on the Plat or that have been or hereafter may be created by separate instrument recorded in the Official Public Records of Palo Pinto County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, storm surface drainage, cable television, or any other utility the Developer sees fit to install in, across and/or under the Property. All utility easements in the subdivision may be used for the construction of drainage swales in order to provide for improved surface drainage of the Reserves, Common Area and/or Tracts. Should any utility company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document. Developer, without the joinder of any other Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof. Any utility company serving the subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Developer nor any utility company, political subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agent, employees, or servants, to fences, shrubbery, trees and lawns or any other property of the Owner on the property covered by said easements.

**Section 2.03 Title Subject to Easements.** It is expressly agreed and understood that the title conveyed by Developer to any of the Tracts by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, electric lighting, electric power, telegraph or telephone purposes and other easements hereafter granted affecting the Tracts. The Owners of the respective Tracts shall not be deemed to own pipes, wires, conduits or other service lines running through their Tracts which are utilized for or service other Tracts, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Tract. The Developer may convey title to said easements to the public, a public utility company or the Association.

**Section 2.04 Utility Easements.**

- (a) Utility ground and aerial easements have been dedicated in accordance with Plat and by separate recorded easement documents.
- (b) No building shall be located over, under, upon or across any portion of any utility easement. The Owner of each Tract shall have the right to construct, keep and maintain concrete drives, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Tracts, provided, however, any concrete drive, fence or similar improvement placed upon such Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and, as such, the Owner of each Tract subject to said Utility Easements shall be responsible for (i) any and all repairs to the concrete drives, fences and similar improvements which cross or are located upon such Utility Easements and (ii) repairing any damage to said improvements caused by the Utility District or any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located with the Utility Easements.

**Section 2.05 Mowing Easement.** Developer reserves an easement for the mowing and or bailing of hay across all lots subject to these Restrictions. Such easement shall terminate on each lot the earlier of (a) the beginning of construction of a residence on the lot, (b) the fencing of such lot or (c) two (2) years from the Effective Date of these Restrictions. Although Developer reserves the right to mow and bail hay, no obligation to do so shall arise from this reservation. This paragraph in no way shall limit or diminish the obligation of the Owner of each lot to maintain his lot.

**Section 2.06 Annexation Without Approval of Membership.** Until Control Transfer Date, Developer may unilaterally subject to the provisions of this Declaration all or any portion of the real property lying within the Ranch. Developer may assign this right to annex property, provided that such assignment is memorialized in a written, recorded instrument executed by Developer. Nothing in this Declaration shall be construed to require the Developer or any successor to annex or develop any of the property subject to annexation in any manner whatsoever. Such annexation shall be accomplished by filing a Supplemental Declaration annexing such property in the real property records of Palo Pinto County,



Texas. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Developer. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

**Section 2.7** Annexation With Approval of Membership. The Association may annex real property to the provisions of this Declaration with the consent of the owner(s) of such property, the affirmative vote of Members representing at least 67% of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and the consent of the Developer so long as Developer owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 2.6.

Annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the real property records of Palo Pinto County, Texas. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property. Any such annexation shall be effective upon filing unless otherwise provided therein.

**Section 2.8** Withdrawal of Property. So long as it has a right to annex additional property pursuant to Section 2.6, the Developer reserves the right to amend this Declaration for the purpose of removing property from the coverage of this Declaration, to the extent originally included in error or as a result of any changes in the Developer's plans for the Ranch, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Ranch. Such withdrawal shall not require the consent of any Member except the owner of the property to be withdrawn, if other than Developer.

### ARTICLE III CONSTRUCTION OF IMPROVEMENTS AND USE RESTRICTIONS

#### **Section 3.01** Single Family Residential Use and Construction.

- (1) Each Owner is entitled to construct a building and other improvements on its Tract, provided that no building or other improvements, including without limitation, any fence, wall, driveway, paving, walk, deck, patio, canopy, awning, roof, signage, waste-water facility (including septic tank) or exterior lighting facility, may be constructed, erected, placed or installed upon any Tract, and no change or alteration of the materials or appearance (including color) of the exterior of a building or other structure shall be made and no change in the final grade of any Tract may be performed, and no other construction activity may be initiated on any Tract, until the approval of the Architectural Review Committee and any governmental or quasi-governmental entity having jurisdiction over such Tract has been obtained by such Owner.
- (2) The Tracts shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any Tract other than dwellings to be used for single-family residential purposes. All single story dwellings on tracts must be constructed to minimum Federal Housing Authority and Veteran's Administration standards, unless otherwise approved in writing by the Architectural Control Committee (as hereinafter defined) and have at least 1800 square feet of finished, air conditioned and heated living area, excluding covered porches and garages, and have at least a two-car garage and no more than a five-car garage, which may be detached.
- (3) One and one-half (1-1/2) and two story dwellings must be constructed to minimum Federal Housing Authority and Veteran's Administration standards, unless otherwise approved in writing by the Architectural Control Committee, have a minimum of 2200 square feet of finished, air conditioned and heated living area, excluding porches, with at least 1200 square feet on the ground floor and must have at least a two-car garage and no more than a five-car garage, which may be detached.
- (4) No carports are allowed. Garage door openings must face side or rear lot lines for all



size dwellings.

- (5) One secondary dwelling may be built on tracts, provided said secondary dwelling contains a minimum of 500 square feet and cannot exceed 1200 square feet of living area size. Secondary dwellings must be built after or while the primary dwelling is being built and must be approved by the Architectural Control Committee. Detached garages, workshops, and barns may be constructed on the property prior to the main dwelling being built, provided however, no such structure may be used in whole or in part as a permanent or temporary dwelling.
- (6) All dwellings, detached garages, workshops, barns and any other improvements must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on property.
- (7) Manufactured homes, modular and/or prefab homes are not permitted within the Subdivision. As used in this Declaration, the term "dwelling" does not include single or double-wide manufactured homes, modular or prefab homes.
- (8) All primary and secondary homes must be site constructed, built with new construction materials and use exterior materials that are approved by the Architectural Control Committee. Aluminum, asbestos, plywood, and vinyl siding are not permitted. All primary and secondary homes must have concrete and rebar foundation, a pier foundation or a combination of a concrete slab and pier foundation. Detached garages must be built out of similar material as the main house. Other accessory buildings and barns must be built with new construction material and may be built with wood or metal siding. All shingle roofs must have at least a 30-year life. Metal and tile roofs will be permitted.
- (9) Any building, structure or improvement commenced on any tract shall be completed as to exterior finish and appearance within nine (9) months from the commencement date. While dwellings are being constructed, the owner and/or contractor must provide a trash dumpster and temporary restroom facilities on the tract.
- (10) Each Tract with a structure designed for occupancy will, prior to occupancy, contain, at Owner's sole cost and expense, the water and sanitation facilities (including septic tanks) required by any governmental or quasi-governmental authority, including, without limitation, the Architectural Review Committee. The Developer and the Association disclaim any representation or warranty regarding sanitation facilities or their availability on or to any Tract.

**Section 3.02 Composite Building Site.** Any Owner of one or more adjoining Tracts (or portions thereof) may, with the prior written approval of the Architectural Control Committee, consolidate such Tracts or portions into one building site, with the privilege of placing or constructing improvements on such resulting site, in which case the side set-back lines shall be measured from the resulting side property lines rather than from the Tract lines as indicated on the Plat. It is the responsibility of the owner to obtain all needed easement releases from the appropriate agencies.

**Section 3.03 Location of the Improvements upon the Tract.** No building of any kind shall be located on any tract nearer than the following:

Lots 1-190 shall be setback 50 feet from the front property line, 20 feet from the side property line and 20 feet from the rear property line. The developer reserves the right to modify the set backs for lots that require smaller set backs to create a usable site.

Notwithstanding the foregoing, on those lots located adjacent to water, regardless of size, no building shall be built nearer than seventy-five (75) feet from the property line adjacent to the water. The maximum height shall be two stories, but not to exceed thirty-five (35) feet per dwelling from the first floor elevation, which is measured from the highest point of the virgin soil. Height of any accessory building



shall not exceed twenty-five (25) feet. Provided however, as to any tract, the Architectural Control Committee may waive or alter any such setback line or height restriction, if the Committee, at its sole discretion determines that such waiver, or alteration is necessary to permit effective utilization of a tract. Any such waiver or alteration must be in writing and recorded in the Deed of Records of Palo Pinto County, Texas. All dwellings placed on Subject Property must be equipped with septic tank or other sewage disposal system meeting all applicable laws, rules, standards and specifications, and all such dwellings must be served with water and electricity.

**Section 3.04 Use of Temporary Structures.** No structure of a temporary character, whether basement, shack, garage, barn, recreational vehicle, camper or other outbuilding shall be maintained or used on any Tract at any time as a residence, either temporarily or permanently. Notwithstanding, the developer reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the subdivision as in its sole discretion may be necessary or convenient while selling Tracts.

**Section 3.05 Walls, Fences and Mailboxes.** The Architectural Control Committee must approve walls, fences and gates if any, prior to construction. No fence shall be closer to the front property line than the front line of the house on all Lots less than five (5) acres in size. On all Lots except for waterfront Lots, regardless of size, the fences must be constructed of wood, metal pipe, masonry, masonry veneer, wrought iron, coated chain link, white PVC and/or vinyl rail, or a combination thereof. On all Lots, one hundred (100 feet of the side fencing, beginning where the side fencing joins the front fence, must be constructed of the same material as the front fence. All wooden fences (except cedar and redwood) must be painted or stained in a color approved by the Architectural Control Committee. Fences on all lot lines adjacent to any street, regardless of Lot size, shall be constructed of white wood, white PVC and/or vinyl rail, white pipe, white pipe and cable or a combination of those materials. All walls and fences, if any, constructed on waterfront Lots must be constructed of wrought iron or wrought iron and masonry and must be setback at least fifty (50) feet from the property line fronting the water. All fences on waterfront lots shall be a minimum of four feet in height and a maximum of six feet in height. All other fencing shall be a minimum of four feet in height and a maximum of ten feet in height. No fences shall be built within any equestrian easement or walking trail. All gates that front a road must be of a decorative nature and be constructed of steel. Standard aluminum ranch gates are not permitted. Privacy fencing may be allowed on non-perimeter fencing, around the house area, at the sole discretion of the Association. All fences must be maintained to the satisfaction of the Board of Directors of the Association.

All individual mailboxes must be of masonry construction.

**Section 3.06 Prohibition of Offensive Activities.** No noxious or offensive activity shall be carried on upon any Tract nor shall anything be done or placed on any Tract that is or may become a nuisance or cause any significant embarrassment, disturbance or annoyance to others. No activity, whether for profit or not, shall be conducted on any Tract which is not related to single family residential purposes, unless said activity meets the following criteria: (a) such use is carried on entirely within such Tract and is secondary and incidental to its use as a residence and no additional exterior sign of such activity is visible, (b) pedestrian and/or vehicular traffic is not increased due to such use, (c) such use is permitted by law, (d) nothing dangerous is present that shouldn't be there and (e) the activity does not constitute a nuisance or annoyance. Nothing herein shall prevent a home office so long as the requirements of (a), (b), (c) (d) and (e) above are met. Provided however, this restriction shall not apply with respect to the customary sales activities required to sell Tracts or homes in the Subdivision.

The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

**Section 3.07 Garbage and Propane Storage.** Garbage and trash or other refuse accumulated in this subdivision shall not be permitted to be dumped within 7-R Ranch Estates or any portion of the Ranch or upon any adjoining land. No Tract shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and out of sight from public roadways, except on pickup days. Propane tanks must not be visible from the road, and screened with vegetation and/or privacy fencing as approved by the Architectural Control Committee.



**Section 3.08 Unightly Articles, Junked Motor Vehicles Prohibited.** No campers, recreational vehicles, boats, trailers, graders, trucks other than pickups, tractors, wagons, busses, motorcycles, motor scooters or garden maintenance equipment may be kept on property prior to main dwelling being built. After construction of the main dwelling is complete, such items may be kept on property as long as they are placed in the area of the property that is not visible from any lake, road, right-of-way, or any abutting property and kept in a clean and tidy manner at all times. No maintenance work shall be done on any of the foregoing, or in any automobile (other than minor emergency repairs), except in enclosed garages or other structures. No vehicle may be parked in excess of seventy-two (72) hours on any roadway within the Property. No article deemed to be unsightly by the Architectural Control Committee shall be permitted to remain on any Lot. Service area, storage area, loading area, compost piles and facilities for hanging, drying or rinsing clothing or household fabrics shall be appropriately screened from view from public or private thoroughfares, the lake and adjacent properties and no lumber, grass, plant, waste, shrub or tree-clippings, metals, bulk materials, scrap or refuse shall be kept, stored or allowed to accumulate on any portion of the Property. No junk, abandoned or unregistered vehicles and no vehicles without current inspections shall be allowed on any Lot. Tractor trailer rigs and/or trailers and trucks with more than ten (10) wheels may not be parked or kept on the property or in the subdivision.

**Section 3.09 Signs.** No signs, advertisements, billboards or advertising structures of any kind may be erected or maintained on any Tract without the consent in writing of the Architectural Control Committee. The Architectural Control Committee shall allow one (1) professionally made sign not more than twenty-four inches (24") by thirty-six inches (36") advertising the Owner's Tract for sale or rent after such home has been built, and one (1) professionally made sign, not more than twelve inches (12") by twenty-four inches (24") identifying the Tract owner's name or names. The term "professionally made sign" does not include store bought pre-made "for sale" or "for rent" signs. Notwithstanding, builders may place a pre-approved sign that does not exceed four (4) feet by eight (8) feet advertising a model home on the tract. Except as it applies in Developer, no sign shall be nailed to a tree and all signs must be properly maintained. Developer or any member of the Association or Architectural Control Committee shall have the right to remove such sign, advertisement, billboard or structure which is placed on any Tract in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from any liability for trespass or other tort in connection therewith, or arising from such removal.

**Section 3.10 Animal Husbandry.** No livestock or poultry of any kind may be kept on any tract, except that on tracts two acres or larger, animals, other than pigs or hogs, may be bred, raised or kept for 4-H or FFA school sponsored programs. Additionally, on all tracts two acres to 4.99 acres, inclusive, one (1) horse, cow or other large animal may be kept so long as such animal does not become a nuisance or threat. On all tracts five (5) acres or larger, one (1) horse, cow or other large animal (excluding pigs and hogs) for every one (1) acre may be kept, as long as such animal(s) does not become a nuisance or threat to other owners. All animals being raised by individual tract owners must be kept in a fenced area on the Owner's Tract. Dogs must be kept in a kennel, dog run, or fenced in area that confines said dog(s) to that area, however, no breeding or other for-profit dog operation shall be allowed. Dogs will not be permitted to run loose and must be vaccinated for rabies according to State Law once a year and registered with Palo Pinto County once a year.

**Section 3.11 Mineral Development and Water Wells.** No commercial oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Tract and no derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained or permitted upon any Tract. No water wells may be drilled or dug upon or in any Tract.

**Section 3.12 Drainage.** Natural established drainage patterns of streets, tracts or roadway ditches may not be impaired by any person or persons. No creeks or natural drainage areas may be dammed, or water therefore improved, diverted or used for any purpose without the prior written consent of the Architectural Control Committee. Driveway culverts must be installed and must be of sufficient size to afford proper drainage of ditches without backing water up into ditch or diverting flow. Drainage culvert installation must meet County requirements.

**Section 3.13 Antennas/Solar Panels.** Antennas of any kind shall not exceed ten (10) feet above the roof of the dwelling or accessory building. No solar panels, satellite dishes or similar apparatus shall be



placed on any dwelling in such a way that panel/apparatus is visible from the street. Ground satellite dishes shall not be erected, installed or placed on property without the prior written approval of the Architectural Control Committee. Nothing herein shall be constructed to conflict with the latest rules and regulations set forth by the Federal Communications Commission.

**Section 3.14 Resubdivision.** No tract may be re-subdivided or split unless otherwise permitted in this Declaration.

**Section 3.15 Driveways.** The first 100 feet of all driveways up to the garage must be surfaced with either concrete, concrete pavers, asphalt, (2) two course chip and seal, or a combination thereof. Driveways must be surfaced upon completion of the main dwelling.

**Section 3.16 Landscaping and Mowing.** Four times each year, on dates determined by the Association, the Association shall schedule days on which the Lot owner shall have mowed his Lot. If a Lot is not mowed within the two weeks prior to that day, the Association may, at the Lot Owner's expense have the grass, weeds and cover on the Lot mowed or the Lot otherwise cleaned as often as in their sole discretion is deemed necessary. After construction has begun (reasonable construction and landscaping difficulties permitted and accepted during construction period), as well as after completion of Improvements, each Owner shall keep all shrubs, trees, grass and plantings of every kind on such Owner's Lot cultivated, pruned, mowed and free of trash and other unsightly materials. Front, side and rear yards shall be planted, landscaped and maintained in such a manner as is deemed acceptable by the Developer, or the Association. If, in the opinion of the Developer or the Association, an Owner shall, at any time, fail to maintain his yard in a safe, clean and attractive condition, the Association shall give the Owner ten (10) days written notice thereof. In the event the Owner shall fail to remedy the objectionable matter, the Owner agrees, by virtue of having accepted these Restrictions upon the purchase of the Lot, hereby waiving any claim for damages, that Developer or Association may, without being deemed to have trespassed upon the Lot, enter upon such Lot and perform such maintenance. Thereafter, the Owner shall be liable for the cost of such work, which shall promptly be reimbursed to the Developer or the Association. All landscaping as approved in the plans and specification shall be completed within twelve (12) months following the completion of the Residence.

**Section 3.17 Hunting.** No hunting is allowed in 7-R Ranch Estates or the Ranch. No discharge of handguns, rifles, shotguns or other firearms, pellet or air guns, bows or cross bows, or other weapons are allowed.

**Section 3.18 Underground Utility Lines.** Except for existing utility lines or for perimeter boundary lines, no utility lines including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire, shall be erected, placed or maintained anywhere in or upon any portion of the Property unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other improvements approved in writing by the Architectural Control Committee; provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other improvements which have been previously approved in writing by the Architectural Control Committee. The installation method, including but not limited to, location, type of installation, equipment, trenching method and other aspects of installation, for both temporary and permanent utilities shall be subject to review by the Architectural Control Committee.

**Section 3.19 Existing Buildings.** All improvements existing on the property on the date of the recording of these Restrictions shall be considered in compliance with these restrictions. However, all future building, demolition and all exterior alterations and additions must be approved by the Architectural Control Committee and must comply in all respects with all sections of these Restrictions, as written.

In the event of the failure of the Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, without liability to the Owner, Contractor or any occupants of the Tract in trespass or otherwise, enter upon (and/or authorize one or more others to enter upon) said Tract, and do any other thing necessary to secure compliance with the Declaration. Payment for the charges shall be payable on the first day of the next calendar month.



**Section 3.20 No Hazardous Activities.** No activities shall be conducted on any Tract and no improvements constructed on any Tract which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Tract or within the 7-R Ranch Estates or the Ranch; and no open fires shall be lighted or permitted on any Tract or Common Area, except (i) in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well designed interior wood or gas burning device, (ii) campfires or picnic fires on property designated for such use by Developer or by the Association and authorized in writing by Developer or the Association, and fires required for clearing or maintenance of land which are controlled and attended by Developer or the Association, (iii) chimneys, and (iv) firepits or outdoor fireplaces as approved in writing by the Architectural Review Committee

**Section 3.21 No Motorcycle or Motocross Tracks Allowed.** No Tract may be used at any time, in whole or in part, as a track or course for motorcycle, motocross or other motorized off-road vehicle track racing or riding.

**Section 3.22 Land Use Restriction.** In addition to the restrictions found in this Article, all or any portion of the Subdivision may be further restricted in its use, density, or design according to (i) any supplemental declarations of land use restrictions for the Ranch recorded with the County Clerk of Palo Pinto County, Texas, if any such supplemental declarations are recorded prior to the time Declarant transfers of conveys any such Tract to the Association or to any third party; or (ii) rules and regulations established by the Association. Each Owner shall comply with all other terms, provisions, covenants, conditions, restrictions, easements, and reservations on the Owner's part to be complied with under this Declaration.

**Section 3.23 Access to Ranch.** No Owner or Guest is entitled to enter upon any portion of the Ranch other than the Subdivision without the express written consent of Developer (which consent may be given or withheld in Developer's sole discretion). Provided however, Owners and Guests may use such temporary equestrian, hiking and/or biking trails as may be established or permitted by Developer within that certain portion of the Ranch that adjoins the northern boundary of the Subdivision, generally as depicted as the "Additional Recreational Area" on Exhibit "B" attached hereto and incorporated herein. Developer may suspend such privilege at any time.

**Section 3.24 Use of Equestrian and Other Recreational Easements.** The use of any equestrian or other recreational easement described in this Declaration or depicted on the Plat by any Owner or Guest is subject to such party's compliance with all rules and regulations relating thereto promulgated by Developer or the Association.

**Section 3.25 Restriction Against Unlicensed Vehicles.** No unlicensed vehicles, including but not limited to 3-wheelers, 4-wheelers or go-karts shall be allowed to be driven by an Owner or Guest within the Subdivision other than upon an Owner's individual Tract.

#### ARTICLE IV COMMERCIAL LOT

**Section 4.01 Lot 1, Commercial Use.** Notwithstanding anything contained in these restrictions to the contrary, Developer may designate and plat a portion of any Common Area for either residential, commercial or a combination of residential and commercial purposes (each a "Commercial Lot"). If used solely for single-family residential purposes, any such Commercial Lot and any and all improvements shall comply with all restrictions set forth in Article III of these restrictions and this Article IV shall not apply. If any such Commercial Lot is used for commercial use or a combination of commercial and single-family residential use, then such Commercial Lot and all improvements constructed thereon shall, except as to Section 3.06, comply with these restrictions, unless otherwise determined by the Architectural Control Committee. The decision of the Architectural Control Committee as to the applicability or non-applicability of the restrictions, once made shall not be subject to reversal by a subsequent or other Architectural Control Committee without the written consent of the then owner of a Commercial Lot.

**Section 4.02 Uses.** The following limitations apply to the use of any Commercial Lot:



- (1) No liquor store, bar or other facility dedicated solely to the sale or serving of alcoholic beverages shall be permitted.
- (2) No "adults only" houses, including but not limited to video, movie or other similar type facilities shall be permitted; nor shall any massage parlor, unless staffed by an in-house, state licensed, physical therapist shall be permitted.
- (3) No car, mobile home or manufactured home sales lot shall be permitted.
- (4) No bait or tackle shop shall be permitted.
- (5) No offensive or noxious odors or activities shall be permitted on this Lot, nor shall anything be done upon this Lot which may be or may become an annoyance or nuisance to the Owners or the subdivision.
- (6) All other uses shall be approved by the Architectural Control Committee.

**Section 4.03 Membership.** The owner or owners of a Commercial Lot shall be members of the Association. However, the Association shall have the right, with respect to the remaining Common Areas, to limit the number of guests of Owners, or if the Owner is a business entity or if such Commercial Lot is owned by more than two persons, to limit the number of Owners allowed to use the Common Area at any one time. The Common Areas shall be used only by the Lot Owner and his family. Commercial customers, clients or patients shall not be allowed to use the Common Areas.

#### ARTICLE V COMMON AREAS

**Section 5.01 Gas Motors.** No watercraft using gasoline or diesel powered motors shall be allowed on any lake within 7-R Ranch Estates at any time, except in the case of an emergency or for maintenance of such lake.

**Section 5.02 Piers.** Owners of lots adjacent to a lake may erect piers into such lake, with the approval of the Architectural Control Committee and all applicable governmental entities. Such piers shall be no more than three hundred (300) square feet in size, excluding all walkways less than four feet wide. No pier, including the walkway, shall extend more than 50 feet from the average water level line of the lake into the water. No pier shall be covered or more than one story and all piers must be maintained to the satisfaction of the Association.

**Section 5.03 Irrigation.** Those lots adjacent to any lake shall be allowed to use the water from the lake for irrigation purposes so long as such irrigation does not materially affect the level of the lake and is in compliance with all states, county and environmental regulations. The Board of Directors of the Association has the sole discretion on the determining if such irrigation materially affects the lake level.

**Section 5.04 Easement.** Developer reserves a maintenance easement, thirty feet in width along the shoreline of each lake, along with an access easement across any and all lots to access such easement. This easement shall be used by Developer and/or its assigns as needed to maintain, repair or preserve such lake and all surrounding vegetation and wildlife.

**Section 5.05 Equestrian Use of Common Area and Equestrian Easement.** Owners and Guests are entitled to use the Common Area for horse back riding, hiking and biking, subject to the terms and conditions of any rules and regulations governing such use as may be promulgated by Developer or the Association from time to time. Developer reserves an equestrian easement over and across the access and drainage easements depicted on the Plat for the use of Owners and Guests. Such easements shall be maintained by and at the expense of the Property Owners Association. No building, fence or other improvement shall be located over, under, upon or across any portion of any Equestrian Easement.

#### ARTICLE VI ARCHITECTURAL CONTROL COMMITTEE

**Section 6.01 Basic Control.**

- (1) No building or other improvements of any character shall be erected or placed, or the erection or



placing thereof commenced or changes made in the design or exterior appearance thereof, or any addition or exterior alteration made thereto after original construction, or demolition or destruction by voluntary action made thereto after original constructed, on any Tract in the subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Committee of the construction plans and specification for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument and other rules and regulations instituted by the Architectural Control Committee.

(2) Each application made to the Committee, or to the Developer, shall be accompanied by two sets of plans and specifications for all proposed construction (initial or alteration) to be done on such Tract, including plot plans showing location on the tract and any landscaping.

#### **Section 6.02 Architectural Control Committee.**

- (1) The authority to grant or withhold architectural control approval as referred to above is initially vested in the Developer; provided, however, the authority of the Developer shall cease and terminate upon the election of the Architectural Control Committee of the Association (sometimes herein referred to as the "Committee"), in which event such authority shall be vested in and exercised by the Committee, hereinafter referred to, except as to plans and specifications and plot plans therefore submitted to the Developer which shall continue to exercise such authority over all such plans, specifications and plot plans. The term "Committee", as used in this Declaration, shall mean or refer to the Developer or to the 7 R RANCH ESTATES ARCHITECTURAL CONTROL COMMITTEE composed of members of the Association, as applicable.
- (2) On or after such time (as shall be solely determined by Developer) ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer (from time to time hereafter referred to as the "Control Transfer Date"), the Developer shall cause an instrument transferring control to the Association to be placed of record in the Official Public Records of Palo Pinto County, Texas (the effective Control Transfer Date shall be the date of its recording). The first Board of Directors of 7-R RANCH ESTATES PROPERTY OWNERS ASSOCIATION, which Board shall be appointed by developer, shall be the Architectural Control Committee who shall serve until the next succeeding annual meeting following the Control Transfer Date. From and after the Control Transfer Date, each member of the Committee must be an Owner of Property in some phase of the 7-R RANCH ESTATES subdivision. Additionally, the Developer shall have the right to discontinue the exercise of Architectural Control privileges and arrange for the transfer to the Association at any time prior to the Control Transfer Date by filing a statement and instrument to that effect in the Official Public Records of Palo Pinto County, Texas.

**Section 6.03 Effect of Inaction.** Approval or disapproval as to architectural control matters, as set forth in the preceding provisions of this Declaration shall be in writing. In the event that the authority exercising the prerogative of approval or disapproval (whether the Developer or the Committee) fails to approve or disapprove in writing any plans and specifications and plot plans received by it in compliance with the preceding provisions within thirty (30) days following such submissions, such plans and specifications and plot plan shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plot plan and all of the other terms and provisions hereof.

**Section 6.04 Effect of Approval.** The granting of the aforesaid approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the Committee that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plot plan; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and



plot plan, but, nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reasons of the good faith exercise thereof.

**Section 6.05 Variance.** The Developer or, if applicable, the Committee, may, on a case by case basis, authorize variances from the compliance with any of the provisions of either (i) this Declaration, or (ii) the minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Developer or the Committee. Notwithstanding, after the Control Transfer Date, both the Developer and the Architectural Control committee shall have the right to grant a variance from the Building setback line restrictions. Either party may grant this variance, as it determines in its sole discretion is needed, without the consent of the other. Such variances must be evidenced in writing and shall become effective when signed by the Developer or by at least a majority of the members of the Committee. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance effect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned and the Plat.

## ARTICLE VII 7-R RANCH ESTATES PROPERTY OWNERS ASSOCIATION

**Section 7.01 Membership.** Every person or entity who is a record owner of any Tract, which is subject to the Maintenance charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, shall be a "Member" of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership for each Tract owned by such Member. Membership shall be appurtenant to and may not be separated from the ownership of the Tracts. Regardless of the number of persons who may own a Tract (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Tract. Additionally, the Directors of the Association must be Members of the Association (as more particularly described in the By-laws). Ownership of the Tracts shall be the sole qualification for membership. These restrictive covenants will not be construed as to assess the Veterans Land Board or the State of Texas. Any assessments are the personal obligation of the Veteran purchaser, his successors, heirs and assigns. Any lien imposed by the restrictive covenants does not affect the Veterans Land Board's interest in the property.

**Section 7.02 Voting Rights.** Notwithstanding anything herein to the contrary, Developer shall have and exercise the sole right to appoint officers and directors of the Association and to control over the Association until such time as Developer shall have transferred control to the Association in accordance with Article 6.02 (2). Thereafter, each member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members of the Association but the vote for such Lot shall be exercised as they among themselves determine. In no event shall more than one vote be cast with respect to any Lot.

**Section 7.03 Nonprofit Corporation.** 7-R RANCH ESTATES PROPERTY OWNERS ASSOCIATION, a nonprofit corporation, has been (or will be) organized and it shall be governed by the Articles of Incorporation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the association shall vest in said corporation.

**Section 7.04 Bylaws.** The Association has adopted or may adopt whatever Bylaws it may choose to govern the organization or operation of the subdivision and the use and enjoyment of the Tracts and Common Areas, provided that the same are not in conflict with the terms and provisions hereof.

**Section 7.05 Owner's Right of Enjoyment.** Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the title to every assessed Tract, subject to the following provisions:



- (1) The right of the Association, with respect to the Common Areas, to limit the number of guests of Owners.
- (2) The right of the Association, in accordance with its Articles and bylaws (and until 90% of all tracts in the subdivision are sold, subject to the prior written approval of the Developer), to (i) borrow money for the purpose of improving and maintaining the Common Areas and facilities including borrowing from the Developer or any entity affiliated with the Developer) and (ii) mortgage said property, however, the rights of such mortgage of said property shall be subordinate to the rights of the Owners hereunder.
- (3) The right of the Association to suspend the Member's voting rights and the Member's and Member's Guests' right to use any recreational facilities within the Common Areas during any period in which the Maintenance Charge or any assessment against his Tract remains unpaid.
- (4) The right of the Association to suspend the Member's voting rights and the Member's and Member's Guests' right to use any recreational facilities within the Common Area, after notice and hearing by the Board of Directors, for the infraction or violation by such Member or Member's Guests of this Declaration or the Rules and Regulations, as hereinafter defined, which suspension shall continue for the duration of such infraction or violation, plus a period not to exceed sixty (60) days following the cessation or curing of such infraction or violation.

**Section 7.06** Subdivision Maintenance Function:



- (1) The Association shall provide for the care, operation, management, maintenance, repair and replacement of all the Common Areas and the roadways and facilities owned by the Association that constructed or installed in the access, drainage and utility easements established by the Plat or otherwise granted by Developer within the Subdivision. Moreover, the Association may provide for the care and maintenance of other areas of the Subdivision if the Board of Directors, in its sole and exclusive discretion, deems such care and maintenance to be necessary or desirable for access to the boundary of or full utilization of any Tract or any improvements within the Ranch. Such function may include, without limitation, maintenance and care of open space or unimproved areas included in the Common Areas and of plants, trees and shrubs in such open space or unimproved areas; maintenance of lighting provided for parking areas, roads, walks, drives, and other similar Common Areas. The Board of Directors shall be the sole judge as to the appropriate care, operation, management, maintenance, repair and/or replacement of the Common Areas (including roadways) and other areas of the Subdivision.
- (2) Unless otherwise agreed in writing, the Association shall be obligated to and shall provide for the care, operation, management, maintenance and repair of any Common Areas consisting of only a portion of, or defined space within, a building or other improvement owned by Developer and shall be obligated to and shall bear and pay to Developer its proportionate share of Developer's costs and expenses relating to such building or improvement as a whole, including without limitation, maintenance, taxes and assessments, insurance and depreciation. The proportionate share of the Association's costs and expenses relating to such building or improvement as a whole shall be determined by Developer based on the actual amounts of such costs and expenses relating to such building or improvement as a whole multiplied by the ratio with a numerator which is the number of square feet of floor area of such defined space within the building or improvement and a denominator which is the number of square feet of floor area of the entire building or improvement.

**Section 7.07 Public Health and Safety Function.** The Association may provide public health and safety services within the Ranch, including but not limited to, providing health care services and facilities, security personnel, security systems, fire protection facilities, and a fire water system which may include periodic fire prevention inspections and equipment certifications.

**Section 7.08 Parking Function** The Association may construct, purchase, lease, care for, operate, manage, maintain, repair or replace parking areas to accommodate Owners, Guests, and Members of the general public, including but not limited to, lighting, signs, landscaping and other similar facilities appurtenant to such parking areas. To the extent practicable, the Association shall maintain such parking areas so as to meet any requirements imposed on the Association or on Developer with respect to the Ranch by any federal, state or local governmental agency.

**Section 7.09 Vehicular Access Limitation Function.** The Association may provide control over vehicular access to the Ranch which it deems necessary or desirable for the health, safety or welfare of persons residing, visiting or doing business within the Ranch. Such function may include, without limitation, constructing, operating and maintaining access road control gates (at such location(s) as the Association may from time to time determine to be appropriate), restricting non-commercial vehicular traffic within the Ranch except for Owners or Guests, and restricting commercial vehicular traffic within the Ranch. Owners and Lessees may be required to keep the Association informed of all persons who have overnight accommodations at such Owner's or Lessee's property in order to enforce the Rules and Regulations appropriately.

**Section 7.10 Recreation Function.** The Association may provide for the construction, care, operation, management, maintenance, repair and replacement within the Ranch which may include equestrian barns, corrals and/or training facilities, clubhouse and/or meeting facilities, picnic areas, outdoor grill areas, fire pits and other recreational amenities.



**Section 7.11** Animal Control Function. The Association may provide for regulations (and may provide for personnel and funds) to enforce animal control or exclude animals from the Ranch.

**Section 7.12** Exterior Maintenance Function.

- (1) All Owners are expected to maintain their Tracts as required under this Declaration, and the Association does not intend to provide any exterior maintenance and repair of such property. If any Owner fails to maintain its Tract or related improvements or property or fails to perform any acts of maintenance or repair required under this Declaration, the Association may, but shall not be obligated to, provide exterior maintenance and repair upon such property thereon pursuant to the provisions of Section 10.6. In addition, the Association may, without notice, make such emergency repairs and maintenance as may be necessary, in its judgment, for the safety of any person or to prevent damage to any other property. The costs of such exterior maintenance and repair shall be assessed against the Owner of such Tract and shall be a lien against and obligation of the Owner pursuant to Article V herein and shall become due and payable in all respects asset forth in Article V herein. For the purpose of performing the exterior maintenance authorized by this Section 3.8, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to any Owner, to enter upon such site during reasonable hours on any day. The Association or its designee is hereby granted an irrevocable license over all property in the Ranch to inspect in a reasonable manner property within the Ranch in order to determine whether any maintenance or repair is necessary under this Section 3.7.
- (2) Neither Developer, the Association, nor any of their respective directors, members, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any Tract or improvements or portion thereof or to repair or maintain the same. Developer, the Association or any member of the general public, firm or corporation undertaking such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any Tract, improvements or portion thereof.

**Section 7.13** Television Function. The Association may, but shall not be obligated to, provide for the installation, operation, maintenance, repair and replacement of satellite dishes, cable television, and related conduits, lines, equipment, and facilities.

**Section 7.14** Other Functions The Association may undertake and perform other functions as it deems reasonable or necessary to carry out the provisions of this Declaration, including without limitation, construction, care, operation, management, maintenance, repair and replacement of a central mailbox facility.

**Section 7.15** Insurance. The Association shall obtain in its name and keep in full force and effect at all times all insurance that the Board of Directors deems necessary with respect to the Common Areas or otherwise. Any loss covered by insurance maintained by the Association shall be adjusted with the Association in accordance with the terms and conditions herein. The insurance proceeds for any such loss shall be paid in accordance with the terms and conditions herein. Each Owner shall be responsible for insuring its Tract and the Association shall have no responsibility therefor.

**Section 7.16** Indemnification. The Association shall be obligated to and shall indemnify Developer and hold it harmless from all liability, loss, cost, damage and expense, including without limitation attorneys' fees and disbursements, arising with respect to any operations of the Association or with respect to any Common Areas or Functions.

**Section 7.17** Right to Make Rules and Regulations. The Association shall be authorized to and shall have the power to adopt, amend and enforce Rules and Regulations applicable within the Ranch with respect to any Common Area, and to implement the provisions of the Association documents, including



but not limited to, Rules and Regulations to prevent or reduce fire hazard; to prevent disorder and disturbances of the peace; to regulate pedestrian and vehicle traffic; to regulate animals; to protect wildlife; to regulate signs; to regulate weed and pest control on undeveloped property within the Ranch; to regulate use of any and all Common Areas to assure fullest enjoyment of use; to promote the general health, safety and welfare of persons residing, visiting and doing business within the Ranch; and to protect and preserve property and properly rights. All Rules and Regulations shall comply with the Association Documents, and any supplemental declarations of land use restrictions for the Ranch. The Rules and Regulations shall be uniformly applied, except such rules may differentiate between the categories of Tracts, Owners and Guests. The Association may provide for enforcement of any such Rules and Regulations through reasonable and uniformly applied fines and penalties, through exclusion of violators from the Common Areas or otherwise. Each Owner and Guest must comply with and abide by such Rules and Regulations and pay such fines or penalties upon failure to comply with or abide by such Rules and Regulations and such unpaid fines and penalties shall be enforceable in accordance with Article VII.

**Section 7.18 Taxes.** The Association shall pay all ad valorem real estate taxes, special improvement and other assessments (ordinary and extraordinary), ad valorem personal property taxes, and all other taxes, duties, charges, fees and payments required to be made to any governmental or public authority which shall be imposed, assessed or levied upon, or arise in connection with any Common.

**Section 7.19 Governmental Successor.** Any Common Area and any improvement constructed or installed thereon may be turned over to a governmental entity which is willing to accept and assume the same upon such terms and conditions as the Association shall deem to be appropriate upon the consent of the Members as provided in the Bylaws.

**Section 7.20 Records.** The Association shall keep financial records sufficiently detailed to enable the Association to perform all functions set forth herein which the Association has undertaken to perform, including preparation of statements for assessments. After reasonable prior notice to the Association, all financial records shall be made reasonably available for examination by any Owner or such Owner's authorized agents during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials. The financial records may be maintained at Developer's home offices prior to the Control Transfer Date and at such location as is designated by the Association thereafter.

**Section 7.21 Implied Rights of the Association.** The Association is entitled to exercise (but shall have no obligation to do so) any right or privilege given to it expressly in this Declaration or, except to the extent limited by the terms and provisions of this Declaration, given to it by law and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under this Declaration, including without limitation the rights to:

- (1) adopt and amend the Bylaws and Rules and Regulations of the Association;
- (2) adopt and amend budgets for revenues, expenditures and reserves and collect assessments, including without limitation assessments for Common Expenses, from Owners;
- (3) hire and terminate managing agents and other employees, agents and independent contractors;
- (4) institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Ranch;
- (5) make contracts and incur liabilities;
- (6) regulate the use, maintenance, repair, replacement and modification of the Common Areas;



- (7) cause additional improvements to be made as part of the Common Areas, including the construction of capital assets, in whole or in part, for the benefit of some or all of the Owners and Guests, including without limitation, equestrian barns, corrals and/or training facilities, clubhouse and/or meeting facilities, picnic areas, outdoor grill areas, fire pits and other recreational amenities, equestrian, hiking and/or biking trails, a pavilion, entrances, paths, walkways, improvements (including without limitation, removal of trees and other vegetation) and appurtenances; cattle guards; fences; recreational areas and facilities; water wells, parking areas; storage facilities for supplies and equipment; earth walls, retaining walls; lighting; and signage;
- (8) grant easements, leases, licenses and concessions through or over the Common Areas. Without limiting the generality of the foregoing, the Association may grant easements, rights-of-way, leases, licenses and concessions to suppliers of utilities serving the Subdivision or property adjacent to the Subdivision and may grant such rights to developers or owners of property adjacent to the Subdivision for the purpose of accommodating minor encroachments onto the Common Areas or other purposes that do not unreasonably interfere with the use and enjoyment of the Common Areas;
- (9) impose and receive any payments, fees or charges for the use, rental or operation of the Common Areas;
- (10) impose charges for late payments of assessments, recover reasonable attorneys' fees and disbursements and other costs of collection for assessments and other actions to enforce the rights of the Association, regardless of whether or not suit was initiated, and after notice and opportunity to be heard, levy reasonable fines and penalties for violations of the Association documents;
- (11) impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;
- (12) provide for the indemnification of the Association's officers and directors and maintain directors' and officers' liability insurance;
- (13) assign its right to future income, including without limitation, its right to receive assessments (by way of example and not limitation, the Association may assign its right to receive assessments to secure financing for improvements to the Common Areas or performance of any action ancillary thereto);
- (14) obtain and pay for legal, accounting and other professional services;
- (15) perform any action by, through or under contracting arrangements, licenses, or other arrangements, licenses, or other governmental or private entity as may be necessary or desirable; and
- (16) enjoy and exercise any other power of authority which similar associations may now or hereafter enjoy or exercise in the State of Texas.

**Section 7.22** Association Documents:

- (1) Each Owner shall comply with and may benefit from each term, provision, covenant, condition, restriction, reservation and easement contained in the Association Documents. The obligations, burdens and benefits of Membership in the Association touch and concern the property comprising the Ranch and are, and shall be, equitable servitudes and covenants running with the land for each Tract for the benefit of all other Tracts and the Common Areas.



- (2) in the event that there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of this Declaration shall control. In the event that there is any conflict or inconsistency between the terms and conditions of Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. In the event of any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

**Section 7.23 THE ASSOCIATION SHALL NOT BE REQUIRED TO PERFORM ANY FUNCTION WHICH IS NOT OBLIGATORY AS SET FORTH IN THIS DECLARATION (A "PERMISSIVE FUNCTIONS"). THE ASSOCIATION AND DEVELOPER MAKE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER THAT ANY PERMISSIVE FUNCTION WILL BE UNDERTAKEN OR PERFORMED BY THE ASSOCIATION OR DEVELOPER AT ANY TIME AND THE DETERMINATION OF WHETHER TO AND/OR WHEN TO UNDERTAKE ANY PERMISSIVE FUNCTION WILL BE DETERMINED IN THE ASSOCIATION'S SOLE DISCRETION.**

#### ARTICLE VIII MAINTENANCE FUND

**Section 8.01 Maintenance Fund Obligation.** Each Owner of a Tract by acceptance of a deed therefor, whether or not shall be expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association an annual maintenance charge (the "Maintenance Charge"), and any other assessments or charges payable under this Declaration. The Maintenance Charge and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Tracts and shall be a continuing lien upon the property against which each such Maintenance Charge and other charges and assessments are made.

**Section 8.02 Basis of the Maintenance Charge.**

- (1) The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund", which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Tract (or residential building site) to the Association. The Maintenance Charge for the year of purchase shall be prorated at closing and then shall be paid annually, in advance, on or before the first day of the first month of each calendar year. Provided, however if such owner owns more than one tract in the subdivision, such Owner shall pay only twice the assessment of one (1) tract no matter how many tracts are owned or in the event Owner obtains consent from the Committee for a Composite building site pursuant to Section 3.02 hereof and replats two or more lots into one Composite Building Site, such Composite Building Site shall be considered for the Maintenance Charge as one Lot upon the recording of the replat.
- (2) Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the hereinafter described lien against the owner's tract. No owner may waive or otherwise escape liability for the Maintenance Charge by non-use of any Common Areas or recreational facilities available for use by owners of the subdivision or by the abandonment of his Tract.
- (3) The initial amount of the Maintenance Charge applicable to each Tract will be determined by the Developer. All other matters relating to the Maintenance Charge and the



collection, expenditures and administration of the Maintenance Fund shall be determined by the Developer or the Board of Directors of the Association, subject to the provision hereof.

- (4) The Association, from and after the Control Transfer Date, shall have the further right at any time, with two-thirds vote of all association members casting votes, to adjust or alter said Maintenance Charge from year to year as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association in order for the Association to carry out its duties hereunder.

**Section 8.03** Creation of Lien and Personal Obligation. In order to secure the payment of the Maintenance Charge, and other charges and assessments hereby levied, each Owner of a Tract in the subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Tract which may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Chapters 51 and 209 of the Texas Property Code (and any successor statute); and each such owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Chapters 51 and 209 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of written instrument executed by the President or any Vice-President of the Association and filed for record in the Official Public Records of Palo Pinto County, Texas. In the event that the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Chapters 51 and 209 of the Texas Property Code and to exercise the power of sale hereby granted, the Association, or the Association's agent, shall give notice of foreclosure sale as provided by the Texas Property Code as then amended. Upon request by Association, Trustee shall give any further notice of foreclosure sale as may be required by the Texas Property Code as then amended, and shall convey such Tract to the highest bidder for cash by a Trustee's Deed. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and third, the remaining balance shall be paid to such Owners. Following any such foreclosure, each occupant of any such Tract foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In the event of a nonpayment by any Owner of any Maintenance Charge or other charge or assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, upon ten (10) days prior written notice thereof to such nonpaying Owners, exercise all other rights and remedies available at law or in equity.

It is the intent of the provisions of this Section 8.03 to comply with the provisions of said Chapters 51 and 209 of the Texas Property Code relating to non-judicial sales by power of sale and, in the event of the amendment of said Chapters 51 and 209 of the Texas Property code hereafter, the President or any Vice-President of the Association, acting without joinder of any other Owner or mortgage or other person may, by amendment to this Declaration filed in the Official Public Records of Palo Pinto County, Texas, amend the provisions hereof so as to comply with said amendments to Chapters 51 and 209 of the Texas Property Code.

**Section 8.04** Notice of Lien. In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim or lien against the Tract of the delinquent Owner by recording a notice ("Notice of Lien") setting forth (a) the amount of the claim of delinquency, (b) the interest thereon, (c) the costs of collection which have accrued thereon, (d) the legal description and street address of the Tract against which the lien is claimed and (e) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts



secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such release of lien instrument.

**Section 8.05 Liens Subordinate to Mortgages.** The lien described in Section 8.01 hereof shall be deemed subordinate to a first lien granted by Developer on the Property or any part thereof to any lender and to each and every lien of Developer, any bank, insurance company, savings and loan association, university, pension and profit sharing trust or plans, or any other third party lender, which may have heretofore or may hereafter lend money or extended credit in good faith for the acquisition or improvement of the Property or any part thereof, including without limitation, any one or more Tract(s), and any renewal, extension, rearrangement or refinancing of such acquisition or improvement costs. The lien described in Section 8.01 hereof shall further be deemed subordinate to any home equity loan. Each such lienholder who obtains title to any portion of the Property encumbered by its lien pursuant to the remedies provided in the deed of trust or mortgage granting the lien or by judicial foreclosure of the lien shall take title to said Property free and clear of any claims for unpaid Maintenance Charges or other charges of assessments against such Property which accrued prior to the time such holder acquired title to such Property. No such sale or transfer shall relieve such holder from liability for any Maintenance Charge or other charges or assessments accruing thereafter or from the lien described in Section 8.01 hereof on account thereof. Any other sale or transfer of the Property shall not affect the Association's lien for Maintenance Charges or other charges or assessments. The Association shall make a good faith effort to give each such lienholder having a lien on any portion of the Property to be foreclosed sixty (60) days advance written notice of the Association's proposed foreclosure of the lien described in Section 8.01 hereof, which notice shall be sent to the nearest office of such mortgagee by prepaid United States registered or Certified mail, return receipt requested, and shall contain a statement of delinquent Maintenance Charges or other charges or assessments upon which the proposed action is based, provided, however, the Association's failure to give such notice shall not invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article VIII.

**Section 8.06 Purpose of the Maintenance Charges.** The maintenance charge levied by the Developer or the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners of the subdivision which hereafter may become subject to the jurisdiction of the Association. In particular, the Maintenance Charge shall be used for any improvement services in furtherance of these purposes and the performance of the Association's duties described in Article X, including the maintenance of any Common Areas, any Drainage Easements and the establishment and maintenance of a reserve fund for maintenance of any Common Areas. The Maintenance Fund may be expended by the Developer or the Association for any purposes which, in the judgment of the Association, will tend to maintain the property values in the subdivision, including, but not limited to, providing funds for the actual costs to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Area as may from time to time be authorized by the Association. Except for the Association's use of the Maintenance Charge to perform its duties described in this Declaration and in the Bylaws, the use of the Maintenance Charge for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Association as to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

**Section 8.07 Handling of Maintenance Charges.** The collection and management of the Maintenance Charge or other charge or assessment levied hereunder, shall be performed by the Developer, or management Company hired for the Association by Developer, until the Control Transfer Date, at which time the Developer shall deliver to the Association all funds on hand together with all books and records of receipt and disbursements. The Developer and upon transfer, the Association, shall maintain separate special accounts for these funds, and Owners shall be provided at least annually information on the Maintenance Fund.

**Section 8.08 Exempt Property.** The following property shall be exempt from the Maintenance Charge



and all other charges and assessments created herein:

- a. All properties dedicated to and accepted by a local public authority.
- b. All Common Areas; and
- c. All properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas.

**Section 8.08** Developer's Obligation for Assessments. Prior to the Control Transfer Date, Developer may annually elect either to pay Maintenance Charges on its unsold Tracts in the same manner as any other Owner, or to pay the difference between the amount of assessments levied on all other Tracts subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Such obligations may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

## ARTICLE IX DEVELOPER'S RIGHTS AND RESERVATIONS

**Section 9.01** Period of Developer's Rights and Reservations. Developer shall have, retain and reserve certain rights as set forth in this declaration with respect to the Association and the Common Area from the date hereof, until the earlier to occur of (i) the Control Transfer Date or (ii) Developer's written notice to the Association of Developer's termination of the rights described in Article VII hereof. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of a Tract by Developer to an Owner whether or not specifically stated therein and in each deed or other instrument by which any property within the Common Area is conveyed by Developer. The rights, reservations and easements hereafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration Developer's consent to any one such amendment shall not be construed as a consent to any other or subsequent amendment.

**Section 9.02** Right to Construct Additional Improvements in Common Area. Developer shall have and hereby reserves the right (without the consent of any other Owner), but shall not be obligated to construct additional improvements within the common Area at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in the increase of such Maintenance Charge. Developer shall, on or before the Control Transfer Date, convey or transfer such improvements to the Association and the Association shall be obligated to accept title to care for and maintain the same as elsewhere provided in this Declaration.

**Section 9.03** Developer's Rights to Use Common Areas in Promotion and Marketing of the Property. Developer shall have and hereby reserves the right to reasonable use of the Common Area and of services offered by the Association in connection with the promotion and marketing of land within the boundaries of the Property. Without limiting the generality of the foregoing, Developer may erect and maintain on any part of the Common Area such signs, temporary buildings and other structures as Developer may reasonably deem necessary or proper in connection with the promotion, development and marketing of land within the Property; may use vehicles and equipment within the Common Area for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Property, who are not Owners or Members of the Association, to use the Common Area at reasonable times and in reasonable numbers; and may refer to the services offered by the Association in connection with the development, promotion and marketing of the property.

**Section 9.04** Developer's Rights to Grant and Create Easements. Developer shall have and hereby reserves the right, without the consent of any other Owners or the Association, to grant or create temporary or permanent easements, for access, utilities, pipeline easement, cable television systems,



communication and security systems, drainage, water and other purposes incidental to development, sale, operation and maintenance of the subdivision, located in, on, under, over and across (i) the Tracts or other property owned by Developer, (ii) the Common Area, and (iii) existing utility easements. Developer also reserves the right, without the consent of any other Owner or the Association, to grant or create temporary or permanent easements for access over and across the streets and roads with the subdivision.

**Section 9.05 Developer's Rights to Convey Additional Common Area to the Association.** Developer shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and improvements thereon, if any, to the Association as Common Area at any time and from time to time in accordance with this Declaration, without the consent of any other Owner or the Association.

**Section 9.06 Annexation of Annexable Area.** Additional property outside of the subdivision, may, at any time and from time to time, be annexed by Developer into the real property which becomes subject to the jurisdiction and benefit of the Association, without the consent of the Owners or any other party.

**Section 9.07 Developer Right to Appoint.**

- (a) Subject to the terms and conditions of subsection (b) below but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document, Developer shall have the exclusive right to appoint and remove all of the directors of the Board of Directors of the Association during the Developer Control Period. The Board of Directors shall elect the officers. The Board of Directors and officers shall take office upon election.
- (b) Developer may voluntarily surrender its right to appoint and remove directors prior to the expiration of the Developer Control Period.
- (c) Upon the expiration (or voluntary termination by Developer) of the Developer Control Period and so long as Developer owns at least one (1) Tract, the Developer shall retain the right to elect one (1) director who need not be an Owner and the remaining directors shall be elected by the other Members, which remaining directors must be Owners other than the Developer.

## ARTICLE X DUTIES AND POWERS OF THE PROPERTY OWNERS ASSOCIATION

**Section 10.01 General Duties and Powers of the Association.** The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members, to maintain, improve and enhance the Common Areas and to improve and enhance the attractiveness, desirability and safety of the Subdivision. The Association shall have the authority to act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the Association as set forth in this Declaration.

**Section 10.02 Duty to Accept the Property and Facilities Transferred by Developer.** The Association shall accept title to any property, including any improvements thereon and personal property transferred to the Association by Developer, and equipment related thereto, together with the responsibility to perform any and all administrative functions and recreation functions associated therewith (collectively herein referred to as "Functions"), provided that such property and Functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by Developer shall, except to the extent otherwise specifically



approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, the terms of any declaration of covenants, conditions and restrictions annexing such property to the Common Area, and all easements, covenants, conditions, restrictions and equitable servitude or other encumbrances which do not materially affect the Owners authorized to use such property. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to Developer or any affiliate of Developer including, but not limited to any purchase price, rent, charge or fee.

**Section 10.03 Duty to Manage and Care for the Common Area.** The Association shall manage, operate, care for, maintain and repair all Common Areas and entrances and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members.

Further, the Association shall pay for electrical services and for all other costs and expenses necessary to operate and maintain any lighting within street right-of-ways and Common Areas.

**Section 10.04 Other Insurance Bonds.** The Association shall maintain a general liability insurance policy covering all common areas in an amount determined adequate by the Board of Directors. The Association shall obtain such other insurance as may be required by law, including worker's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

**Section 10.05 Duty to Prepare Budgets.** The Association shall prepare budgets for the Association, which budgets shall include a reserve fund for the maintenance of all Common Areas.

**Section 10.06 Duty to Levy and Collect the Maintenance Charge.** The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

**Section 10.07 Duty to Provide Annual Review.** The Association shall provide for an annual unaudited independent review of the accounts of the Association. Copies of the review shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying the same.

**Section 10.08 Duties with Respect to Architectural Approvals.** The Association shall, when applicable, appoint the Architectural Review Committee consisting of at least three (3) persons, at least one of whom is a Member and shall perform functions to assist the Committee as elsewhere provided in article VI of this Declaration.

**Section 10.09 Power to Acquire Property and Construct Improvements.** The Association may acquire property or an interest in property (including leases) for the common benefit of Owners including improvements and personal property. The Association may construct improvements on the Property and may demolish existing improvements.

**Section 10.10 Power to Adopt Rules and Regulations.** The Association may adopt, amend, repeal and enforce rules and regulations ("Rules and Regulations"), fines, levied and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

**Section 10.11 Power to Enforce Restrictions and Rules and Regulations.** The Association (and any Owner with respect only to the remedies described in (ii) below) shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Member's Guests. Without limiting the generality of the foregoing, the Association shall have the power to enforce



the provisions of this Declaration and of Rules and Regulations of the Association by any one or more of the following means: (i) By entry upon any property within the subdivision after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice (written or oral) to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability by the Association to the Owner thereof, for the purpose of enforcement of this Declaration or the Rules and Regulations; (ii) (by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations; (iii) by exclusion, after notice and hearing, of any Member or Member's Guests from use of any recreational facilities within the Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Member's guests, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues; (iv) by suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Member's Guests of a provision of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (v) by levying and collecting, after notice and hearing, an assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or a Member's Guests which assessment reimbursed the Association for the costs incurred by the Association in connection with such breach; (vi) by levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Member's Guests for breach of this Declaration or such Rules and Regulations by such Member or a Member's Guests; and (vii) by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Members, plus attorney's fees incurred by the Association with respect to exercising such remedy.

Before the Board may invoke the remedies provided above, it shall give registered notice of such alleged violation to Owner, and shall afford the Owner a hearing. If, after the hearing, a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association, the Developer, or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

**Section 10.12 Power to Grant Easements.** In addition to any blanket easements described in this Declaration, the Association shall have the power to grant access, utility, drainage, water facility and other such easements in, on, over or under the Common Area.

## ARTICLE XI GENERAL PROVISIONS

**Section 11.01 Term.** The provisions hereof shall run with all property in 7-R RANCH ESTATES, PHASE 1 and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by not less than two-thirds (2/3rds) of the Owners (including the Developer) of the Tracts has been recorded agreeing to amend or change, in whole or in part, this Declaration.

**Section 11.02 Amendments.** This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or by signed ballots voting for such amendment, of not less than two-thirds (2/3rds) of all the Owners (including Developer) of the subdivision. There shall be one vote per Tract. Anyone owning more than one Tract shall have one vote for each Tract owned. If the Declaration is amended by a written instrument signed by those Owners entitled to cast not less than two-thirds (2/3rds) of all the votes of the Owners of the Association, such amendment must be approved by said Owners within three hundred sixty-five (365) days of the date of the first Owner executes such amendment. The date an Owner's signature is acknowledged shall constitute prima facie evidence of the date of execution



of said amendment by such Owner. Any such amendment shall become effective when an instrument is filed for record in the Official Public Records of Palo Pinto County, Texas, accompanied by certificate, signed by a majority of the Board of Trustees, stating that the required number of Members (Owners, including the Developer) executed the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination. The Owners shall not amend this Declaration in such a manner as to increase the priority of the Association's lien for the Maintenance Charge for any other charge or assessment as against any lienholder, without the affirmative unanimous vote to do so of all Owners and lienholders directly affected thereby. Furthermore, no amendment to this Declaration which adversely affects the rights or security interests of any holder of a lien to which the lien described in Section 8.01 hereof has been subordinated pursuant to Section 8.05 hereof shall become effective unless and until approved, in writing, by such lienholder. No amendment to this Declaration which adversely affects the rights and privileges of Developer shall become effective unless and until approved, in writing, by Developer and any Mortgagee of Record which is a lender to Developer.

**Section 11.03 Amendments by the Developer.** The Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record. Additionally, Developer shall have and reserves the right at any time and from time to time prior to the Control transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of permitting the Owners to enjoy the benefits from technological advances, such as security, communications or energy-related devices or equipment which did not exist or were not in common use in residential communities at the time this Declaration was adopted. Likewise, the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of prohibiting the use of any device or apparatus developed and/or available for residential or commercial use following the date of this Declaration if the use of such device or apparatus will adversely affect the Association or will adversely affect the property values within the subdivision.

**Section 11.04 Severability.** Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity of un-enforceability or partial invalidity or partial un-enforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

**Section 11.05 Liberal Interpretation.** The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

**Section 11.06 Successors and Assigns.** The provisions hereof shall be binding upon and inure to the benefit of the Owners, the Developer and the Association, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

**Section 11.07 Effect of Violations on Mortgages.** No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

**Section 11.08 Special Disclosure Matters.** Each Owner is hereby advised of the following matters affecting the Ranch and the use and enjoyment thereof:

(a) Tracts within a Subdivision are or may be located in close proximity to one or more of the following: lakes or ponds, recreation area(s), public or private solid waste landfills, swimming areas, cliff areas, equestrian stables and facilities, and wildlife areas (collectively, the "Hazard Areas"). All of these



areas create or contain certain hazards associated with the character or use of such area. Such areas may also generate an unpredictable amount of visible, audible and odorous impacts and disturbances from activities relating to the construction, operation, use and maintenance thereof.

(b) The activities associated with the Hazard Areas may include without limitation: (i) vehicular and pedestrian traffic, (ii) construction vehicles and equipment, (iii) tree cutting and clearing, grading and earth-moving; and other construction activities, (iv) construction, operation and maintenance of roads, and (v) activities relating to the use of the Hazard Areas, including, without limitation, swimming or hiking in areas including tall cliffs without handrails, horseback riding, bicycling, motorized "four-wheeling", and other recreational activities and organized events and competitions relating to such activities.

(c) Other hazards created by the Hazard Areas may include, but are not limited to, obstructed views, damage or injury caused by the general public, and death, personal injury, or Ranch damage caused by wild animals, including snakes and reptiles. Moreover, access to certain common areas shall be restricted from time to time, and substantial construction-related activities relating to the development of the Ranch or other development within or near the Ranch may cause considerable noise, dust and over inconveniences to the persons residing, visiting or doing business in the Ranch.

(d) Each Owner, by accepting a deed to a Tract and/or an assignment of a leasehold to a Tract or any interest therein, acknowledges that the impacts, disturbances, hazards and activities described above may occur in and around such Tract and the Ranch, and each Owner by accepting a deed to a Tract and/or an assignment of a leasehold or any interest therein, for itself and its lessees, guests, successors and assigns, hereby forever waives and releases any claims which such Owner may have against the Developer and its respective successors and assigns, as a result of, arising out of or in any way relating to the impacts, disturbances, hazards and activities described above.

**Section 11.09 Terminology.** All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein", "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear. All references in this Declaration to Exhibits shall refer to the Exhibits attached hereto.

*(THIS SPACE INTENTIONALLY LEFT BLANK)*



IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand of this 5<sup>th</sup> day of March, 2004.

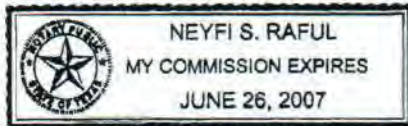
ICARUS INVESTMENTS IV, LTD.,  
a Texas limited partnership

By: ICARUS INVESTMENTS, INC.  
a Texas Corporation, general partner

By: Michael A. Ruff  
Michael A. Ruff, President

STATE OF TEXAS           §  
  §  
COUNTY OF PALO PINTO   §

This instrument was acknowledged before me on the 5<sup>th</sup> day of March, 2004, by MICHAEL A. RUFF, President of ICARUS INVESTMENTS, INC., a Texas corporation, sole general partner of ICARUS INVESTMENTS IV, LTD., a Texas limited partnership on behalf of said corporation and said limited partnership.



Neyfi S. Raful  
Notary Public, State of Texas



After recording return to:  
Icarus Investments IV, Ltd.  
200 Crescent Court, Suite 1065  
Dallas, Texas 75201

**FIRST AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
7-R RANCH ESTATES  
PHASE 1**

STATE OF TEXAS                    §  
  §            KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF PALO PINTO       §

This First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 (this "Amendment"), made on the date hereinafter set forth by ICARUS INVESTMENTS IV, LTD., a Texas limited partnership (hereinafter referred to as "Developer").

WHEREAS, Developer is the Developer under that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas, regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate;

WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;

WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment; and

WHEREAS, Developer desires to amend and clarify the Declaration in certain respects.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged:

A. Developer hereby amends the Declaration as follows:



1. Article II, Section 2.02 is hereby amended by deleting the period at the end of the third sentence thereof and by inserting a comma in its place so that the third and fourth sentences of Section 2.02 are combined and read as follows:

Should any utility company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Developer, without the joinder of any other Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof.

2. Article III is amended by adding the following new Section 3.26:

**Section 3.26** Protection of Trees and Native Plants. In order to maintain the natural beauty of the area, no tree having a diameter of six inches (6") or more (measured from a point two (2) feet above ground level) shall be removed from any Lot or Tract by any Owner other than the Developer without the express written authorization of the Architectural Control Committee, except those contained within the building site and within five feet thereof or in the driveway area. The Architectural Control Committee, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife within the Subdivision. If it shall deem appropriate, the Architectural Control Committee may mark certain trees, regardless of size, as not removable without written authorization.

3. Section 3.01 (4) is amended to read in its entirety as follows:

(4). Garage door openings must face side or rear lot lines for all size dwellings. Carports may be permitted, subject to approval of the Architectural Control Committee as to size, design, materials, and location and similar features.

4. The second sentence of Section 3.05 is amended to read in its entirety as follows:

Fences must be set back a minimum of two feet (2') behind the dedicated utility easement on all Lots.

5. Article VI is amended by adding the following new Section 6.06:

**Section 6.06** Approval of Builders and Contractors. Any Builder or Contractor must, before beginning construction on any Lot or Tract, be approved in writing by the Developer as to financial stability, history of compliance, if applicable, with the Declaration in performing other construction work at 7-R Ranch Estates, building experience, ability to build houses or other structures of the class and type established by this Declaration and any guidelines for 7-R Ranch Estates, and such other factors as may be determined by the Developer to be reflective of the Builder's or Contractor's quality or ability. Financial data, as deemed necessary by the Developer, must be submitted to the Developer. Each Builder or Contractor performing any work within 7-R Ranch Estates shall be responsible and



liable to Developer and the Association for its actions and the actions of its agents, subcontractors and employees within 7-R Ranch Estates, Developer may charge a fee to each Builder or Contractor in connection with the approval process as determined by Developer and require, as a condition to such Builder or Contractor's right to commence work within 7-R Ranch Estates, such Builder or Contractor to enter into a written agreement with Developer. In addition to providing for a fee payable to Developer by such Builder/Contractor, the agreement will also acknowledge Builder's/Contractor's obligation and agreement to comply with all rules and policies imposed by Developer upon the construction of improvements within 7-R Ranch and the assessment of penalties and fines upon Builder/Contractor for failure to comply. Each such Builder or Contractor shall ensure full compliance by its agents, subcontractors and employees, with this Declaration and all rules, regulations or guidelines of 7-R Ranch Estates. Following the Control Transfer Date, Builders and Contractors must be approved by the Architectural Control Committee.

B. Nothing contained herein modifies, limits or otherwise affects the right, power and authority of the Architectural Control Committee to approve plans, drawings or specifications for any Improvement or for any other matter requiring the approval of the Architectural Control Committee under the Declaration or to grant variances, waivers, tolerances or modifications of the standards as set forth within the Declaration.

C. Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

EXECUTED to be effective as of the date first written above.

**DEVELOPER:**

ICARUS INVESTMENTS IV, LTD., a Texas limited partnership

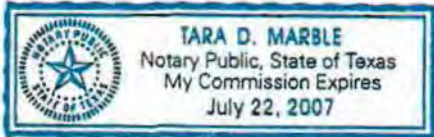
By: ICARUS INVESTMENTS, INC.  
a Texas Corporation, general partner

By:   
Michael A. Ruff, President



STATE OF TEXAS §  
  §  
COUNTY OF PALO PINTO §

This instrument was acknowledged before me on the 4 day of April, 2005, by MICHAEL A. RUFF, President of ICARUS INVESTMENTS, INC., a Texas corporation, sole general partner of ICARUS INVESTMENTS IV, LTD., a Texas limited partnership on behalf of said corporation and said limited partnership.



*Tara D. Marble*  
\_\_\_\_\_  
Notary Public, State of Texas



After recording return to:  
Icarus Investments IV, Ltd.  
2777 Stemmons Freeway, Suite 938  
Dallas, Texas 75207

**SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
7-R RANCH ESTATES  
PHASE 1  
AND  
SUPPLEMENTAL DECLARATION**

STATE OF TEXAS           §  
  §       KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF PALO PINTO   §

This Second Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 and Supplemental Declaration (this "Amendment"), made on the 23 day of January, 2006 by ICARUS INVESTMENTS IV, LTD., a Texas limited partnership (hereinafter referred to as "Developer").

WHEREAS, Developer is the Developer under that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas, as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 dated the 4<sup>th</sup> day of April, 2005, recorded in Volume 1301, Page 907, Official Public Records, Palo Pinto County, Texas (as amended the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, Section 2.06 of the Declaration provides that any time prior to the Control Transfer Date the Developer may unilaterally annex and subject all or any portion of the real property lying within the Ranch to the Declaration by filing a Supplemental Declaration annexing such property in the real property records of Palo Pinto County, Texas;

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate

WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;

WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not



been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment;

WHEREAS, Developer desires to subject a portion of the real property owned by Developer lying within the Ranch as more particularly describe on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Additional Property") ; and

WHEREAS, Developer desires to amend and clarify the Declaration in certain respects.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged:

A. Developer hereby annexes and subjects the Additional Property to the Declaration.

B. Developer hereby amends the Declaration as follows:

1. The Declaration shall hereafter be entitle "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS7-R RANCH ESTATES" and the reference to "Phase 1" in the Declaration and any prior amendments thereto shall be deemed to mean all real property now or hereafter subject to the Declaration.

2. Article III, Section 3.15 is hereby amended adding the following new sentence at the end of such section:

For purposes hereof, if the driveway has more than one access point to the abutting street (e.g. a circular drive), the first 100 feet of each portion of the driveway abutting the street shall be paved as required herein.

3. Article III, Section 3.16 is hereby amended adding the following new sentence at the end of such section:

All brush, rock, grass, and debris resulting from any clearing, grading, or brush-hog operations on any Tract shall be removed from such Tract promptly and in no event later than thirty (30) days following the conduct of such operations.

4. Article III, Section 3.20 is hereby amended adding the following new sentence at the end of such section:

Notwithstanding the foregoing, no fire or burning of any kind shall be allowed on any Tract or any portion of the Common Area in contravention of any ban or restriction on such fire or burning pursuant to any law, rule, ordinance, or regulation of any governmental authority having jurisdiction over the Ranch.

5. Article VI, Section 6.06 is amended and restated in is entirety to read as follows:

**Section 6.06 Approval of Builders and Contractors.** Developer reserves the absolute right prior to the Control Transfer Date to restrict construction of dwellings in the Ranch to Builders or Contractors who have been approved by Developer (an "Approved Builder"), such approval to be granted or withheld in the absolute discretion of Developer. Following the Control Transfer Date, Builders and Contractors must be approved by the Architectural Control Committee. The Developer and/or the Association shall furnish a list of Approved



Builders to an Owner upon written request. In addition, plans and specifications shall not be deemed to have been properly submitted under Section 6.01 above unless a contract with an Approved Builder for construction of such improvements described in such plans and specifications (if required by Developer and/or the Association, shall also have been submitted. Notwithstanding the purchase of a Lot by an Owner, such Owner may not cause or authorize any Builder or Contractor or any other person or entity to construct a dwelling on the Lot other than a Builder or Contractor who has been approved in writing by Developer or the Architectural Control Committee following the Control Transfer Date.

- 6. Article VI is amended by adding the following new Section 6.07:

**Section 6.07 Limitation of Liability.** Neither Developer nor any member of the Architectural Control Committee shall be liable for claims, causes of action or damages (except where occasioned by willful misconduct of such member) arising out of services performed pursuant to this Article VI. Neither the Developer or the Architectural Control Committee, nor the members thereof, nor the Association, nor any Association member, nor any officers, directors, members, employees, agents or affiliates of any of them, shall be liable in damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications. Every person who submits plans or specifications, and every Owner, agrees that he will not bring any action or suit against Developer, the Association, any member of the Association, the Architectural Control Committee, the Board, or the officers, directors, members, employees, agents or affiliates of any of them, to recover any such damages and hereby releases, demises, and quit claims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Developer shall be the sole party responsible for the performance of Developer's obligations under this Declaration, and no other person, firm or entity, including, without limitation, any entity affiliated with Developer, shall have any obligation or liability for Developer's obligations under this Declaration

- 7. Article XI is amended by adding the following new Section 11.10:

**Section 11.10 Liability for Guests.** Each Owner is solely responsible for his own safety and for the safety, well-being and supervision of his Guests and any person on the Ranch Property to whom the Owner has a duty of care, control, or custody. Each Owner is responsible for any loss or damage to his property, the property of other Owners or their Guests, or to the Common Areas, if such loss or damage is caused by the Owner by any Guest of an Owner or person for whom the Owner is responsible.

C. Nothing contained herein modifies, limits or otherwise affects the right, power and authority of the Architectural Control Committee to approve plans, drawings or specifications for any Improvement or for any other matter requiring the approval of the Architectural Control Committee under the Declaration or to grant variances, waivers, tolerances or modifications of the standards as set forth within the Declaration.



D. Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

EXECUTED to be effective as of the date first written above.

**DEVELOPER:**

ICARUS INVESTMENTS IV, LTD., a Texas limited partnership

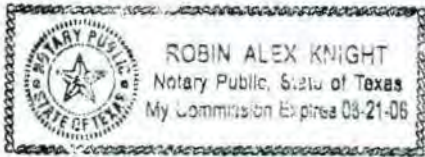
By: ICARUS INVESTMENTS, INC.  
a Texas Corporation, general partner

By:   
Michael A. Ruff, President



STATE OF TEXAS §  
§  
COUNTY OF PALO PINTO §

This instrument was acknowledged before me on the 26<sup>th</sup> day of January, 2006, by MICHAEL A. RUFF, President of ICARUS INVESTMENTS, INC., a Texas corporation, sole general partner of ICARUS INVESTMENTS IV, LTD., a Texas limited partnership on behalf of said corporation and said limited partnership.



*Robin Alex Knight*  
Notary Public, State of Texas



After recording return to:  
Icarus Investments IV, Ltd.  
5949 Sherry Lane, Suite 960  
Dallas, Texas 75225

**THIRD AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
7-R RANCH ESTATES  
AND  
SUPPLEMENTAL DECLARATION**

STATE OF TEXAS           §  
  §           KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF PALO PINTO   §

This Third Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, and Supplemental Declaration (this "Amendment"), made on the 15<sup>th</sup> day of February, 2008 by ICARUS INVESTMENTS IV, LTD., a Texas limited partnership (hereinafter referred to as "Developer").

WHEREAS, Developer is the Developer under that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas, as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 dated the 4<sup>th</sup> day of April, 2005, recorded in Volume 1301, Page 907, Official Public Records, Palo Pinto County, Texas, as further amended by Second Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 and Supplemental Declaration dated the 23<sup>rd</sup> day of January, 2006, recorded in Volume 1352, Page 660, Official Public Records, Palo Pinto County, Texas (the "2<sup>nd</sup> Amendment"), which 2<sup>nd</sup> Amendment amended the title thereof to read "Declaration Of Covenants, Conditions And Restrictions 7-R Ranch Estates" (as amended and supplemented, the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, Section 2.06 of the Declaration provides that any time prior to the Control Transfer Date the Developer may unilaterally annex and subject all or any portion of the real property lying within the Ranch to the Declaration by filing a Supplemental Declaration annexing such property in the real property records of Palo Pinto County, Texas;

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate;

WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;



WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment;

WHEREAS, Developer desires to subject a portion of the real property owned by Developer lying within the Ranch as more particularly describe on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Additional Property"); and

WHEREAS, Developer desires to amend and clarify the Declaration in certain respects.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged:

A. Developer hereby annexes and subjects the Additional Property to the Declaration.

B. Developer hereby amends Article III; Section 3.01 of Declaration by adding the following new subsection:

*"(11) Prior to setting any electric meter or installing any water tap for service to any Lot, the Owner of the Lot shall notify Developer and the Association in writing of the intent to setting such meter or installing such tap and the proposed location thereof. The location of meters and taps shall be subject to the prior approval of the Developer or the Architectural Control Committee. Electric meters for service to unimproved Lots or not otherwise attached to a main dwelling must not be visible from the road, and screened with vegetation and/or privacy fencing as approved by the Architectural Control Committee."*

C. Developer hereby amends Article VI; Section 6.06 of Declaration by adding the following at the end of such section:

*"Prior to the commencement of construction on any Lot, the Approved Builder shall enter into an agreement with the Developer providing for the agreement of the Approved Builder to comply with the Declaration, the Design Guidelines, any conditions of approval of the Builder, conditions of approval of any plans and specifications for construction of improvements, the deposit of such security for compliance by the Builder with the foregoing as Developer may determine, and such other terms and conditions as Developer my require in its sole discretion."*

D. Developer hereby amends Article X; Section 10.11 of Declaration by amending and restating such Section to read in its entirety as follows:

**Section 10.1** Power to Enforce Restrictions and Rules and Regulations. *The Association (and any Owner with respect only to the remedies described in (ii) below) shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Member's Guests. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and of Rules and Regulations of the Association (including, without limitation, compliance with Article VI hereof regarding compliance with any requirements for the construction of improvements imposed by the Architectural Control Committee)*



*by any one or more of the following means: (i) By entry upon any property within the subdivision in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability by the Association to the Owner thereof, for the purpose of enforcement of this Declaration or the Rules and Regulations; (ii) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations; (iii) by exclusion, after notice and hearing as may be required by law, of any Member or Member's Guests from use of any recreational facilities within the Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Member's guests, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues; (iv) by suspension, after notice and hearing as may be required by law, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Member's Guests of a provision of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (v) by levying and collecting an assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or a Member's Guests which assessment reimbursed the Association for the costs incurred by the Association in connection with such breach; (vi) by levying and collecting, after notice and hearing as may be required by law, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Member's Guests for breach of this Declaration or such Rules and Regulations by such Member or a Member's Guests; and (vii) by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Members, plus attorney's fees incurred by the Association with respect to exercising such remedy.*

*Each day a violation continues shall be deemed a separate violation. Failure of the Association, the Developer, or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default."*

Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

[SIGNATURE PAGE FOLLOWS]



EXECUTED to be effective as of the date first written above.

**DEVELOPER:**

ICARUS INVESTMENTS IV, LTD., a Texas limited partnership

By: ICARUS INVESTMENTS, INC.  
a Texas Corporation, general partner

By: Michael A. Ruff  
Michael A. Ruff, President

STATE OF TEXAS           §  
  §  
COUNTY OF Pallas       §

This instrument was acknowledged before me on the 15 day of February, 2008, by MICHAEL A. RUFF, President of ICARUS INVESTMENTS, INC., a Texas corporation, sole general partner of ICARUS INVESTMENTS IV, LTD., a Texas limited partnership on behalf of said corporation and said limited partnership.



Tara Brock  
Notary Public, State of Texas



**FOURTH AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
7-R RANCH ESTATES**

STATE OF TEXAS                   §  
  §       KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF PALO PINTO       §

This Fourth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, (this "Amendment"), made on the 1<sup>st</sup> day of December, 2009 by ICARUS INVESTMENTS IV, LTD., a Texas limited partnership (hereinafter referred to as "Developer").

WHEREAS, Developer is the Developer under that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas; as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 4<sup>th</sup> day of April, 2005, recorded in Volume 1301, Page 907, Official Public Records, Palo Pinto County, Texas; as further amended by Second Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 and Supplemental Declaration, dated the 23<sup>rd</sup> day of January, 2006, recorded in Volume 1352, Page 660, Official Public Records, Palo Pinto County, Texas (the "2nd Amendment"), which 2nd Amendment amended the title thereof to read "Declaration Of Covenants, Conditions And Restrictions 7-R Ranch Estates"; as further amended by Third Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates and Supplemental Declaration, dated the 15<sup>th</sup> day of February, 2008, recorded in Volume 1497, Page 216, Official Public Records, Palo Pinto County, Texas annexing Phase Three as part of the 7-R Ranch Estates development (as amended and supplemented, the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, Section 2.06 of the Declaration provides that any time prior to the Control Transfer Date the Developer may unilaterally annex and subject all or any portion of the real property lying within the Ranch to the Declaration by filing a Supplemental Declaration annexing such property in the real property records of Palo Pinto County, Texas;

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate;

WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;

WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment;

WHEREAS, Developer desires to subject a portion of the real property owned by Developer lying



within the Ranch as more particularly describe on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Additional Property");

WHEREAS, the Additional Property has been platted as Phase 4 (hereinafter so called) and Phase 5 (hereinafter so called), according to that certain Final Plat of 7-R Ranch Phases 4 and 5, recorded in Volume 9, Page 168, Slide 734, Official Public Records, Palo Pinto County, Texas; and

WHEREAS, Developer desires to amend and clarify the Declaration in certain respects.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged:

A. Developer hereby annexes and subjects the Additional Property to the Declaration.

B. Developer hereby amends Article III, Section 3.02 of Declaration by amending and restating such Section thereof to read in its entirety as follows:

*"Section 3.02 Composite Building Site. Any Owner of one or more adjoining Tracts (or portions thereof) may, with the prior written approval of the Architectural Control Committee, consolidate such Tracts or portions into one building site (a "Composite Building Site"), with the privilege of placing or constructing improvements on such resulting site, in which case the side set-back lines shall be measured from the resulting side property lines rather than from the Tract lines as indicated on the Plat. The number of dwellings and other structures that may be built on a Composite Building Site shall be subject to the limitations set forth in Section 3.01 above. It is the responsibility of the Owner to obtain all needed easement releases from the appropriate agencies."*

C. Developer hereby amends Article III, Section 3.16 of Declaration by amending and restating such Section thereof to read in its entirety as follows:

*"Section 3.16 Landscaping and Mowing. Upon commencement of construction of any improvement to a Lot, which shall include any grading, clearing and similar work altering the natural vegetation occurring on a Lot, as well as after completion of improvements, each Owner, at its sole cost and expense, shall keep all shrubs, trees, grass and plantings of every kind in the cleared open yard areas outside of the natural vegetation area on such Owner's Lot cultivated, pruned, and mowed. Front, side and rear yards shall be planted, landscaped and maintained in such a manner as is deemed acceptable by the Developer, or the Association. If, in the opinion of the Developer or the Association, an Owner shall, at any time, fail to maintain his Lot in a safe, clean and attractive condition, the Association shall give the Owner ten (10) days written notice thereof. In the event the Owner shall fail to remedy the objectionable matter, the Owner agrees, by virtue of having accepted these Restrictions upon the purchase of the Lot, hereby waiving any claim for damages, that Developer or Association may, without being deemed to have trespassed upon the Lot, enter upon such Lot and perform such maintenance. Thereafter, the Owner shall be liable for the cost of such work, which shall promptly be reimbursed to the Developer or the Association. All landscaping as approved in the plans and specification shall be completed within twelve (12) months following the completion of the residence. All brush, rock, grass, and debris resulting from any clearing, grading, or brush-hog operations on any Tract shall be removed from such Tract promptly and in no event later than thirty (30) days following the conduct of such operations. Nothing contained herein shall obligate the Developer or the Association to under take any action or perform any maintenance on any Lot or limit or diminish the obligation of the Owner of each Lot to maintain his Lot."*



D. Developer hereby amends Article III, Section 3.25 of Declaration by amending and restating such Section thereof to read in its entirety as follows:

*"Section 3.25 Restriction Against Unlicensed Vehicles. Other than electric golf carts, no unlicensed vehicles, including but not limited to 3-wheelers, 4-wheelers or go-karts, and dirt bikes, ATV's and similar vehicles shall be allowed to be driven by an Owner or Guest within the Subdivision, including on any roads or streets, or Common Area other than upon an Owner's individual Tract."*

E. Developer hereby amends Article V, Section 5.05 of Declaration by adding the following sentence at the end of such Section:

*"Notwithstanding the foregoing, Developer shall have the right to limit or prohibit horseback riding and any other equestrian activities in portions of the Common Areas any time prior to the Control Transfer Date by filing an amendment or supplement to the Declaration as Developer deems appropriate."*

F. Developer hereby amends and supplements Article V of the Declaration by the addition of the following Section 5.06:

*"Section 5.06 Use of Common Areas by Guests. Owners are responsible at all times for all actions of their Guests. Unless accompanied at all times by an Owner, no Guests shall be allowed to use any Common Areas or amenities of 7-R Ranch including; without limitation, stables and equestrian facilities, horses provided by Association, clubhouse(s), recreation center and buildings, swimming pools, lake and lake areas, piers and boats, picnic areas, the Eagles Nest observation tower and any other observation structures, the conservation areas, and any hiking, riding or bicycling trails. No more than a total of four (4) Guests may be allowed use of the foregoing without the prior written approval of the Developer or the Association."*

G. Developer hereby amends Article VIII, Section 8.02 of Declaration by amending and restating Subsection (1) thereof to read in its entirety as follows:

*"(1) The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund", which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Tract (or residential building site) to the Association. The Maintenance Charge for the year of purchase shall be prorated at closing and then shall be paid annually, in advance, on or before the first day of the first month of each calendar year. If an Owner owns more than one Tract in the subdivision, such Owner shall be obligated to pay the Maintenance Charge for each Tract owned. In the event Owner obtains consent from the Committee for a Composite Building Site pursuant to Section 3.02 hereof and replats two or more lots into one Composite Building Site, such Composite Building Site shall be considered for the Maintenance Charge as one Lot upon the recording of the replat."*

H. Developer hereby amends Article VI; Section 6.01 of Declaration by adding the following new Subsection:

*"(3) Upon receipt of final design approval from the Architectural Control Committee, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the*



*commencement of construction pursuant to said approval, said commencement to be within six (6) months from the date of such approval, and the improvement shall be diligently pursued to completion as required by this Declaration. If the Owner shall fail to comply with this Section 6.01(3), any approval given pursuant to this Article VI shall be deemed revoked unless the Architectural Control Committee, upon written request of the Owner made prior to the expiration of the applicable time period, extends the time for commencement. No such extension shall be granted except upon a finding by the Architectural Control Committee that there has been no change in the circumstances upon which the original approval was granted and that the Owner has a bona fide intention and ability to commence the improvements within the time period specified in the extension request and diligently pursue the same to completion. For purposes of this Section 6.01, "commencement of construction" with respect to the initial construction of a building shall be deemed to mean rough plumbing has been installed on the Tract and foundations have been poured or set and "commencement of construction" with respect to reconstruction, refinishing or alteration shall be deemed to mean the date on which labor is first furnished or materials first delivered to a Tract with respect to such reconstruction, refinishing or alteration."*

Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

EXECUTED to be effective as of the date first written above.



**DEVELOPER:**

ICARUS INVESTMENTS IV, LTD.,  
a Texas limited partnership

By: ICARUS INVESTMENTS, INC.,  
a Texas Corporation,  
its general partner

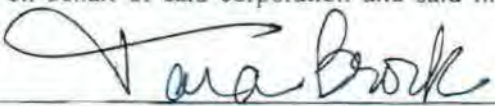
By:   
Michael A. Ruff, President

STATE OF TEXAS

§  
§  
§

COUNTY OF DALLAS

This instrument was acknowledged before me on the 1<sup>st</sup> day of December, 2009, by MICHAEL A. RUFF, President of ICARUS INVESTMENTS, INC., a Texas corporation, sole general partner of ICARUS INVESTMENTS IV, LTD., a Texas limited partnership on behalf of said corporation and said limited partnership.

  
\_\_\_\_\_  
Notary Public, State of Texas



After recording return to:  
Icarus Investments IV, Ltd.  
5949 Sherry Lane, Suite 960  
Dallas, Texas 75225

**FIFTH AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
7-R RANCH ESTATES**

STATE OF TEXAS                   §  
  §           KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF PALO PINTO       §

This Fifth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, (this "Amendment"), made on the 5th day of December, 2011 by ICARUS INVESTMENTS IV, LTD., a Texas limited partnership (hereinafter referred to as "Developer").

WHEREAS, Developer is the Developer under that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas; as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 4<sup>th</sup> day of April, 2005, recorded in Volume 1301, Page 907, Official Public Records, Palo Pinto County, Texas; as further amended by Second Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 and Supplemental Declaration, dated the 23<sup>rd</sup> day of January, 2006, recorded in Volume 1352, Page 660, Official Public Records, Palo Pinto County, Texas (the "2nd Amendment"), which 2nd Amendment amended the file thereof to read "Declaration Of Covenants, Conditions And Restrictions 7-R Ranch Estates"; as further amended by Third Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates and Supplemental Declaration, dated the 15<sup>th</sup> day of February, 2008, recorded in Volume 1497, Page 216, Official Public Records, Palo Pinto County, Texas annexing Phase Three as part of the 7-R Ranch Estates development; as further amended by Fourth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 1<sup>st</sup> day of December, 2009, filed as Document No. 2009-00008041, Official Public Records, Palo Pinto County (as amended and supplemented, the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, Section 2.06 of the Declaration provides that until Control Transfer Date, Developer may unilaterally subject to the provisions of this Declaration all or any portion of the real property lying within the Ranch;

WHEREAS, Section 2.08 of the Declaration provides that so long as the Developer has a right to annex additional property pursuant to Section 2.6 of the Declaration, the Developer reserves the right to amend this Declaration for the purpose of removing property from the coverage of the Declaration as provided therein;

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate;



WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;

WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment for the purpose of removing property from the coverage of the Declaration; and

WHEREAS, as a result of changes in the Developer's plans for the Ranch, Developer desires to remove a portion of the real property owned by Developer lying within the Ranch from the coverage of the Declaration as more particularly describe on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Removed Property") and such withdrawal is not unequivocally contrary to the overall, uniform scheme of development:

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged, Developer hereby deletes and removes the Removed Property from the Declaration and such property shall no longer be a "Tract" or "Lot" for purposes of the Declaration. The deletion and removal of Removed Property shall be effective upon the date (the "Effective Date") this instrument is recorded in the Official Public Records of Palo Pinto, Texas; whereupon, the portion of the Property so deleted and removed shall thereafter for all purposes be deemed not a part of the any property subject tot the Declaration. All Maintenance Charges and all other assessments or other charges of the 7-R Ranch Estates Property Owners Association, Inc. (the "Association") shall be appropriately prorated to the Effective Date of such deletion and removal or the Removed Property and following the Effective Date the Removed property shall no longer be subject to any charge, claim, or lien of any kind for any Maintenance Charges or any other assessments or other charges of the Association, all of which are hereby forever released. Notwithstanding anything contained herein to the contrary, the Removed Property shall be deemed to be part of the portion of the real property lying within the Ranch for purposes of subsequent annexation by Developer.

Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

While no joinder of the Association is required for the effectiveness of this Amendment, the Association is joining in this Amendment to acknowledge its agreement to the forgoing matters.

[SIGNATURE PAGE FOLLOWS]

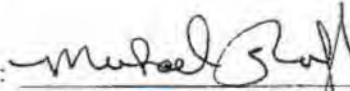


EXECUTED to be effective as of the date first written above.

**DEVELOPER:**

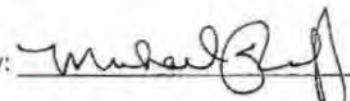
ICARUS INVESTMENTS IV, LTD.,  
a Texas limited partnership

By: ICARUS INVESTMENTS, INC.,  
a Texas Corporation,  
its general partner

By:   
Michael A. Ruff, President

**ASSOCIATION:**

7-R Ranch Estates Property Owners Association, Inc.  
a Texas non-profit corporation

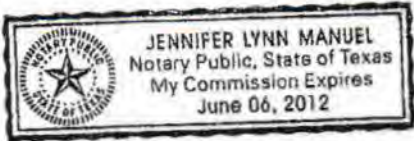
By:   
Name: MICHAEL RUFF  
Title: PRESIDENT



**ACKNOWLEDGEMENTS**

STATE OF TEXAS           §  
  §  
COUNTY OF Palo Pinto   §

This instrument was acknowledged before me on the 5 day of December 2011, by MICHAEL A. RUFF, President of ICARUS INVESTMENTS, INC., a Texas corporation, sole general partner of ICARUS INVESTMENTS IV, LTD., a Texas limited partnership on behalf of said corporation and said limited partnership.



*Jennifer Lynn Manuel*  
Notary Public, State of Texas

STATE OF TEXAS           §  
  §  
COUNTY OF Palo Pinto   §

This instrument was acknowledged before me on the 5 day of December 2011, by \_\_\_\_\_, of 7-R Ranch Estates Property Owners Association, Inc., a Texas non-profit corporation on behalf of said corporation and said limited partnership.



*Jennifer Lynn Manuel*  
Notary Public, State of Texas



After recording return to:  
Destination Development Community III, Ltd.  
5949 Sherry Lane, Suite 960  
Dallas, Texas 75225

**SIXTH AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
7-R RANCH ESTATES**

STATE OF TEXAS           §  
  §       KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF PALO PINTO   §

This Sixth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, (this "Amendment"), made on the 9th day of October, 2012 by DESTINATION DEVELOPMENT COMMUNITY III, LTD., a Texas limited partnership, formerly known as ICARUS INVESTMENTS IV, LTD. (hereinafter referred to as "Developer").

WHEREAS, Developer is the Developer under that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas; as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 4<sup>th</sup> day of April, 2005, recorded in Volume 1301, Page 907, Official Public Records, Palo Pinto County, Texas; as further amended by Second Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 and Supplemental Declaration, dated the 23<sup>rd</sup> day of January, 2006, recorded in Volume 1352, Page 660, Official Public Records, Palo Pinto County, Texas (the "2nd Amendment"), which 2nd Amendment amended the title thereof to read "Declaration Of Covenants, Conditions And Restrictions 7-R Ranch Estates"; as further amended by Third Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates and Supplemental Declaration, dated the 15<sup>th</sup> day of February, 2008, recorded in Volume 1497, Page 216, Official Public Records, Palo Pinto County, Texas annexing Phase Three as part of the 7-R Ranch Estates development; as further amended by Fourth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 1<sup>st</sup> day of December, 2009, filed as Document No. 2009-00008041, Official Public Records, Palo Pinto County, Texas, as further amended by Fifth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 5th day of December, 2011, filed as Document No. 2011-00009780, Volume 1913, Page 313, Official Public Records, Palo Pinto County, Texas (as amended and supplemented, the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, Section 2.06 of the Declaration provides that until Control Transfer Date, Developer may unilaterally subject to the provisions of this Declaration all or any portion of the real property lying within the Ranch;

WHEREAS, Section 2.08 of the Declaration provides that so long as the Developer has a right to annex additional property pursuant to Section 2.6 of the Declaration, the Developer reserves the right to amend this Declaration for the purpose of removing property from the coverage of the Declaration as provided therein;

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or



delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate;

WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;

WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment for the purpose of removing property from the coverage of the Declaration;

WHEREAS, as a result of changes in the Developer's plans for the Ranch, Developer desires to remove a portion of the real property owned by Developer lying within the Ranch from the coverage of the Declaration as more particularly describe on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Removed Property") and such withdrawal is not unequivocally contrary to the overall, uniform scheme of development; and

WHEREAS, Sundance Lodge LLC, a Texas limited liability company, is the owner of the Removed Property and joins in the execution of this Amendment for the purpose of evidencing its consent to the foregoing action by Developer and Association;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged, Developer hereby deletes and removes the Removed Property from the Declaration and such property shall no longer be a "Tract" or "Lot" for purposes of the Declaration. The deletion and removal of Removed Property shall be effective upon the date (the "Effective Date") this instrument is recorded in the Official Public Records of Palo Pinto, Texas; whereupon, the portion of the Property so deleted and removed shall thereafter for all purposes be deemed not a part of the any property subject tot the Declaration. All Maintenance Charges and all other assessments or other charges of the 7-R Ranch Estates Property Owners Association, Inc. (the "Association") shall be appropriately prorated to the Effective Date of such deletion and removal or the Removed Property and following the Effective Date the Removed property shall no longer be subject to any charge, claim, or lien of any kind for any Maintenance Charges or any other assessments or other charges of the Association, all of which are hereby forever released. Notwithstanding anything contained herein to the contrary, the Removed Property shall be deemed to be part of the portion of the real property lying within the Ranch for purposes of subsequent annexation by Developer.

Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

While no joinder of the Association is required for the effectiveness of this Amendment, the Association is joining in this Amendment to acknowledge its agreement to the forgoing matters.

[SIGNATURE PAGE FOLLOWS]

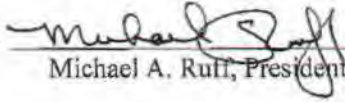


EXECUTED to be effective as of the date first written above.

**DEVELOPER:**

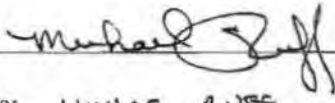
DESTINATION DEVELOPMENT  
COMMUNITY III, LTD.,  
a Texas limited partnership,  
f/k/a ICARUS INVESTMENTS IV, LTD.

By: DESTINATION DEVELOPMENT  
PARTNERS, INC.,  
a Texas Corporation,  
its general partner

By:   
Michael A. Ruff, President

**ASSOCIATION:**

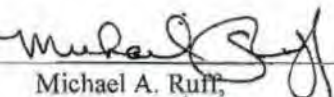
7-R Ranch Estates Property Owners Association, Inc.  
a Texas non-profit corporation

By:   
Name: MICHAEL RUFF  
Title: PRESIDENT

Consent:

SUNDANCE LODGE LLC,  
a Texas limited liability company

By: Sundance Partners LLC,  
a Texas limited liability company,  
Manager

By:   
Michael A. Ruff,  
Manager



**ACKNOWLEDGEMENTS**

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

This instrument was acknowledged before me on the 9<sup>th</sup> day of October, 2012, by MICHAEL A. RUFF, President of DESTINATION DEVELOPMENT PARTNERS, INC., a Texas corporation, sole general partner of DESTINATION DEVELOPMENT COMMUNITY III, LTD., a Texas limited partnership on behalf of said corporation and said limited partnership.

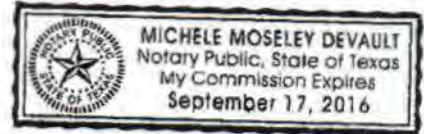
Michele DeVault  
Notary Public, State of Texas



STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

This instrument was acknowledged before me on the 9<sup>th</sup> day of October, 2012, by MICHAEL RUFF, the PRESIDENT of 7-R Ranch Estates Property Owners Association, Inc., a Texas non-profit corporation on behalf of said corporation.

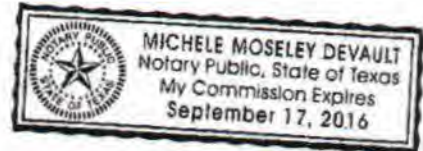
Michele DeVault  
Notary Public, State of Texas



STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

This instrument was acknowledged before me on the 9<sup>th</sup> day of October, 2012, by Michael A. Ruff, Manager of Sundance Partners LLC, a Texas limited liability company, the Manager of Sundance Lodge LLC, a Texas limited liability company on behalf of said limited liability company.

Michele DeVault  
Notary Public, State of Texas





After recording return to:  
Destination Development Community III, Ltd.  
5949 Sherry Lane, Suite 960  
Dallas, Texas 75225

**SEVENTH AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
7-R RANCH ESTATES**

STATE OF TEXAS                   §  
  §           KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF PALO PINTO       §

This Seventh Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, (this "Amendment"), made on the 10<sup>th</sup> day of December, 2013 by DESTINATION DEVELOPMENT COMMUNITY III, LTD., a Texas limited partnership, formerly known as ICARUS INVESTMENTS IV, LTD. (hereinafter referred to as "Developer").

WHEREAS, Developer is the Developer under that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas; as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 4<sup>th</sup> day of April, 2005, recorded in Volume 1301, Page 907, Official Public Records, Palo Pinto County, Texas; as further amended by Second Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 and Supplemental Declaration, dated the 23<sup>rd</sup> day of January, 2006, recorded in Volume 1352, Page 660, Official Public Records, Palo Pinto County, Texas (the "2nd Amendment"), which 2nd Amendment amended the title thereof to read "Declaration Of Covenants, Conditions And Restrictions 7-R Ranch Estates"; as further amended by Third Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates and Supplemental Declaration, dated the 15<sup>th</sup> day of February, 2008, recorded in Volume 1497, Page 216, Official Public Records, Palo Pinto County, Texas annexing Phase Three as part of the 7-R Ranch Estates development; as further amended by Fourth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 1<sup>st</sup> day of December, 2009, filed as Document No. 2009-00008041, Official Public Records, Palo Pinto County, Texas, as further amended by Fifth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 5<sup>th</sup> day of December, 2011, filed as Document No. 2011-00009780, Volume 1913, Page 313, Official Public Records, Palo Pinto County, Texas, as further amended by the 6<sup>th</sup> Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 9<sup>th</sup> day of October, 2012, filed as Document No. 2012-00006537, Volume 1988, Page 194, Official Public Records, Palo Pinto County, Texas (as amended and supplemented, the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, Section 2.08 of the Declaration provides that so long as the Developer has a right to annex additional property pursuant to Section 2.6 of the Declaration, the Developer reserves the right to amend this Declaration for the purpose of removing property from the coverage of the Declaration as provided therein;

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or



delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate;

WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;

WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment for the purpose of removing property from the coverage of the Declaration;

WHEREAS, Developer desires to remove 7-R Ranch Estates Property Owners Association, Inc., a Texas non-profit corporation, as the Association, and to replace it with 7R Owners Association, Inc., a Texas non-profit corporation; and

WHEREAS, Developer desires to amend and clarify the Declaration in certain respects as more particularly set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged:

A. Developer hereby amends and restates Subsection 3.01(4) of Article III as follows:

*Garage door openings must face side or rear lot lines for all size dwellings, provided, however, a single garage door may face the front lot line if a garage contains at least three (3) bays (i.e., one (1) may face the front lot line if the remaining two (2) or more bays face the side or rear lot lines). No more than 20% of the total front elevation of any dwelling may be comprised of garage doors. Carports may be permitted, if a dwelling also has a garage containing at least two (2) bays, subject to approval of the Architectural Control Committee as to size, design, materials, and location and similar features.*

B. Developer hereby amends and supplements Subsection 3.01(5) of Article III by the addition of the following after the end of the final sentence thereof:

*The exterior of any detached garage, storage building, workshop, barn or other outbuilding (an "outbuilding") constructed on any Lot must match the exterior style and finish of primary dwelling on such Lot unless such outbuilding is not visible from the road or adjoining Lot and only one outbuilding may be constructed on any Lot. No outbuilding may exceed 50% of the first floor area of the primary dwelling built on the same Lot. All outbuildings must be approved by the Architectural Control Committee prior to commencement of construction.*

C. Developer hereby amends and supplements Subsection 3.08 of Article III by the addition of the following after the end of the final sentence thereof:

*Storage of all trailers, recreational vehicles, boats, tractors (including implements), motor homes, personal watercraft, lawn equipment, and other personal property and equipment*



*must be stored in a garage or approved outbuilding (as defined in Section 3.01(5)).*

D. Developer hereby amends and restates Article I, Section 1.01 of the Declaration as follows:

*Section 1.01 "Association" shall mean and refer to 7R OWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.*

E. Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

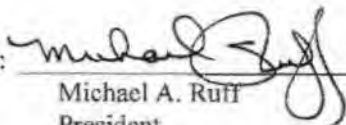
F. While no joinder of 7-R Ranch Estates Property Owners Association, Inc. or 7R Owners Association, Inc. is required for the effectiveness of this Amendment, both join in this Amendment to acknowledge the provisions of Section A above and to acknowledge that 7R Owners Association, Inc. is the successor to and assignee of 7-R Ranch Estates Property Owners Association, Inc. and shall have all rights, powers and authority of the "Association" as provided by the Declaration.

EXECUTED to be effective as of the date first written above.

**DEVELOPER:**

DESTINATION DEVELOPMENT  
COMMUNITY III, LTD.,  
a Texas limited partnership,  
f/k/a ICARUS INVESTMENTS IV, LTD.

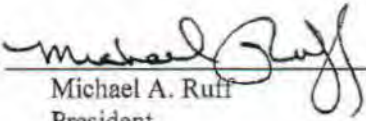
By: DESTINATION DEVELOPMENT  
PARTNERS, INC.,  
a Texas Corporation,  
its general partner

By:   
Michael A. Ruff  
President

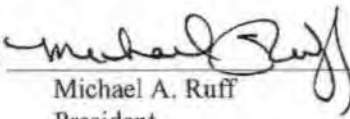


Acknowledged and Agreed:

7-R Ranch Estates Property Owners Association, Inc.  
a Texas non-profit corporation

By:   
Michael A. Ruff  
President

7R Owners Association, Inc.  
a Texas non-profit corporation

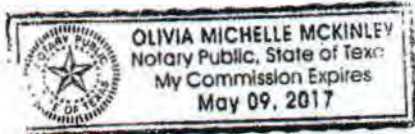
By:   
Michael A. Ruff  
President



**ACKNOWLEDGEMENTS**

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

This instrument was acknowledged before me on the 10 day of December, 2013, by MICHAEL A. RUFF, President of DESTINATION DEVELOPMENT PARTNERS, INC., a Texas corporation, sole general partner of DESTINATION DEVELOPMENT COMMUNITY III, LTD., a Texas limited partnership on behalf of said corporation and said limited partnership.



*Olivia McKinley*  
Notary Public, State of Texas

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

This instrument was acknowledged before me on the 10 day of December, 2013, by MICHAEL A. RUFF, President of 7-R Ranch Estates Property Owners Association, Inc., a Texas non-profit corporation on behalf of said corporation.



*Olivia McKinley*  
Notary Public, State of Texas

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

This instrument was acknowledged before me on the 10 day of December, 2013, by MICHAEL A. RUFF, President of 7R Owners Association, Inc., a Texas non-profit corporation on behalf of said corporation.



*Olivia McKinley*  
Notary Public, State of Texas



After recording return to:  
 Clayton Mountain Development LLC  
 5949 Sherry Lane, Suite 960  
 Dallas, Texas 75225

**EIGHTH AMENDMENT TO  
 DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
 7-R RANCH ESTATES**

STATE OF TEXAS                   §  
   §           KNOW ALL MEN BY THESE PRESENTS:  
 COUNTY OF PALO PINTO       §

This Eighth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, (this "Amendment"), made on the 16<sup>th</sup> day of March, 2016 by Clayton Mountain Development LLC, a Texas limited liability company (hereinafter referred to as "Developer") and 7R Owners Association, Inc. ("Association").

RECITALS:

WHEREAS, reference is hereby made to that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas; as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 4<sup>th</sup> day of April, 2005, recorded in Volume 1301, Page 907, Official Public Records, Palo Pinto County, Texas; as further amended by Second Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 and Supplemental Declaration, dated the 23<sup>rd</sup> day of January, 2006, recorded in Volume 1352, Page 660, Official Public Records, Palo Pinto County, Texas (the "2nd Amendment"), which 2nd Amendment amended the title thereof to read "Declaration Of Covenants, Conditions And Restrictions 7-R Ranch Estates"; as further amended by Third Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates and Supplemental Declaration, dated the 15<sup>th</sup> day of February, 2008, recorded in Volume 1497, Page 216, Official Public Records, Palo Pinto County, Texas annexing Phase Three as part of the 7-R Ranch Estates development; as further amended by Fourth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 1<sup>st</sup> day of December, 2009, filed as Document No. 2009-00008041, Official Public Records, Palo Pinto County, Texas, as further amended by Fifth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 5<sup>th</sup> day of December, 2011, filed as Document No. 2011-00009780, Volume 1913, Page 313, Official Public Records, Palo Pinto County, Texas, as further amended by the 6<sup>th</sup> Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 9<sup>th</sup> day of October, 2012, filed as Document No. 2012-00006537, Volume 1988, Page 194, Official Public Records, Palo Pinto County, Texas, as further amended by the 7<sup>th</sup> Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 10<sup>th</sup> day of December, 2013, filed as Document No. 2013-00007371, Volume 2049, Page 369, Official Public Records, Palo Pinto County, Texas, (as amended and supplemented, the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, by that certain Assignment of Developer's Rights dated December 13, 2013, filed as Document No. 2013-00007574, Volume 2050, Page 499, Official Public Records, Palo Pinto County,



Texas, Destination Development Community III, Ltd, a Texas limited partnership, assigned all of its right, title and interest in, to and under the Declaration, as "Developer" to Developer;

WHEREAS, Section 2.08 of the Declaration provides that so long as the Developer has a right to annex additional property pursuant to Section 2.6 of the Declaration, the Developer reserves the right to amend this Declaration for the purpose of removing property from the coverage of the Declaration as provided therein;

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate;

WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;

WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment for the purpose of removing property from the coverage of the Declaration;

WHEREAS, the Declaration currently provides for the imposition of Maintenance Charges which obligate Owners to pay all of the costs of operating, maintaining and repairing the following Common Areas: (i) the ALR Fitness and Recreation Center; (ii) the Joe Watts Stables (including 7R horses); (iii) the Lakefront Clubhouse; (iv) the Eagles Nest; (v) the lakes, the hiking and biking trails, the conservation areas; and (vi) the land, improvements, personal property and equipment associated with each of such Common Areas (individually, a "Specialized Facility" and collectively, the "Specialized Facilities");

WHEREAS, Developer and Association desire to amend the Declaration to provide for an alternative method for the payment of operation and maintenance expenses associated with the Specialized Facilities ("Specialized Facilities Costs") and to remove the Specialized Facilities from the definition of Common Areas, thereby eliminating the need for certain special assessments related to the Specialized Facilities Costs from costs and expenses included as part of the Maintenance Charges paid by all Owners, by providing for the operation and maintenance of the Specialized Facilities by a third party who will allow Owners and third parties to use such Specialized Facilities based on the terms of the Association's contract with a third party to pay a membership fee to access the Specialized Facilities, with such membership fee included in the Maintenance Charges paid by all Owners; and

WHEREAS, Developer and Association desire to amend and supplement the Declaration in certain respects as more particularly set forth in this Amendment.

NOW, THEREFORE, in consideration of Ten Dollars and other consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and Association hereby amend the Declaration as follows:

- A. The above Recitals are incorporated in this Amendment for all purposes



B. Section 1.05 of Article I is hereby amended and restated in its entirety as follows:

*"Common Area" shall mean all real property (including the improvements thereto) within the Subdivision owned by the Developer and/or the Association for the common use and enjoyment of the Owners, provided however, the ALR Fitness and Recreation Center, the Joe Watts Stables (including 7R horses), the Lakefront Clubhouse, the Eagles Nest, the lakes, the hiking and biking trails, the conservation areas, and the land, improvements, personal property and equipment associated with each of such Common Areas, are hereby excluded and shall not constitute any Common Area (individually, a "Specialized Facility" and collectively, the "Specialized Facilities"). The Specialized Facilities are more particularly described on Exhibit A, attached to this Amendment and made a part hereof for all purposes.*

C. Developer hereby supplements Article XI by the addition of the following Sections 11.11 and 11.12:

*11.11 Notwithstanding anything to the contrary in this Declaration, Developer shall have no duty or obligation to convey, transfer or assign any interest in the Specialized Facilities to the Association.*

*11.12 Except otherwise set forth in this Section 11.12, Owners and Developer agree that all other controversies or claims arising out of or relating to this Declaration, or the breach of any contractual or non-contractual duties hereunder, shall be settled by mandatory arbitration before a panel of three (3) arbitrators in Dallas County, Texas, administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgement on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Any arbitrator selected in accordance with this paragraph must maintain a full time practice of law in Dallas County, Texas. Notwithstanding the foregoing, the following matters shall not be subject to mandatory arbitration unless all parties shall otherwise agree to submit the matter to arbitration pursuant to this Section 11.12: (i) the interpretation or enforcement of any fine, fee or assessment (including, without limitation, Maintenance Charges) or the collection of any such assessment levied against an Owner by the Association; (ii) any suit by the Association to obtain a temporary restraining order and such ancillary relief as the court may deem necessary to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration or any of the Rules and Regulations; (iii) any suit between Owners which does not include Developer or the Association if such suit asserts a claim which would constitute a cause of action independent of this Declaration or any of the Rules and Regulations; or (iv) any disagreement that primarily involves title to any Lot or Residence.*

*11.13 With respect to any dispute subject to arbitration under this Article XI, the arbitration provisions of this Article XI shall be the sole remedy of the Owners involved in such dispute. Notwithstanding any other provisions of this Declaration, the foregoing agreement to arbitrate shall be specifically enforceable under prevailing arbitration law.*

D. The Declaration is hereby amended and supplemented by the addition of a new Article XII, as follows:

*ARTICLE XII  
7R CLUB*



*Section 12.01 7R Club. The 7R Club LLC ("7R Club"), a Texas limited liability company, has, as of the date of this Amendment, the right to manage and operate the Specialized Facilities. 7R Club offers current Owners of record access to the Specialized Facilities, as of the date of this Amendment, through a non-equity membership based on the terms of the Master Membership Agreement ("MMA") between the Association and 7R Club. Owners have no rights or ability to access or use the Specialized Facilities but for the MMA between 7R Club and the Association, which requires the Association to pay all fees and membership dues according to the MMA and to remain in good standing according to the terms of the MMA. The MMA includes, among other terms and conditions, 7R Club's reservation of the right to alter, change, amend, or terminate the MMA at its sole discretion.*

*Section 12.02 Mandatory Participation in the MMA. All current Owners of record, as of the date of this Amendment are obligated to participate in the MMA as non-equity Original Class L members or as non-equity Original Class H members, based on their membership classification, according to the terms of the non-equity Original Class L membership or the non-equity Original Class H membership as defined in the MMA between the Association and 7R Club. The Owner is obligated to pay any and all dues and fees associated with non-equity Original Class L membership or non-equity Original Class H membership as defined in the MMA. Failure of the Owner to pay the dues and fees may result in forfeiture of 7R Club privileges, liens being assessed on the Owner's Lot, or any other adequate remedy at law. All Owners who become an Owner of record after the date of filing of this Amendment are obligated to participate in the MMA as non-equity Class One members according to the terms of the non-equity Class One membership as defined in the MMA between the Association and 7R Club as of the date an Owner becomes a Member of the Association. The Owner is obligated to pay any and all dues and fees associated with non-equity Class One membership as defined in the MMA. Failure of the Owner to pay the dues and fees may result in forfeiture of 7R Club privileges, liens being assessed on the Owner's Lot, or any other adequate remedy at law.*

E. If any provision of this Amendment is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable and this Amendment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Amendment, and the remaining provisions of this Amendment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Amendment.

F. Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

EXECUTED to be effective as of the date first written above.

*SIGNATURE PAGE FOLLOWS*



**DEVELOPER:**

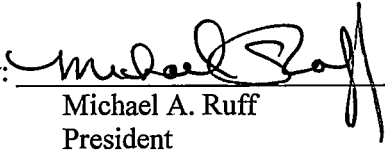
CLAYTON MOUNTAIN DEVELOPMENT LLC,  
a Texas limited liability company.

By: CM Resort Management LLC, a Texas  
limited liability company, its Manager

By:   
Michael A. Ruff, Manager

**ASSOCIATION:**

7R OWNERS ASSOCIATION, INC.  
a Texas non-profit corporation

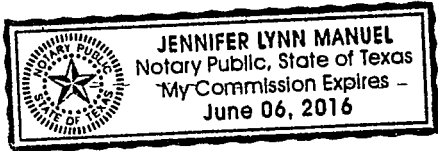
By:   
Michael A. Ruff  
President



**ACKNOWLEDGEMENTS**

STATE OF TEXAS           §  
  §  
COUNTY OF PALO PINTO   §

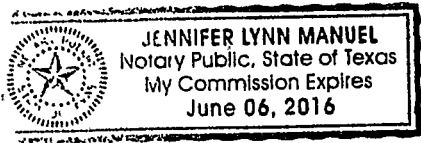
This instrument was acknowledged before me on the 11<sup>th</sup> day of March, 2016, by MICHAEL A. RUFF, Manager of CM Resort Management LLC, a Texas limited liability company, the Manager of CLAYTON MOUNTAIN DEVELOPMENT LLC, a Texas limited liability company, on behalf of said limited liability companies.



*Jennifer Lynn Manuel*  
Notary Public, State of Texas

STATE OF TEXAS           §  
  §  
COUNTY OF PALO PINTO   §

This instrument was acknowledged before me on the 16 day of March, 2016, by MICHAEL A. RUFF, President of 7R Owners Association, Inc., a Texas non-profit corporation on behalf of said corporation.



*Jennifer Lynn Manuel*  
Notary Public, State of Texas



EXHIBIT A

SPECIALIZED FACILITIES

7-R Ranch Estates Phase 1:

Common Area "A", Common Area "B", and Common Area "C", according to the approved plat recorded in the Plat Records of Palo Pinto County, Texas in Cabinet 1, Volume 8, Page 51, Slide 567 as amended and revised by Amended Plat of a Portion of 7-R Ranch Estates Phase 1-Revised and a 2.397 Acre Tract filed in the Plat Records of Palo Pinto County, Texas in Volume 9, Page 23, Slide 595.

7-R Ranch Estates Phase 2:

Common Area "A", according to the approved plat recorded in the Plat Records of Palo Pinto County, Texas in Plat of 7-R Ranch Estates Phase 2 filed in the Plat Records of Palo Pinto County, Texas in Cabinet 1, Volume 9, Page 49, Slide 615.

Common Area "B-R" and Common Area "D-R", according to the approved replat recorded in the Plat Records of Palo Pinto County, Texas in Volume 9, Page 114, Slide 680.

Common Area "F", according to the approved replat recorded in the Plat Records of Palo Pinto County, Texas in Volume 9, Page 92, Slide 658.

7-R Ranch Estates Phase 3:

Common Area "B" and Common Area "C", according to the approved plat recorded in the Plat Records of Palo Pinto County, Texas in plat of 7-R Ranch Estates Phase 3 filed in the Plat Records of Palo Pinto County, Texas in Volume 9, Page 94, Slide 660.

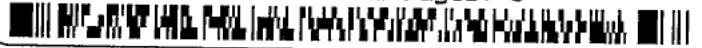
7-R Ranch Estates Phase 4:

Common Area "A" and Common Area "B", according to the approved replat recorded in the Plat Records of Palo Pinto County, Texas in Volume 9, Page 233, Slide 800.

7-R Ranch Estates Phase 5:

Common Area "A" and Common Area "B", according to the approved plat recorded in the Plat Records of Palo Pinto County, Texas in plat of 7-R Ranch Estates Phases 4 and 5 filed in the Plat Records of Palo Pinto County, Texas in Volume 9, Page 168, Slide 734.





After recording return to:  
 Clayton Mountain Partners LLC  
 1255 W 15<sup>th</sup> Street, Suite 135  
 Plano, Texas 75075

**NINTH AMENDMENT TO  
 DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
 7-R RANCH ESTATES**

STATE OF TEXAS                   §  
   §       KNOW ALL MEN BY THESE PRESENTS:  
 COUNTY OF PALO PINTO       §

This Ninth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, (this "Amendment"), made effective as of the 31<sup>st</sup> day of May, 2020 by Clayton Mountain Partners LLC, a limited liability company (hereinafter referred to as "Developer").

RECITALS:

WHEREAS, reference is hereby made to that certain Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 5<sup>th</sup> day of March, 2004, recorded in Volume 8, Page 51, Slide 567, Official Public Records, Palo Pinto County, Texas; as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1, dated the 4<sup>th</sup> day of April, 2005, recorded in Volume 1301, Page 907, Official Public Records, Palo Pinto County, Texas; as further amended by Second Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, Phase 1 and Supplemental Declaration, dated the 23<sup>rd</sup> day of January, 2006, recorded in Volume 1352, Page 660, Official Public Records, Palo Pinto County, Texas (the "2nd Amendment"), which 2nd Amendment amended the file thereof to read "Declaration Of Covenants, Conditions And Restrictions 7-R Ranch Estates"; as further amended by Third Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates and Supplemental Declaration, dated the 15<sup>th</sup> day of February, 2008, recorded in Volume 1497, Page 216, Official Public Records, Palo Pinto County, Texas annexing Phase Three as part of the 7-R Ranch Estates development; as further amended by Fourth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 1<sup>st</sup> day of December, 2009, filed as Document No. 2009-00008041, Official Public Records, Palo Pinto County, Texas, as further amended by Fifth Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 5<sup>th</sup> day of December, 2011, filed as Document No. 2011-00009780, Volume 1913, Page 313, Official Public Records, Palo Pinto County, Texas, as further amended by the 6<sup>th</sup> Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 9<sup>th</sup> day of October, 2012, filed as Document No. 2012-00006537, Volume 1988, Page 194, Official Public Records, Palo Pinto County, Texas, as further amended by the 7<sup>th</sup> Amendment to Declaration of Covenants, Conditions and Restrictions 7-R Ranch Estates, dated the 10<sup>th</sup> day of December, 2013, filed as Document No. 2013-00007371, Volume 2049, Page 369, Official Public Records, Palo Pinto County, Texas, as further amended by the Eighth Amendment to Declaration of Covenants, Conditions, and Restrictions 7-R Ranch Estates, dated the 16<sup>th</sup> day of March, 2016, filed as Document No. 2016-00001150, Volume 2137, Page 330, Official Public Records, Palo Pinto County, Texas (as amended and supplemented, the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, by that certain Assignment of Developer's Rights dated February 12, 2018, a Memorandum of which was filed as Document No. 2019-00002182, Volume 2270, Page 200, Official Public Records, Palo Pinto County, Texas, the MAR Living Trust, a Texas trust, assigned all of its right, title and interest in, to and under the Declaration, as "Developer" to Developer;

WHEREAS, Section 2.08 of the Declaration provides that so long as the Developer has a right to annex additional property pursuant to Section 2.6 of the Declaration, the Developer reserves the right to amend this Declaration for the purpose of removing property from the coverage of the Declaration as provided therein;

WHEREAS, Section 11.03 of the Declaration provides that any time prior to the Control Transfer Date the Developer shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration as the Developer (in its sole and absolute discretion) shall deem reasonable and appropriate;

WHEREAS, the Declaration provides that the Control Transfer Date is the date of recording an instrument in the Deed Records of Palo Pinto County, Texas transferring control of the Association on or after ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer, are conveyed by Developer by recording a written notice of such termination;

WHEREAS, as of the date hereof the Developer continues to be the "Developer" under the terms of the Declaration and ninety-percent (90%) of all the Lots in all phases of the Subdivision, including those Lots to be platted in all unplatted (whether annexed or declared to be annexed), areas owned by Developer have not been conveyed by Developer; therefore, Developer has the complete and unfettered right and privilege to make and execute this Amendment for the purpose of removing property from the coverage of the Declaration; and

WHEREAS, Developer and Association desire to amend and supplement the Declaration in certain respects as more particularly set forth in this Amendment.

NOW, THEREFORE, in consideration of Ten Dollars and other consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and Association hereby amend the Declaration as follows:

- A. The above Recitals are incorporated in this Amendment for all purposes
- B. Developer hereby amends and restates Article I, Section 1.01 of the Declaration as follows:

*Section 1.01 "Association" shall mean and refer to CM OWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.*

C. Developer hereby amends and restates Article XII, Section 12.01 and 12.02 of the Declaration as follows: in each place where the name or term "7R Club" is used, it shall be replaced by the name or term "CM Club." In each place where the name or term "7R Club LLC" is used, it shall be replaced by the name or term "CM Club LLC." Developer hereby amends and restates Article XII, Section 12.02 of the Declaration as follows:

*Section 12.02 Mandatory Participation in the MMA. All current Owners of record, as of the date of this Amendment are obligated to participate in the MMA as non-equity Original Class One members, according to the terms of the non-equity Original Class One membership as defined*



*between the Association and CM Club. Failure of the Owner to pay the dues and fees may result in forfeiture of CM Club privileges, liens being assessed on the Owners Lot, or any other adequate remedy at law. The Owner is obligated to pay any and all dues and fees associated with non-equity Class One membership as defined in the MMA. Failure of the Owner to pay the dues and fees may result in forfeiture of CM Club privileges, liens being assessed on the Owners Lot, or any other adequate remedy at law.*

D. If any provision of this Amendment or Declaration is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable and this Amendment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Amendment, and the remaining provisions of this Amendment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Amendment.

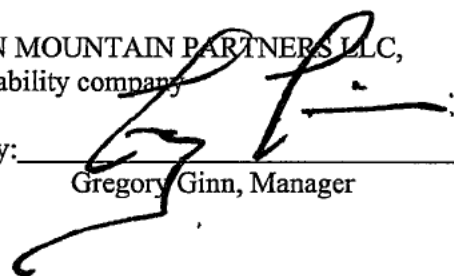
E. Except as amended hereby, all terms and conditions of the Declaration are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Declaration, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined have the same meanings given to such terms in the Declaration.

EXECUTED to be effective as of the date first written above.

**DEVELOPER:**

CLAYTON MOUNTAIN PARTNERS LLC,  
a limited liability company

By: \_\_\_\_\_

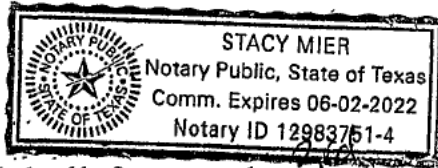
  
Gregory Ginn, Manager

**ACKNOWLEDGEMENT**

STATE OF TEXAS

§  
§  
§

COUNTY OF COLLIN



This instrument was acknowledged before me on the 2 day of September, 2020, by GREGORY GINN, Manager of CLAYTON MOUNTAIN PARTNERS LLC, a limited liability company, on behalf of said limited liability company.

A handwritten signature in cursive script, appearing to read "Stacy Mier", written over a horizontal line.

Notary Public, State of Texas