

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR LONE INDIAN RANCH PROPERTY OWNERS' ASSOCIATION, INC.**

STATE OF TEXAS

KNOWN ALL MEN BY THESE PRESENTS

COUNTY OF JACK

This declaration was made on the date hereinafter set forth by JJ 1810 Ranch, LLC., a Texas limited liability company, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS Developer is the Owner of that certain tract of land located in Jack County, Texas, containing at least four (4) phases and being more fully described on the map and plat recorded or to be recorded with the Jack County Clerk's Office, hereinafter referred to as "Subdivision;"

WHEREAS, it is the desire and purpose of the Developer to place certain restrictions, easements, covenants, conditions and reservations (hereinafter "Restrictions") upon the Subdivision in order to establish a uniform plan for its development, insure the use of the subdivision for residential purposes only, prevent nuisances, prevent the impairment of the value of the Subdivision, maintain the desired character of the community, and insure the preservation of such uniform plan for the benefit of the present and future Owners of the Tracts within the Subdivision, and to promote the health, safety, and welfare of the residents within the Subdivision;

NOW, THEREFORE, Developer hereby adopts, establishes, and imposes upon the Subdivision, the following Restrictions for the purposes of enhancing and protecting the value, desirability and attractiveness of the Subdivision, which Restrictions shall run with the land and insure to the benefit of each Owner and his invitees:

ARTICLE I
DEFINITIONS

1.01 Architectural Control Committee or Architectural Reviewer. "Architectural Control Committee" or "Architectural Reviewer" shall mean the Developer until the Developer establishes a Committee to review and approve on its behalf and/or until the Control Transfer Date. Notwithstanding, the Developer or a Committee appointed by the Developer shall be the only reviewers authorized to review and approve plans for construction or reconstruction of a Residence or other major improvements on a lot as more specifically provided by Section 4.02 hereof. Board appointment when such becomes applicable shall mean property owners appointed by the Board of Directors. After the Developer Period expires, no Board Member may serve on the Architectural Control Committee while serving an active term on the Board.

1.02 Annual Regular Maintenance Assessment. "Annual Regular Maintenance Assessment" means the amount set forth in Section 6.03 hereof.

1.03 Assessment. "Assessment" means the Annual Regular Maintenance Assessment, Special Purpose Assessments, Insurance Assessment, or other charges, interest, penalties, and fees authorized by these Restrictions and any amendment thereto together with the cost and expense incurred in collecting Assessments, including, but not limited to court costs and attorney's fees.

1.04 Association. "Association" means and refers to Lone Indian Ranch Property Owners' Association, Inc. and its successors and assigns.

1.05 Board of Directors. "Board of Directors" means and refers to the Board of Directors of Lone Indian Ranch Property Owners' Association, Inc.

1.06 Bylaws. "Bylaws" mean the Bylaws of the Association as from time to time amended.

1.07 Certificate of Formation. "Certificate of Formation" shall mean the Certificate of Formation of Lone Indian Ranch Property Owners' Association, Inc., and any amendments thereto, which have been or will be filed in the office of the Secretary of State of the State of Texas.

1.08 Common Area. "Common Area" means the portions of the Subdivision, including any applicable easements, owned by the Association for the common use and enjoyment of the Members including, but not limited to, all roads and the entrance, together with such other property as the Association may acquire in the future for the common use and enjoyment of the Members.

1.09 Common Area Expense. "Common Area Expense" means all expense necessary to maintain, replace, repair, and expand the Common Area as well as all necessary expense to operate the Association including, but not limited to, casualty and liability insurance, directors' and officers' liability insurance and all other reasonable and necessary expenses of the Association. Additionally, Common Area Expense shall include (a) the cost of repair and maintenance of the roads, (b) mowing of the Common Areas (c) Common Area maintenance and replacement of landscaping, (d) as well as such other expense and capital enhancements as may be determined by the Board of Directors to promote the safety, health, recreation and welfare of the Members and maintain the Subdivision in an attractive manner. The responsibilities of the Association regarding Common Area Expenses may be subject to change by the Developer.

1.10 Control Transfer Date. The "Control Transfer Date" shall mean the earlier date of (1) Developer no longer owns any part of the entire Subdivision, including but not limited to Common Areas; (2) Twenty (20) years from date of recordation of this Declaration; or (3) Developer, in its sole discretion, voluntarily relinquishes control of the Association as set forth in this Declaration. Notwithstanding this provision, on or before the 120th day after the date seventy five percent (75%) of the lots that may be created and made subject to this Declaration are conveyed to owners other than Developer, at least one-third of the board members must be elected by owners other than the Developer.

1.13 Developer. "Developer" means and refers to JJ 1810 Ranch, LLC., its successors and assigns.

1.14 Improvement. "Improvement" means every structure and all appurtenances of every type and kind, including but not limited to buildings, outbuildings, patios, storage buildings, barns, garages, decks, stairs, retaining walls, screening walls, fences, landscaping art or statuary, poles, signs, exterior air conditioning units, exterior water softener fixtures or equipment, pumps, wells, tanks, reservoirs, pipes, utilities, lines, meters, antennas, towers, satellite dishes or any other sound or data receivers or

transmitters. The term "Improvement" excludes the interior of each residence, guest quarters, barn or other approved building and the Architectural Reviewer shall have no authority to approve or disapprove improvements made to the interior of such buildings where the exterior of the building is not affected by the interior improvement.

1.15 Insurance Assessment. "Insurance Assessment" shall have the meaning given to that term in Section 6.04(a) hereof.

1.16 Member. "Member" means and refers to every Owner of a lot.

1.17 Notice. Whenever any "notice" is required by these Restrictions, such notices shall be in writing and shall be deemed delivered once deposited with the U.S. Postal Service or any mailing service or postal mail receptacle. Notices shall be sent postage prepaid and addressed to the last known address of an Owner appearing on the books of the Association, whether such notice is received. It shall be the duty of each lot Owner to keep the Association apprised of its current address.

1.18 Owner. "Owner" means and refers to the record owner, whether one or more persons or entities of the fee-simple title to any Lot(s) but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner. The Developer shall not be deemed an Owner.

1.19 Plans or Specifications. "Plans" or "Specifications" means any and all drawings and documents describing the construction or erection of any Improvement, including, but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, fencing plans, elevation drawings, floor plans, specifications concerning building products and construction techniques, samples of exterior colors and materials, plans for utility services, and all other documentation or information relevant to the construction or installation of any Improvement.

1.20 Plat. "Plat" means and refers to the plat of Lone Indian Ranch Subdivision filed or to be filed with the Jack County, Texas Clerk's Office.

1.21 Road. Road or roads means property, or any road located within the Subdivision which has been dedicated for the purpose of ingress and egress through the Subdivision for the benefit of the property Owners.

1.22 Recreational Vehicle or RV. Recreational Vehicle is defined in Section 3.08 hereof.

1.23 Special Purpose Assessment. "Special Assessment" shall have the meaning given to that term in Section 6.04 hereof.

1.24 Subdivision. "Subdivision" means Lone Indian Ranch Subdivision as shown on the Plat.

1.25 Tract or Lot. "Tract" or "Lot" means the individual tracts of land, or lots identified on the Plat or any amendments thereto.

1.26 Vote of Members. "Vote of Members" means the affirmative vote of a majority of the Members entitled to vote who are present at a meeting of Members, either in person or by written proxy. Voting for Class A and Class B Members are set forth in Section 5.03 hereunder.

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

2.01 Property Subject to Restrictions. The Subdivision, including all the individual Tracts are subject to these Restrictions which shall run with the land and be binding on all parties having or acquiring any right, title, or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

2.02 Utility Easements. The Subdivision and each Tract shall be subject to the easements reserved herein and in favor of the Association, the Tract Owners, and the utility companies. A utility easement is reserved along the front of each Tract. A utility easement centered on the common boundary line that any Tract in the Subdivision shares with another Tract is reserved. A utility easement is reserved along the perimeter boundary lines of the Subdivision. The utility easements shall be used for the construction, maintenance, and repair of utilities, including but not limited to, electrical systems, telephone, cable, water, gas, and any other utilities which the Developer or utility providers may install for the benefit of the Tract Owners. Notwithstanding the foregoing, the Developer has no obligation to provide utilities, and all such utilities shall be provided by the local utility companies in accordance with the policies of such utility companies. All utility easements in the Subdivision may also be used for the construction of drainage facilities to provide for improved surface drainage of the Tracts. The Developer reserves the right to grant specific utility easements without the joinder of any Tract Owner to public utility providers within the boundaries of any of the easements herein reserved. Any utility company serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installing, repairing, and maintaining their respective facilities. Neither Developer nor any utility company, political subdivision or other authorized entity using the easements herein reserved shall be liable for any damages done by them or their assigns, agents, or employees to fences, shrubbery, trees and lawns or any other property of the Tract Owners located within the easements.

2.03 Construction of Improvements on Utility Easements. No buildings or walls 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, landscaping, 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, landscaping, fencing or similar improvement placed upon any utility easement shall be constructed, maintained and used at the Owner's risk and each Tract Owner shall be responsible for repairing any damage caused by the utility providers to Improvements constructed within the easements located on his Tract.

2.04 Road Easement. A road easement as shown on the Plat is reserved in favor of the Association and the Tract Owners (including their guests, invitees and tenants) for the purpose of granting the Tract Owners ingress and egress to and from their Tracts and to the Common Areas. No Tract Owner shall be prevented from using the road easement because of any failure of a Tract Owner to comply with these Restrictions or pay Assessments. Except as specifically set forth herein, no Improvement shall be constructed on or over the road easement except as authorized by the Association. Tract Owners shall not take any action which would prevent

other Tract Owners from using the road easement. The Association reserves the right to make reasonable rules and regulations regarding the use of the road easement. The road easement may also be used for the construction, installation and maintenance of landscaping and utilities.

2.05 Grading and Drainage. The Owners agrees to grade the land and install drainage in accordance with all city, county and state ordinances. The owner shall complete all works including grading, ditches, swales, pipes, apparatus and equipment to service all the lands within the tract to the specifications of the city, county or state.

ARTICLE III **USE RESTRICTIONS FOR TRACTS**

3.01 Single Family. Except as specifically set forth in these Restrictions, all Tracts shall be used for single family residential purposes only. Except as expressly permitted herein. Developer and Builders may have sales offices, including temporary trailers on lots for purpose of facilitating sales of lots and/or residences.

3.02 Minimum Square Footage. Every single-family dwelling shall contain at least one thousand, five hundred (1,500) square feet of living area, excluding porches, garages, and storage areas.

3.03 Guest/Servants Quarters. One guest or servant quarters may be built upon each Tract provided the guest or servant quarters contains no less than five hundred (500) square feet. Guest or servant quarters must be built along with or after the construction of the main dwelling and may not be built or occupied prior to the main dwelling unit being occupied. Guest or servant quarters must be constructed with material harmonious with the main dwelling.

3.04 Barns, Workshops & Storage Buildings. One permanent metal, stucco, rock, and/or hardiplank barn, workshop or storage building shall be allowed so long as such building has a masonry wainscoat beginning at the bottom of the building and extending three feet (3') upward on the front and two sides and is constructed with material harmonious with the main dwelling. Such structures must be located behind the main dwelling site and may be constructed on the Tracts prior to the main dwelling being constructed or occupied so long as prior written permission is received. No portable storage buildings shall be allowed.

3.05 Barns as Temporary Living Space. Guest quarters located inside of a barn which is constructed on the Property shall be allowed so long as the guest quarters are not used as permanent residence. Such guest quarters may be used as the lot owner's temporary residence during the construction of the main dwelling or as a "weekend getaway" for such lot owner prior to the construction of the residence.

3.06 No Prefabricated or Mobile Homes. No prefabricated structures or mobile homes are permitted to be located on any Tract except as permitted by Section 3.08 hereof.

3.07 Temporary Structures & Use of RVs. No structure of a temporary character, whether trailer, motor home, recreational vehicle, tent, basement, shack, garage, barn or other outbuilding shall be maintained or used on any Tract at any time as a residence, either temporarily or permanently, except that prior to the construction of a residence on a Tract, an Owner may use a

recreational vehicle camper or motor home (Recreation Vehicle or "RV") for camping purposes no more than thirty (30) days at a time and no more than a total of one hundred twenty (120) days per calendar year without the express written consent of the Board. **TEMPORARY CAMPING OR USING ANY TYPE OF RECREATIONAL VEHICLE, WILL NO LONGER BE PERMITTED, ONCE FIFTY PERCENT (50%) OR MORE OF THE LOTS IN THE SUBDIVISION HAVE RESIDENCES BUILT ON THEM.** With written approval from the Architectural Reviewer, an RV may be used as a temporary residence during construction, not to exceed twelve (12) months, provided an approved septic system has been installed for the RV and the RV is placed at the rear of the construction site.

Temporary structures, including a business office, portable restroom facilities, or construction storage facilities may be located on a Tract while the main residence for a Tract is actively under construction, if such are removed upon substantial completion of construction and are not located on a Tract for longer than the time allowed for construction of a main residence pursuant to Section 3.12 hereunder. The Developer reserves the exclusive right to install and make use of a temporary office or temporary storage facilities within Subdivision while the developer is selling Tracts or building homes in the subdivision.

3.08 Storage of Trailers, RVs, and Boats. All trailers, RVs, trucks (other than pickups with a rated capacity of one (1) ton or less), boats, personal water craft, tractors, wagons, buses, motorcycles, motor scooters, all-terrain vehicles, golf carts and other recreational vehicles, lawn or garden equipment, farm or ranch equipment, construction equipment and other similar items shall be stored in enclosed structures or reasonably screened from view from the road. No Owner shall be allowed to drive semi-truck (18-wheeler) or similar truck and trailer into the Subdivision on a regular basis. Such access shall only be allowed during construction and only for deliveries. **No overnight parking of any semi-truck or other similar vehicle is permitted.**

3.09 Construction Sites. All construction sites shall have sufficient portable restroom facilities or other adequate restroom facilities as determined by the Architectural Reviewer or Developer prior to transfer control date. Construction Sites shall always be kept neat and clean and comply with such construction site guidelines as may be established by the Architectural Reviewer from time to time. Erosion fencing around the Tract to help prevent runoff is required. Builders shall request permission for any washout site prior to any formation or use.

3.10 Building Envelope. The Building Envelope on any Tract may be any size, subject to the approval of the Architectural Reviewer or the developer, prior to the transfer control date. **IF, HOWEVER, A BUILDING ENVELOPE EXCEEDS ONE ACRE, THE OWNER OF THE TRACT OF A BUILDING ENVELOPE EXCEEDING ONE ACRE, MAY BE SUBJECT TO THE LOSS OF AD VALOREM TAX EXEMPTIONS AND ROLLBACK TAX LIABILITY SHOULD SUCH EXIST.**

3.11 Construction Time. Any construction of any Improvement shall be completed, as to the exterior, within twelve (12) months from the construction commencement date. Should construction run longer, the Builder must contact the Architectural Reviewer to request an extension.

3.12 Construction Materials. All Improvements must be built with new construction materials and must be built in place on the Tract. All construction materials used shall be made of materials such as wood, rock or stone, brick, hardiplank or stucco. Owners are encouraged to use minimal amounts of hardiplank and to limit use and location in areas where walls would not support the weight of a heavier masonry material. The use of aluminum siding or vinyl siding is prohibited. The Architectural Reviewer or the developer may authorize the use of other materials on a case-by-case basis. Residences

and other improvements such as guest and other living quarters shall be constructed with at least a masonry wainscoat beginning at the bottom of the building and extending at least three feet (3') upward on the front and the two sides of the building. Log cabins and Barndominiums may be built if they comply with building requirements.

3.14 Roofing Materials. Only the following roofing materials may be used for the main residence, guest quarters and garages: slate, stone, concrete tile, clay tile, or other tile of ceramic nature, metal, or composition shingles with a thirty (30) year or more warranty being wind and hail resistant. The Architectural Reviewer or the Developer shall have the authority and sole discretion to approve other roof treatments and materials which are harmonious with the surrounding homes and the Subdivision as a whole. The materials and colors of Roofs on all other structures must be approved by the Architectural Reviewer or Developer. Owners may install roofing that is energy efficient or solar generating shingles, if the quality and appearance are comparable to the subdivision standard. All such materials will need approval from the Architectural Reviewer or Developer.

3.15 Construction Equipment Damage. Tract Owners shall be responsible for any damage caused to the roads or neighboring Tracts by construction equipment or trucks making deliveries to their Tracts.

3.16 Propane Fuel Storage. Propane fuel storage for residential use may be located on the Tracts and may be placed above ground or below ground. All above ground tanks, pumps, vent pipes and other equipment must be concealed or attractively screened. All safety requirements for use of such fuel storage shall be taken seriously and shall be at or above acceptable standards.

3.17 Consolidated Building Site. Any Owner of one or more adjoining Tracts may, with the prior written approval of the Board of Directors and with the approval of the Jack County Commissioners Court, if required, consolidate two or more Tracts into one Tract or building site, in which case the common boundary line between any combined Tract shall be eliminated and the setback lines shall be measured from the remaining exterior boundary lines. Any portion of any utility easement located within the common boundary lines of any combined Tract shall continue to be enforced unless abandoned by Plat. No Tract shall be deemed to be combined with another Tract until such time as an appropriate re-plat of the combined Tracts is filed with the Jack County Plat Records and all necessary approvals have been obtained. ***Any Tracts which are combined as provided above shall still be assessed per Tract and shall be billed to the Owner as one assessment unit.*** The Developer shall not be liable for any fees associated with Tract consolidation.

3.18 Setback Lines. Except for fencing, light posts, driveways, walkways, and landscaping, no improvements shall be located nearer than: a) fifty feet (50') from the front and rear property line and b) twenty feet (20') from the side property lines of the Tract. Any exterior lighting, including but not limited to light post, must be approved by the Architectural Reviewer or Developer. The Architectural Reviewer or Developer has the sole discretion to reject any exterior lighting, as it is the intent of these restrictions that exterior lighting be installed so that there is up or down lighting that does not shine into or disturb neighboring Owners. If Owner fences more than one acre surrounding its main dwelling site, then to maintain a uniform appearance of fences along the roads, all fencing must be located at the property lines. The Architectural Reviewer or Developer may waive or alter any setback line, if in the Architectural Reviewer's or Developer's sole discretion, such waiver or alteration is necessary to permit effective utilization of a Tract due solely to drainage or land contour related concerns.

3.19 Maintenance. The Owner's shall mow their Lot at least three times a year before the start of construction. After the start of construction, the Owner shall always keep his improvements in good condition and repair and ensure that all Improvements are adequately painted and otherwise maintained by the Owner. The Association shall have the right to exercise Self-Help or Corrective Actions against any Owner failing to keep its improvements in good condition or who violates a rule or regulation and fails to abate such violation after written notice is given. All such charges and fees, including trip charges by Vendors if incurred, shall be due from the Owner, and shall be billed to the Owner's account for reimbursement to the Association.

3.20 Walls, Fences, and Light Posts. Walls, fences and light posts, if any, must be approved prior to Construction by the Architectural Reviewer or Developer and must be constructed of new material, and unless otherwise permitted by the Architectural Reviewer or Developer, constructed of masonry, wrought iron, wood, metal, pipe, or ranch fencing with t-posts. Chain link fencing is prohibited, except if used as a dog run and only if such fencing is not visible from any road. If pipe fencing is used, such fences must have a minimum of three (3) horizontal pipes along the front of the lot and otherwise conform with the Architectural Reviewer's or Developer's specifications. The community's perimeter fencing is not to be altered or removed on any lot.

3.21 Mailboxes. Mailboxes shall be cluster mailboxes and location to be determined by the developer and the United States Postal Services. The construction of mailboxes will be coordinated with the United States Postal Service. The Association or the Developer shall have the right to make such other rules and regulations regarding the type, location and construction of mailboxes as may be reasonable and necessary. Should individual mailboxes be allowed, Owners shall submit plans for the construction of mailboxes to be installed using brick and/or stone in the same style as the primary construction of the house and they shall be installed at or near the curb in the front of the lot.

3.22 Driveways. The first fifty linear feet (50') of any driveway which is connected to any road shall be constructed of rock. All driveways shall begin where the portion any road ends. All driveways must be completed no later than thirty (30) days after the completion of the main residence.

3.23 Antennas, Towers and Satellite Dishes. Antennas, towers, satellite dishes or other sound or data receivers or transmitters of any kind shall not exceed ten feet (10') above the roof of the residence or accessory building upon which they are attached and must be located to the side or the rear of the residence or accessory building. Ground mounted dishes shall be allowed.

3.24 Garbage and Trash Disposal. No Tract shall be used to maintain as a dumping ground for rubbish, landscape trimmings, or other debris. All Tracts shall be kept in a neat and orderly condition. ***Builders MUST maintain a commercial sized refuse bin for discarding construction trash and debris. Builders may be subject to notice and fine for allowing lots under construction to become unsightly or unsafe in any manner.*** No refrigerators, freezers, washing machines, dryers, furniture, tools, equipment, toys, or other such items shall be stored outside of a building on any Tract. No junk of any kind or character shall be kept on any Tract. Trash, garbage, landscape trimmings, or other debris shall not be allowed to accumulate on any Tract. Any such items shall be kept in sanitary containers, lids always closed and shall be disposed of regularly in accordance with all applicable laws, rules, and regulations. All equipment for the storage or disposal of trash and other debris shall be kept in a clean and sanitary condition. Controlled burn piles which are concealed from public view are permitted in accordance with applicable laws, rules, and regulations. Prior notice to the Board of Directors is required before use of any burn pile.

3.25 Unregistered, Inoperable, or Junked Motor Vehicles Prohibited. No Tract shall be used as a depository for abandoned, inoperable, junked, or unregistered motor vehicles, boats, airplanes, trailers, or other comparable items. All vehicle types violating this rule are subject to towing at the Owner's sole expense. The Association assumes no liability if a vehicle is towed.

3.26 Signs. No signs, advertising, billboards, or advertising structure of any kind may be erected or maintained on any Tract without the consent in writing of the Architectural Reviewer or Developer prior to the transfer control date. Political signs for a political candidate or ballot item for election, as set forth in the Texas Property Code §202.009, may be displayed on a Lot but can only be displayed on or after the 90th day before the date of the election to which the sign relates and must be removed 11 days after the election. The sign must be ground mounted, 2'x 3' in size and a Lot Owner may only display one sign for each candidate or ballot item. In addition to other signs which may be allowed by the Architectural Reviewer or Developer prior to the transfer control date. The Architectural Reviewer shall allow one (1) professionally made sign not more than twenty-four inches (24") by thirty inches (30") advertising Owner's residence for sale or rent. The term "professionally made sign" does not include plastic or metal pre-made for sale or for rent signs. No signs shall be nailed to a tree. Signs erected on any unimproved Tract advertising for sale shall not be permitted.

3.27 Animal Husbandry. Domestic livestock and exotic animals shall be allowed only on Tracts which are five (5) acres or larger, so long as such animals do not exceed one (1) animal for every two (2) fenced acres and do not become a nuisance or threat to other Owners. The Association shall have the sole discretion in determining if any animal is a nuisance and make regulations on banning such animals. Pigs, hogs, and peacocks are not allowed on any Tract. Chickens, turkeys, and other birds shall only be allowed so long as such birds are kept in a coup and do not exceed twenty (20) birds per Tract regardless of lot size. Coups must be preapproved by the Architectural Reviewer in writing. All animals being raised by the individual Tract Owners must be kept in a fenced area on the Owner's Tract. No overgrazing is permitted on any portion of the Tract as determined by the sole discretion of the Association. Dogs, cats, or other common household pets may be kept on a Tract. Dogs will not be permitted to run loose in the Subdivision. Dogs and cats must be vaccinated for rabies and other diseases required by applicable laws, rules and regulations and shall be licensed or registered as may be required by applicable laws, rules, and regulations. No feedlots of any type shall be permitted.

3.28 Mineral Development. No Owner shall be allowed to permit on their own behalf commercial drilling, mineral development operations, mineral refining, quarrying, mining, or water operation of any kind in, on or under any Tract owned by such lot owner. Developments of water sources for an individual Owner's use, including the construction of windmills for individual water extraction are permitted provided that advance written approval of the Architectural Reviewer or Developer is obtained.

3.29 Drainage. Naturally established drainage patterns for drainage will not be impaired by any Tract Owner. Driveway culverts must be installed and shall be of sufficient size to afford proper drainage of ditches without allowing water to pool, back up or be diverted from its natural course. Drainage culvert installation is subject to the inspection and approval of the Architectural Reviewer or Developer and shall comply with any applicable governmental rules and regulations. All water retainage structures (ponds, dams, and other facilities) not already existing within the Subdivision must be reviewed and approved by the Architectural Reviewer or Developer and prior to construction and must comply with all governmental rules and regulations.

3.30 Re-plating and Subdividing. No Tract may be subdivided into smaller tracts.

3.31 Maintenance and Landscaping. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly, or unkempt condition of buildings or grounds on such Tract which would tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. Each Owner shall be required to landscape the area around his home. Occupancy of the Residence shall be no earlier than one hundred twenty days prior to completion of landscaping.

3.32 Firearms. The discharge of firearms in the Subdivision on Tracts less than 10 acres is strictly prohibited. All laws, rules, and regulations governing the use and discharge of firearms shall be strictly adhered to by Owners.

3.33 Hunting. Hunting by Owners on their own Tract is permitted subject to the game laws of the State of Texas and any relevant Jack County regulations. As of the recording of this Declaration, the black buck, although not prohibited from being hunted is listed as an exotic animal; therefore, a hunting license to hunt this animal is required. Information can be found at <http://tpwd.texas.gov> for state and county regulations. **No commercial hunting is allowed.** Caution should always be exercised with firearms.

3.34 Water Wells and Irrigation Systems Water wells and irrigation wells will be allowed; however, no water wells or irrigation wells of any type shall be allowed to draw upon water from creeks, streams, rivers, lakes, or ponds. All wells shall be subject to any governmental regulations including but not limited to any regulations and buffer zones set by any City or County governing authorities. This Section shall not apply to the Developer, and it may not be amended without the written consent of the Developer or the Architectural Reviewer.

ARTICLE IV **ARCHITECTURAL CONTROL COMMITTEE** (Referred throughout as "Architectural Reviewer")

4.01 Basic Control & Applications.

- (a) No Improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made to the exterior design or appearance of any Improvement, without first obtaining the Architectural Reviewer's or Developer's approval. No demolition or destruction of any Improvement by voluntary action shall be made without first obtaining the Architectural Reviewer's or Developer's approval.
- (b) Each application made to the Architectural Reviewer or Developer for approval shall contain an application in the form specified by the Architectural Reviewer or Developer. If submitted via e-mail, only one set is required, if a physical copy of the drawings will be used, two sets of professionally drawn Plans and Specifications for all proposed Improvements, showing the location of all Improvements in the Tract, and any applicable fees or deposits together with such other reasonably necessary information as the Architectural Reviewer or Developer shall request. These plans must be submitted in PDF format.

4.02 Architectural Reviewer.

All Architectural Review authority is initially vested in the Developer. The Architectural Review authority of the Developer shall cease as to requests from homeowners for architectural modifications to existing homes once the Association has transitioned to a fully functioning homeowner board. Review authority for new construction and

reconstruction of a Residence or any exterior structure shall remain in the full authority of the Developer or the Developer's appointed Architectural Review Committee until such time as all lots have been sold to non-Developer and non-Builder owners. As long as any Builder owns a lot, Architectural Review authority remains with the Developer and any appointed Committee the Developer may adopt or establish.

4.03 Effect of Inaction. All approvals or disapprovals issued by the Architectural Reviewer shall be in writing. In the event the Architectural Reviewer fails to approve or disapprove any request received by it in compliance with Article IV within thirty (30) days following the submission of a completed application and full compliance with the declarations set out herein, such request shall be deemed disapproved.

4.04 Effect of Approval. The granting of an Architectural Reviewer approval shall constitute only an expression of opinion by the Architectural Reviewer that the proposed Improvement to be erected complies with these Restrictions; and such approval shall not prevent the Association from requiring removal of any Improvement which fails to comply with these Restrictions. Further, no Architectural Reviewer member shall incur any liability by reason of the good faith exercise of the authority granted hereunder.

4.05 Variance. The Architectural Reviewer or the Developer, may on a case by case basis, authorize variances from the requirements of the Restrictions if, in the reasonable opinion of the Architectural Reviewer or the Developer, the Restrictions unreasonably restrain the development of a Tract in accordance with the general scheme of the Subdivision. The developer will retain the right to grant variances after the Control Transfer Date so long as the Developer or a Builder continues to own Tracts in the Subdivision. All variances shall be in writing and signed by the Developer or an authorized member of the Architectural Reviewer. No violation of these Restrictions shall be deemed to have occurred with respect to any matter for which a variance is granted. The granting of such a variance shall not operate to waive any of the terms and provisions of these Restrictions for any purpose except as to the particular Lot and improvements and the particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the use of the Owner's Lot.

ARTICLE V

PROPERTY OWNERS' ASSOCIATION, INC.

5.01 Non-Profit Corporation. The Lone Indian Ranch Property Owners' Association, Inc., is or will be a non-profit corporation and it shall be governed by the Certificate of Formation or Articles and the Bylaws of the Association; and all duties, obligations, benefits, liens, and rights hereunder in favor of the Association shall vest in said corporation.

5.02 Bylaws. The Association has adopted, or may adopt, whatever Bylaws it may choose to govern the organization and operation of the Association, provided that the same are not in conflict with the terms and provisions hereof. The Bylaws may be amended from time to time by the Developer or by a majority of the Board as outlined in the Bylaws.

5.03 Generally; Classes of Members. Every Owner (including Developer if Developer owns lots) shall automatically be and must remain a Member of the Association so long as such Person is an Owner. The membership of a Person in the Association shall terminate automatically

whenever such Person ceases to be an Owner, except that such termination shall not release or relieve such Person from any liability or obligation arising under this Declaration during such Person's period of ownership. Any transfer of title to a Lot shall operate automatically to transfer membership in the Association appurtenant to such Lot to the new Owner of such Lot. The Association shall have two classes of voting membership as follows:

(i) **Class A.** The Class A Member shall be all Owners other than the Developer and shall be entitled to one vote for each Lot owned. If more than one person owns an interest in a Lot, they shall combine their vote in such way as they see fit, but there shall be no fractional votes, and no more than one vote with respect to any Lot.

(ii) **Class B.** The Class B Member shall be the Developer who shall be entitled to ten (10) votes for each Lot owned by such Developer. Subject to the conditions set forth in the remainder of this paragraph, the Class B membership applicable to the Developer's votes shall be converted to Class A membership upon the earlier of (i) sale of the last Lot owned by Developer, (ii) twenty (20) years from this filing of this Declaration, or (iii) the recording in the Records of Jack County, Texas, of a notice signed by the Developer terminating its Class B membership. Termination of Class B Membership does not nullify the Developer Control and Rights under Article VII or as elsewhere set forth in this Declaration. In determining the number of Lots owned by a Developer for the purpose of Class B membership status hereunder, the total number of Lots covered by this Declaration, including all Lots annexed thereto shall be considered. In the event the Class B membership has previously lapsed as provided in (i) above, but annexation of additional property restores the ratio of Lots owned by a Developer to the number required for Class B membership status, such Class B membership shall be reinstated until it expires pursuant to the terms hereof.

ARTICLE VI **ASSESSMENTS**

6.01 Power to Establish Assessments. The Association is empowered to establish and collect Assessments as provided in this Article VI for the purpose of obtaining funds to maintain the Common Area and/or Common Amenities, perform its other duties, and otherwise preserve and further the operation and sustainability of the Property as a first-class, quality residential subdivision. The purposes for which Assessments may be used include, without limitation, maintaining, operating, managing, repairing, replacing or improving the Common Area, Common Amenities, roads, or any improvements thereon including hiring a managing agent; mowing grass and maintaining grades and signs; paying legal fees, insurance, and expenses incurred in enforcing this Declaration; paying expenses incurred in collecting and administering assessments; paying insurance premiums for liability and fidelity coverage for the ACC, the Board and the Association; and satisfying any indemnity obligation under the Association Documents. The Board may reject partial payments and demand payment in full of all amounts due and owing the Association. The Board is specifically authorized to establish a policy governing how payments are to be applied.

6.02 Commencement of Assessments.

- (a) **Owners other than a Developer.** Unless otherwise provided by separate agreement by and between a Developer and any Person, the Assessments shall commence, as to each Lot

located in the Property, upon conveyance of the Lot by the Developer to any Person that is not an affiliate of the Developer. Any Builder acquiring a Lot shall pay the minimum of one (1) full year's Assessments at the time of lot Purchase. Following the Builder's acquisition of a lot and payment of one (1) full calendar year's Assessments at the time of Builder's acquisition of a lot, any Builder who owns a lot is liable for all Assessments and other fees charged by the Association in the same manner as all Class A Members.

(b) **Developer.** A Developer shall not be liable for Assessments for any lots that it owns. A Developer may, but shall have no obligation to, subsidize the Association from time to time. In the event a Developer decides to subsidize the Association and any shortfall in the operating budget of the Association is due in part to the failure of the Association to collect delinquent Assessments, then the Association shall immediately and vigorously pursue collection of such delinquent Assessments through foreclosure, if necessary, and shall reimburse the Developer the amounts, if any, so collected. At the Developer's sole discretion, funds provided for the purpose of subsidy or offsetting a deficit or shortfall may be treated as a loan by the Developer. Developer may, but is not obligated to prepare a promissory note outlining the repayment methods under which the Association shall be required to comply. At any time and from time to time, Developer may make written demand for repayment of all or any portion of deficit or shortfall funds provided to the Association including a period up to five (5) years after the Developer Control Period ends.

6.03 Regular Annual Maintenance Assessments.

(a) **Annual Budget.** For each calendar year or a part thereof during the term of this Declaration, at an open meeting of the Board held in accordance with requirements under Section 209.0051 of the Texas Property Code and the Bylaws, the Board shall establish an estimated budget of the expenses to be incurred by the Association for the forthcoming year in performing its duties (collectively, the "**Common Expenses**"), Based upon such budget, the Association shall then assess each Lot an annual fee (the "**Maintenance Assessment**") which shall be paid by each Owner in advance on an annual basis on the first day of each January, unless the Board determines a different schedule. The Common Expenses and the budget on which the Maintenance Assessment is based shall include any and all costs and expenses for which the Association, the Owners or the Property are liable. The Association shall notify each Owner of the Maintenance Assessment for the ensuing year by December 15 of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Maintenance Assessments. Any Maintenance Assessment not paid within thirty (30) days of the date due (when assessed annually) shall be delinquent and shall thereafter bear interest at the Default Interest Rate (as defined below. As to any partial year, Maintenance Assessments on any Lot shall be appropriately prorated. Until and unless otherwise determined by the Board, the annual Maintenance Assessment shall be **Three Hundred Fifty and NO/100 Dollars (\$350.00)** per Lot per year.

(b) **Limits on Maintenance Assessments.** The Board may increase the Maintenance Assessment annually to meet the anticipated needs of the appropriate budget, but the Maintenance Assessment may not be increased in any year by an amount in excess of twenty five percent (25%) above the previous year's Maintenance Assessment, unless such increase is approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, provided,

however, notwithstanding the foregoing, in the event that the Board determines that due to unusual circumstances the maximum annual Maintenance Assessment even as increased by twenty five percent (25%) will be insufficient to enable the Association to pay the Common Expenses, then in such event, the Board shall have the right to increase the maximum annual Maintenance Assessment by the amount necessary to provide sufficient funds to cover the Common Expenses without the approval of the Members as provided herein; provided, however, the Board shall only be allowed to make one (1) such increase per calendar year.

(c) **Uniform Assessments.** Maintenance Assessments for all Lots shall be uniform and are mandatory.

6.04 Special Assessments.

(a) **Special Purpose Assessments.** The Association may impose special assessments ("**Special Purpose Assessments**") for any purposes as the Board deems necessary and/or appropriate, which may include coverage of unbudgeted or unforeseen costs or expenses or deficits to the then current fiscal year budget or the Association's operating account as and/or if such should arise; to cover insurance premiums and/or down payments, or to make capital improvements and add improvements to the Common Area and/or Common Amenities, to satisfy its indemnity obligations under the Association Documents, or for other purposes as the Board deems necessary and/or appropriate, which may include coverage of unbudgeted or unforeseen costs or expenses or deficits to the then current fiscal year budget or the Association's operating account as and/or if such should arise. Any Special Purpose Assessment proposed by the Association greater than sixty percent (65%) of the then current annual assessment shall require approval by a majority vote of those members of the Association present at a meeting (all classes together), in person or by proxy, at which a Quorum exists. At least ten (10) days prior to any meeting of the Association called to consider any Special Assessment, the Board shall notify each Owner thereof by written notice specifying the total amount of the Special Purpose Assessment required, the amount thereof imposed on each lot (which shall be uniform), the purpose for such Special Purpose Assessment, and the time and method of payment thereof. The time for paying any Special Purpose Assessment (which may be in installments) shall be as specified in the approved proposal.

(b) **Special Member Assessments.** The Board may levy a "**Special Member Assessment**" (herein so called) on any Member or group of Members, to the extent any related insurance proceeds (if any) paid to the Association are not sufficient to pay all such costs, for the purpose of:

(i) Paying the cost of any damage or loss requiring maintenance, repairs or replacement of Common Amenities to adhere to the Community Standard, which damage or loss has been determined by the Board to have been caused, either directly or indirectly, by the act(s) of such Member, group of Members, or such Member's agent, employee, occupants or visitors;

(ii) Paying the maintenance costs, construction delay damages, any charge and/or fee, including trip charges and fines imposed for violations of this Declaration, the Community Standard, the Design Guidelines or any other rules and/or regulations

promulgated thereby or other amounts chargeable to any Owner as otherwise set forth herein; and/or

(iii) Paying costs and expenses incurred by the ACC in connection with its review of a Member's plans and related inspections permitted pursuant to Section 3.2(c) hereof.

(c) **Special Group Assessments.** The Board may levy a "**Special Group Assessment**" (herein so called) when more than one Member, but less than all Members are assessed to cover costs and expenses for certain costs and expenses incurred by the Association for any maintenance, repair, or replacement of any structure or item that serves some, but not all Members of the Association, such as, but not limited to, cluster mailboxes. Special Group Assessments shall be charged to an Owner's Assessment account and shall be payable and secured in the same manner as herein provided with regard to Assessments.

6.05 Liability for and Enforcement of Assessments.

(a) **Personal Liability.** Each Owner shall be personally liable for all Assessments imposed against the Owner's Lot during the time it owns a Lot.

(b) **Reservation, Subordination, and Enforcement of Assessment Lien.** Developer hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "**Assessment Lien**") against each Lot located on such Developer's portion of the Property to secure payment of (1) the Assessments imposed hereunder and (2) payment of any amounts expended by such Developer or the Association in performing a defaulting Owner's obligations as provided for in this Declaration. **THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH IN THIS DECLARATION OR WITHIN A COLLECTION POLICY, THE CHARGES MADE AS AUTHORIZED, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES.** The continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording of this Declaration in the Official Public Records of Jack County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Declaration. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any

successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Declaration are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

(c) **Notices of Delinquency or Payment.** The Association, the Association's attorney or the Developer may file notice (a "**Notice of Unpaid Assessments**") of any delinquency in payment of any Assessment in the Records of Jack County, Texas. **THE ASSESSMENT LIEN MAY BE ENFORCED BY FORECLOSURE OF THE ASSESSMENT LIEN UPON THE DEFAULTING OWNER'S LOT BY THE ASSOCIATION SUBSEQUENT TO THE RECORDING OF THE NOTICE OF UNPAID ASSESSMENTS EITHER BY JUDICIAL FORECLOSURE OR BY NONJUDICIAL FORECLOSURE THROUGH A PUBLIC SALE IN LIKE MANNER AS A MORTGAGE ON REAL PROPERTY IN ACCORDANCE WITH THE TEXAS PROPERTY CODE, AS SUCH MAY BE REVISED, AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME.** Upon the timely curing of any default for which a notice was recorded by the Association, the Association, through its attorney, is hereby authorized to file of record a release of such notice upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing a release. Upon request of any Owner, any title company on behalf of such Owner or any Owner's mortgagee, the Board, through its agents, may also issue certificates evidencing the status of payments of Assessments as to any particular Lot (i.e., whether they are current or delinquent and if delinquent, the amount thereof). The Association or its Managing Agent may impose a reasonable fee for furnishing such certificates or statements.

(d) **Suit to Recover.** The Association may file suit to recover any unpaid Assessment and, in addition to collecting such Assessment and interest thereon, may also recover all expenses reasonably expended in enforcing such obligation, including reasonable attorneys' fees and court costs.

(e) **Late Charges and Collection Fees.** If any Assessment or any part thereof remains unpaid after thirty (30) calendar days from and after the due date established by the Board, a late charge shall be assessed against the non-paying Owner for each month or any part thereof, that any portion of any Assessment remains unpaid. Should any Assessment be payable in installments, the Association is authorized to accelerate the entire Assessment and demand immediate payment thereof. The late charge shall be in the amount of Twenty-five and No/100 Dollars (\$25.00) per month. The Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee to compensate Managing Agent for its administrative costs and efforts to collect and process the late payment of Assessments. Collection fees and other charges owed to the Managing Agent are a hard cost to the Owner and/or the Association and may not be waived or otherwise removed without the express written consent of the Agent. Should the contract for services of a Managing Agent be terminated, regardless of whether the Association or the Agent initiates termination, and regardless of whether the contract was terminated with or without cause, the Association shall be responsible for full payment of all outstanding collection fees and other charges owed to the Agent which shall be paid prior to the last day of service to be administered by the Agent. Additional charges and/or fees, may include, but are not limited to, a service charge in the amount of Twenty-five and No/100 Dollars (\$25.00) or an amount equal to the charges incurred by a bank or financial institution shall be charged for each check that is returned because of insufficient funds or any other reason.

The amount of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the administrative costs to collect unpaid Assessments or the Association's bank charges. All late charges, collection fees, service charges and attorneys' fees assessed or incurred due to late payment of Assessments shall be charged to an Owner's Assessment account which shall be part of the delinquent Assessment and shall be payable and secured in the same manner as herein provided with regard to Assessments.

(f) **Interest on Past Due Amounts.** All Assessments past due more than thirty (30) days, unpaid fines and other amounts owed to the Association by any Owner which are not paid when due shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum, but not in excess of the maximum rate allowed by applicable law (the "**Default Interest Rate**"). The levying of interest in addition to the late charges and other fees described in this Article VI shall be at the sole discretion of the Board.

(g) **Suspension of Right to Use Common Area and/or Common Amenities.** In addition to the other powers herein granted, and subject to prior notice of such suspension delivered to such Owner and/or residents via certified mail, the Board may suspend the right of an Owner and occupants or any Residence on such Owner's Lot to use any of the Common Area and/or Common Amenities during the time that such Owner is delinquent in paying any Assessment or otherwise in violation of this Declaration or any other Association Documents. The Association must notice an Owner via certified mail prior to suspending an Owners right to use Common Areas or Common Amenities.

(h) **General Reserve/Improvement Contribution.** Upon sale of record title to a Lot by an Owner other than a Developer or a Builder, a contribution equal to the greater of (i) one hundred percent of the then current Maintenance Assessment (excluding Detention Assessment) shall be made by or on behalf of such Owner to the "**General Reserve Fund**" (herein so called) of the Association. This amount is not refundable, shall be in addition to, not in lieu of, the Maintenance Assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into a general, non-restricted reserve account for the Association or to the Developer if the Association is not yet established and shall be used for any Association expense or improvement which may arise to include recurring or non-recurring expenses of the Association. A separate reserve may be established by the Association for capital improvements upon consent of the Developer, notwithstanding, funds by which a capital improvement account may be established and funded shall not be derived from the **General Reserve Fund** during the Developer Control Period. All such reserve constitution amounts shall be reviewed yearly by the Board and may be increased; however, the increase is restricted to fifty percent (50%) over the previous year.

(i) **Transfer Fees and Fees for Issuance of Resale Certificates.** The Board may, at its sole discretion, enter into a contract with a Managing Agent to oversee the daily operation and management of the Association. The Managing Agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "**Resale Certificate**" (herein so called). The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent, or the Owner has agreed in writing to cause such fees to be paid at the closing of the transfer of title to the Lot. Transfer fees for each Residence being conveyed shall in

no event exceed \$500.00 and fees for the issuance of a Resale Certificate shall not exceed \$375.00 to cover its administrative costs or otherwise to assemble, copy and deliver the Resale Certificate, and not to exceed \$75.00 additional in connection with preparation of any update to the Resale Certificate. Transfer fees and Resale Certificate Fees are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the contribution to the General Reserve Fund above. Builders are not exempt from Resale / Transfer Fees. Resale Certificate Fees must be paid upon the earlier of (i) delivery of the Resale Certificate to an Owner, or (ii) the Owner's closing of the sale or transfer of his/her residence or Lot. Developer is exempt from any and all Resale Certificate fees. Resale Certificates shall be delivered by the Association or managing agent in any event within five (5) days after the second request delivered by an Owner to the Association via certified mail, return receipt requested, or via hand delivery with evidence of receipt by the Association. This Section does not obligate the Board or any third party to levy such fees. Notwithstanding, no Board may amend this Declaration or promulgate rules preventing a managing agent from collecting a resale and/or transfer fee for such services performed.

(j) **Credit Reporting.** The Association through its Board, or any management agent of the Association, may report an Owner delinquent in the payment of Assessments to any credit reporting agency only if:

- (i) The delinquency is not the subject of a pending dispute between the Owner and the Association; and
- (ii) At least thirty (30) business days before reporting to a credit reporting service, the Association sends, via certified mail, hand delivery, electronic delivery, or by other delivery means acceptable between the delinquent Owner and the Association, a detailed report of all delinquent charges owed; and
- (ii) the delinquent Owner has been given the opportunity to enter into a payment plan.

The Association may not charge a fee for the reporting of an Owner to any credit reporting agency of the delinquent payment history of assessments, fines, and fees of such Owner to a credit reporting service.

ARTICLE VII

DEVELOPER'S RIGHTS AND RESERVATIONS

7.01 **Period of Developer's Rights and Reservations.** Developer shall have, retain and reserve certain rights as set forth in these Restrictions with respect to the Association from the date hereof, until the earlier of the date the Developer gives written notice to the Association of Developer's termination of the rights described in this Article VII or the Control Transfer Date. Notwithstanding the foregoing, the Developer rights set forth in Sections 7.02 and 7.03 shall not be released until such time as a document relinquishing said rights is filed of record or the Developer no longer holds record title to any Tracts in the Subdivision. The rights and reservations hereinafter set forth shall be deemed accepted and reserved in each conveyance by the Developer whether specifically stated therein. The rights, reservations and easements set forth herein shall be prior and superior to any other provisions of these Restrictions and may not, without Developer's prior written consent, be modified, amended, rescinded, or affected by any amendment to these Restrictions. Developer's consent to any amendment shall not be construed as consent to any other amendment.

7.02 Developer's Rights to Grant and Create Easements. Developer shall have and hereby reserves the right, without the consent of any Owner or the Association, to grant or create temporary or permanent easements throughout the Subdivision, for ingress, egress, utilities, cable and satellite television systems, communication and security systems, drainage, water and other purposes incidental to the development, sale, operation and maintenance of the Subdivision. The rights reserved to the Developer under this Section 7.02 apply to the entire Subdivision, including Tracts previously sold by the developer.

7.03 Developer's Rights to Convey Common Areas to the Association. Developer shall have and hereby reserves the right to convey real property and improvements thereon, if any, to the Association for use as Common Areas at any time and from time to time in accordance with these Restrictions, without the consent of any other Owner or Association. Should it become necessary for any reason, Developer may convey property back to itself previously deeded to the Association without consent or joinder of any Owner or the Association.

7.04 Annexation of Additional Areas. Developer may cause additional real property to be annexed into Subdivision, by causing a written Annexation Declaration confirming the annexation thereof, to be recorded in the Official Public Records of Real Property of Jack County, Texas. No consent shall be required of the Association or any Member thereof, each Owner being deemed to have appointed the Developer as his agent and attorney-in fact to effect this Annexation, which power hereby granted to the Developer is and shall be a power coupled with any interest. Thereafter, the Association shall be the Association for the entirety of the Development, including the annexed property.

7.05 Developer Control of Association. All authority and powers reserved to the Association, the Board of Directors or the Architectural Reviewer shall be held and exercised by the Developer. The Developer may elect to transfer control of the Association or the Architectural Reviewer at the same time or at different times in which case the Control Transfer Date may be different. The initial Board of Directors of the Association shall be those persons appointed by the Developer and who need not be Owners or Members of the Association.

ARTICLE XIII **DUTIES AND POWERS OF THE PROPERTY OWNERS' ASSOCIATION**

8.01 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 designated 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 and to improve and enhance the attractiveness, desirability and safety of the Subdivision. The Board of Directors shall minimally be composed of three individuals whose terms and offices shall be set forth in the Bylaws.

8.02 Duty to Accept the Property and Facilities Transferred by Developer. The Association shall have full maintenance responsibilities of any real property, improvements, personal property or related equipment being maintained by the Association whether said property is in the Association's name or not. The Association shall accept title to any real property, improvements to real property, personal property and any related equipment which the Developer transfers to the Association, together with the continued responsibility to perform any all maintenance and administrative functions associated therewith, provided that such property and responsibilities are not inconsistent with the terms of these Restrictions. Property interest transferred to the Association by the 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 the Developer shall 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 any declaration of covenants, conditions and restriction or easements set forth in the transfer instrument and shall be accepted by the Association in "AS IS" condition. Except as otherwise specifically approved by resolution of the board of Directors, no property or instrument transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to the developer or any affiliate of the developer including, but not limited to, any purchase price, rent charge or fee.

8.03 Other Insurance Bonds. The Association shall obtain such insurance as may be deemed necessary or desirable by the Board or by law, including but not limited to, comprehensive liability and property and casualty insurance, fidelity and indemnity insurance, officers and directors liability insurance, as well as such other insurances or bonds as the Association shall deem necessary or desirable. Coverage shall be held with a minimum A+ rated carrier licensed to bind and cover in the State of Texas. The Agent may act as an official liaison between the Insurance Agent and/or Carrier for the purposes of obtaining coverages, renewals, handling claims, etc. The Managing Agent shall be entitled to additional fees for this service. The Board has a responsibility to view valuations and coverage amounts each year. If the Board fails to provide instruction to the Managing Agent within ten (10) days of the policy renewal dates, the Agent is authorized to bind coverages as needed to ensure no lapse in coverage on behalf of the Association. When possible and if applicable, replacement coverage shall be based on 100% replacement costs. The Board or Managing Agent shall have the right to alter policy coverages when deemed in the best interest of the Association.

8.04 Duty to Prepare Annual Budgets. The Association shall prepare an annual budget for the Association and deliver a copy of the annual budget to the Members along with, or prior to, the delivery of the invoice sent to each Tract Owner for the Annual Assessment. The Association shall strive to deliver the annual budget and the Annual Assessment invoice at least thirty (30) days before the start of each calendar year.

8.05 Duty to Levy and Collect Assessments. The Association shall levy, collect, and enforce the Assessments as provided in these Restrictions.

8.06 Duty to Provide Annual Financial Statement. The Association shall prepare an annual financial statement, including a balance sheet, for review by the Members.

8.07 Duties with Respect to Architectural Approvals. The Association, through the Architectural Reviewer, shall perform the Architectural Reviewer duties described in these Restrictions.

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

8.09 Power to Adopt Rules and Regulation. The Association shall have the power to adopt, supplement, amend, and rescind rules and regulations regarding the use of the Common Areas as well as the maintenance and upkeep of individual lot. The Association has rules for numerous reasons. Adherence and respect for the rules is the responsibility of all owners and occupants of a Residence as well as guests, invitees, and others while visiting or remaining within the

community. The Board may adopt, supplement, amend, or rescind policies without consent or joinder of the Members so long as approved in an open meeting of the Board by at least a majority of the Board and so long as done by Resolution with the proper recording and distribution of the Policy to the Members.

8.10 Enforcement of Restrictions. The Association (or any Owner if the Association fails to do so after reasonable written notice) shall enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, charges and fees now or hereafter imposed by the provisions of these Restrictions. Failure by the Association or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. If it becomes necessary for any Owner or the Association to file a Court action to enforce these Restrictions, the defaulting Owner shall be liable for all reasonable attorney's fees and costs incurred by the enforcing Owner or the Association to obtain compliance by the defaulting Owner. The defaulting Owner shall be liable for all damages suffered by the enforcing Owner or the Association which shall be in an amount established by the Court.

8.11 Remedies. In the event a Tract Owner fails to remedy any violation of these Restrictions within ten (10) days after written notice by the Association, the Association, or its authorized representatives, may take any one or more of the following actions:

- (a) Enter upon the Tract Owner's property and remove the violating condition, or cure the violation, at the sole expense of the Tract Owner, and the violating Tract Owner shall pay on demand all costs, charges, and fees, including trip charges and reasonable attorney's fees, incurred by the Association in removing such violating condition;
- (b) Assess a charge of \$150.00 per day against any Owner and/or his Tract until the violating condition is corrected. The Violation charge may be increased by the Association in accordance with any adoption, supplement, or amendment to this Declaration or Notice and Fining Policy. Failure to pay such assessment by the violating Owner within ten (10) days from receipt of assessment will result in a lien against the Tract with the same force and effect as the lien for Annual or Special assessments;
- (c) File suit in order to enforce the above remedies and/or pursue any other remedy which may be available at law or in equity;

After a Tract Owner receives a written notice of a violation of these Restrictions, the violating Tract Owner shall not be entitled to any further notice to correct but may receive in concession notice of Corrective Action and/or Notice of Fine Warning and then Notice of Fine(s). The Association reserves the easement across each Owner's Tract for the purpose of correcting or removing conditions in violation of these Restrictions, and in doing so, shall have no liability for trespass or other tort in connection therewith, or arising from such correction or removal of a violating condition. The Association shall further have the right to have any vehicle or other property stored or used in violation of these Restrictions removed from the Owner's Tract at the expense of the Owner and stored at the expense of the Owner.

ARTICLE IX

GENERAL PROVISIONS

9.01 Term. The provisions hereof shall run with the land and shall be binding upon all Owners, their guests and invitees and all other persons claiming under them for a period of twenty (20) years from the date these Restrictions are recorded. These Restrictions shall be automatically extended for successive periods of ten (10) years each time unless these Restrictions are cancelled by a two-thirds (2/3) majority Vote of ALL Members and an appropriate document is recorded evidencing the cancellation of these Restrictions.

9.02 Amendments. Except for any amendment affecting any existing Improvements, these Restrictions may be amended or changed, in whole or in part, at any time by Developer without consent or joinder of the Members and thereafter, by vote of fifty-one percent (51%) of the Members present at a meeting called for such purpose whether in person or by proxy, all classes taken together. Copies of any records pertaining to such amendments shall be retained by the Association permanently.

9.03 Amendment by the Developer. The Developer shall have and reserve the right at any time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend these Restrictions by an instrument in writing duly signed, acknowledged, and filed for record so long as the Developer owns at least one Tract of land and provided that any such amendment shall be consistent with and is furtherance of the general plan and scheme of development of the Subdivision and evidenced by these Restrictions. independent and severable and the invalidity or unenforceability or partial invalidity or partially unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

9.05 Liberal Interpretation. The provisions of these Restrictions shall be liberally construed to effectuate the purpose of these Restrictions.

9.06 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 guests, invitees, heirs, legal representatives, executors, administrators, successors, and assigns.

9.07 Effect of Violation 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 mortgage under any such mortgage, the holder of any such lien or beneficiary of any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

9.08 Terminology. All personal pronouns used in these Restrictions, 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 limits nor amplifies the provisions of these Restrictions. 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.


9.09 Liability Limitations; Indemnification. No Managing Agent, Declarant, Member, director, officer or representative of the Association or the Board or the ACC shall be personally liable for the debts, obligations or liabilities of the Association. The directors and officers of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except

for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Association Documents. The Managing Agent, Declarant and directors, officers and architectural members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS THE MANAGING AGENT, DECLARANT, DIRECTORS, OFFICERS AND MEMBERS OF THE ACC FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS ON ACCOUNT OF ANY SUCH CONTRACT OR COMMITMENT (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS). IN ADDITION, EACH DIRECTOR AND EACH OFFICER OF THE ASSOCIATION AND EACH MEMBER OF THE ACC SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS SUCH DIRECTOR, OFFICER OR ACC MEMBER AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH DIRECTOR, OFFICER OR ACC MEMBER IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER OR ACC MEMBER AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE ASSOCIATION DOCUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH DIRECTOR, OFFICER OR ACC MEMBER IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR MALFEASANCE, MISCONDUCT OR BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE ASSOCIATION DOCUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE ASSOCIATION DOCUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH DIRECTOR'S, OFFICER'S OR ACC MEMBER'S GROSS NEGLIGENCE. Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer or architectural member, or former director, officer or architectural member, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and architectural members', insurance on behalf of any Person who is or was a director or officer of the Association or the architectural member against any liability asserted against any such Person and incurred by any such Person in such capacity, or arising out of such Person's status as such.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned, being the Developer, herein, has hereunto set its hand on this the day of , 2024

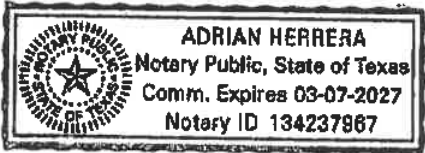
DEVELOPER / DECLARANT:
JJ 1810 RANCH LLC.,
a Texas limited liability company


By: 
Name: John Pribble
Title: Authorized Signor

STATE OF TEXAS §
COUNTY OF §

BEFORE ME, the undersigned authority, on this day personally appeared John Pribble, the Authorized Signor of Lone Indian Ranch Property Owners' Association, Inc., a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed and in his/her capacity set forth above and on behalf of said entity(ies).

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 26 day of September, 2024





NOTARY PUBLIC STATE OF TEXAS
Printed Name: Adrian Herrera
My commission expires: 03-07-2027

IN WITNESS WHEREOF, the undersigned, being the Developer, herein, has hereunto set its hand on this the day of , 2024

DEVELOPER / DECLARANT:

JJ 1810 RANCH LLC.,
a Texas limited liability company

By: 
Name: **Joe Paul Nichols Jr**
Title: **Authorized Signor**

STATE OF TEXAS §
COUNTY OF §

BEFORE ME, the undersigned authority, on this day personally appeared Joe Paul Nichols, the Authorized Signor of Lone Indian Ranch Property Owners' Association, Inc., a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed and in his/her capacity set forth above and on behalf of said entity(ies).

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 26 day of September, 2024



NOTARY PUBLIC STATE OF TEXAS
Printed Name: **Adrian Herrera**
My commission expires: **03-07-2027**

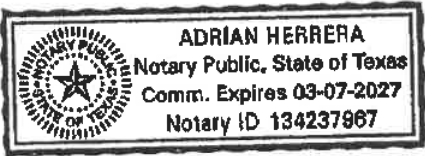


EXHIBIT A
TO
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR LONE INDIAN RANCH
LEGAL DESCRIPTION OF THE LAND

FILED FOR RECORD
VANESSA JAMES - COUNTY CLERK
JACK COUNTY, TEXAS

INST NO:20250000006

FILED ON: OCTOBER 1, 2024 AT 4:16pm
THE INSTRUMENT CONTAINED 27 PAGES AT FILING

THE STATE OF TEXAS
COUNTY OF JACK



I, Vanessa James, Clerk County Court in and for said county hereby do certify that the foregoing instrument was filed for record in my office on the 1st day of October 2024 at 4:16 PM and duly recorded on that date, in the Official Public Records of said county.

Instrument # 20250000006, 27 Pages

A handwritten signature in cursive script that reads "Vanessa James". The signature is written in dark ink and is positioned above the printed name of the signatory.

Vanessa James, County Clerk

Appendix C (2)

CERTIFICATE OF DEDICATION BY OWNER/SUBDIVIDER/developer
(When owner/subdivider/developer is a Corporation)

THE STATE OF TEXAS §
 §
COUNTY OF JACK §

KNOW ALL MEN BY THESE PRESENT, that J+J 1810 Ranch, a corporation organized and existing under the laws of the State of Texas, with its home address at P O Box 101152 Fort Worth Texas 76185 and owner/subdivider/ or developer of 512.63 acres of land out of the MEAPRR Survey, in Jack County, Texas, as conveyed to it by deed dated _____ and recorded in Volume 699, Page 343, Real Property Records of Jack County, **DOES HEREBY SUBDIVIDE** _____ acres of land out of said Survey,

(Note: if the subdivision lies in more than one survey, determine the acreage in each survey and repeat for each original survey within the subdivision)

to be known as the Lone Indian Ranch Addition Subdivision, in accordance with the plat shown hereon, subject to any and all easements or restrictions heretofore granted and does hereby dedicate to the public (or "owner/subdivider/developer of the property shown hereon" for private streets) the use of the streets and easements shown hereon.

IN WITNESS WHEREOF the said _____ has caused these present to be executed by its _____, thereunto duly authorized, this the 23rd day of September, A.D., 2024.

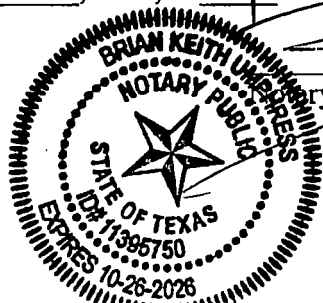
Joe Paul Nichols
(Name, Title)

ATTEST: Pantner
(Name, Title)

THE STATE OF TEXAS §
 §
COUNTY OF JACK §

BEFORE ME, the undersigned authority, on this day personally appeared Joe Paul Nichols, known to me to be the person whose name is subscribed to the foregoing instrument as an officer of J+J 1810 Ranch and acknowledged to me that the foregoing was executed in such capacity as the act of said corporation for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of September, A.D., 2024.



Notary Public in and for the State of Texas

FILED FOR RECORD
VANESSA JAMES - COUNTY CLERK
JACK COUNTY, TEXAS

INST NO:20250000001

FILED ON: OCTOBER 1, 2024 AT 9:15am
THE INSTRUMENT CONTAINED 2 PAGES AT FILING

THE STATE OF TEXAS
COUNTY OF JACK



I, Vanessa James, Clerk County Court in and for said county hereby do certify that the foregoing instrument was filed for record in my office on the 1st day of October 2024 at 9:15 AM and duly recorded on that date, in the Official Public Records of said county.

Instrument # 20250000001, 2 Pages

A handwritten signature in cursive script that reads "Vanessa James".

Vanessa James, County Clerk