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STATE OF TEXAS
COUNTY OF PALO PINTO

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded under the Document Number stamped hereon of the Official Public Records of Palo Pinto County.

Janette K. Green, County Clerk

A handwritten signature in cursive script, appearing to read "Janette K. Green".

Record and Return To:



GAINES BEND DEVELOPMENT
SHAWN GIBSON
1 GIBSON DRIVE
GRAFORD, TX 76449

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
BLOCK 3, GAINES BEND SUBDIVISION**

RAWHIDE VISTAS

THE STATE OF TEXAS §
COUNTY OF PALO PINTO §

1. **Date: Declarant.** This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR BLOCK 3, GAINES BEND SUBDIVISION (the "Declaration") is signed on the 13 day of June, 2013, and filed of record by Gaines Bend Development, Ltd. (the "Declarant"), a Texas limited partnership, as the current fee title Owner of the Lots that are part of the Subject Property described in this Declaration.

2. **Subject Property.** The property that is subject to this Declaration is all of the land described as follows, on Gaines Bend Peninsula on the shores of the Morris Sheppard Reservoir, commonly referred to as Possum Kingdom Lake (the "Lake"), in Palo Pinto County, Texas:

Lots 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, BLOCK 3, PHASE I, GAINES BEND SUBDIVISION, a subdivision in Palo Pinto County, Texas, according to the Plat thereof recorded in Volume 9, Page 169, Slide 735, Plat Records, Palo Pinto County, Texas;

and

Lots 13, 14, and 15, BLOCK 3, PHASE II, GAINES BEND SUBDIVISION, a subdivision in Palo Pinto County, Texas, according to the Plat thereof recorded in Volume 10, Page 29, Slide 289, Plat Records, Palo Pinto County, Texas.

The Subject Property does not include any oil, gas, or other mineral rights in the described land, and Declarant expressly reserves for itself and its successors and assigns all oil, gas, and other mineral rights owned by Declarant relating to the described land, but Declarant hereby waives and will waive in each conveyance of a Lot in the Subject Property its right to use the surface of such Lot for exploration for or development of oil, gas, and other minerals without the express written consent of the surface owner, except that nothing shall prohibit the development of oil, gas, or other minerals by subsurface horizontal drilling that is initiated from surface locations other than the surface of the subject Lot.

All of such property is referred to in this Declaration as the "Subject Property."

It is the intent of Declarant that this Declaration will apply only to land that is presently owned by Declarant and will not apply to land that is presently owned by any person or entity other than Declarant including (but not limited to) any portion of a platted lot that extends beyond and below the 1,000 foot contour line of the Lake into land that is owned by the Brazos River Authority.

3. **Other Documents.** This document is intended to be compatible with (and not to supersede or replace) the restrictive covenants and other documents filed of record relating to various portions of the Gaines Bend Subdivision, as more particularly listed in Exhibit B attached to the SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR GAINES BEND SUBDIVISION, signed by Declarant, dated February 19, 1998, filed for record on March 4, 1998, and recorded in Volume 953, Page 508, of the Official Public Records, Palo Pinto County, Texas (the "1998 SUPPLEMENTAL DECLARATION").

4. **Definitions.** The following words when used in this Declaration will have the following meanings:

A. "Assessment" means any amount due to the Block 3 Association by an Owner or levied against an Owner by the Block 3 Association under this Declaration.

B. "Block 3 Association" means and refers to the nonprofit corporation to be incorporated under the laws of the State of Texas named Gaines Bend Block 3 Property Owners Association, Inc. (as more specifically described in Paragraph 7 below).

C. "Block 3 Member" means and refers to those persons entitled to membership in the Block 3 Association as provided in subparagraph A of Paragraph 7 below.

D. "Common Areas" means and refers to all real property owned or to be owned by the Block 3 Association or subject to an easement to the Block 3 Association for the common use and enjoyment of the Owners and their guests, together with all improvements now or hereafter constructed thereon. The Common Areas include (but are not necessarily limited to) trails through the Subject Property as shown on the current or future recorded plat(s) of the Subject Property.

E. "Declarant" means and refers to Gaines Bend Development, Ltd., a Texas limited partnership, as the originally named party as Declarant and its successors and assigns who receive rights or title by operation of law, and the persons or entities that were members of Gaines Bend Development, Ltd., and who receive the rights and interests of that limited partnership upon the dissolution of that limited partnership, but does not include a party who acquires title by sale unless such party acquires more than one undeveloped Lot from Declarant for the purpose of development and the rights of Declarant as to such Lots are expressly transferred by Declarant to the acquiring party. The term "Declarant" also includes a party that acquires fee title to multiple Lots in the Subject Property by way of foreclosure or deed in lieu of foreclosure on a lien executed by Declarant.

F. "Development Period" means the period commencing with the formation of the Block 3 Association and continuing until and ending 14 days after the first of the following events to occur: (i) the expiration of twenty (20) years after the formation of the Block 3 Association; (ii) the date upon which at least eighty percent (80%) of the Lots have been conveyed to Owners other than a person or persons affiliated with Declarant; or (iii) the surrender by Declarant of the authority to appoint and remove Directors and officers of the Block 3 Association by an express document executed and recorded by Declarant.

G. "Gaines Bend POA" means and refers to the nonprofit corporation previously incorporated and currently existing under the laws of the State of Texas named Gaines Bend Property Owners Association, Inc. (as more specifically described in Paragraph 7 below).

H. "Gaines Bend Member" means and refers to those persons entitled to membership in the Gaines Bend POA as provided in subparagraph A of Paragraph 7 below.

I. "Governing Documents" means this Declaration, the 1998 SUPPLEMENTAL DECLARATION, the Block 3 Association's Certificate of Formation and Bylaws, and other restrictive covenants, rules, and regulations applicable to a Lot as established by the Block 3 Association.

J. "Lot" means and refers to each plot of land shown upon any recorded and still effective plat of property that is part of the Subject Property and which is designated as a lot on such plat, which is privately owned, and which is or is intended to be improved with a single-family residential dwelling, but does not include any of the Common Areas or land which on the date of filing this Declaration is not currently platted. If any portion of a platted lot extends beyond and below the 1,000 foot contour line of the Lake, into land that is owned by the Brazos River Authority, then such portion of the platted lot is excluded from this Declaration and the definition of a "Lot."

K. "Occupant" means any tenant of a Lot and the Owner's and/or a tenant's household members, guests, invitees, agents, and contractors who lawfully or unlawfully occupy or enter a Lot. All actions or omissions of any Occupant shall be deemed the actions or omissions of the Owner of such Lot.

L. "Owner" means and refers to every person and entity who is a record owner of a fee or undivided interest in any Lot that is subject to the terms of this Declaration, but does not include persons or entities (such as lenders) who hold an interest merely as security for the performance of an obligation.

M. Other words that are capitalized in this Declaration will have the meanings given to them in other paragraphs of this document.

5. **Purpose of Declaration.** Declarant wishes to place covenants, conditions, and protective restrictions on the Subject Property in Block 3 (Rawhide Vistas) as part of the planned sale and use of those Lots, for their mutual benefit. This Declaration is to establish a uniform plan for the further development, improvement, sale, and use of the Lots that are part of the Subject Property; to insure the preservation of such uniform plan for the benefit of both present and future Owners of Lots that are part of the Subject Property; and to enhance and protect the value, attractiveness, and desirability of the Lots that are part of the Subject Property. As stated in Paragraph 3 above, this Declaration for the Subject Property is intended to be compatible with (and not to supersede or replace) similar restrictive covenants and documents applicable to other lots within the Gaines Bend Subdivision.

This Declaration is also to declare that the Subject Property is added to the coverage of the 1998 SUPPLEMENTAL DECLARATION, as was contemplated by Paragraph 14 of the 1998 SUPPLEMENTAL DECLARATION entitled "Future Development." Upon the filing of this Declaration, the Owners of Lots within the Subject Property shall become members of the Gaines Bend POA as provided in Paragraph 7 below, with the same rights, duties, and obligations as previously existing members of the Gaines Bend POA unless differences in the rights, duties, and obligations for the new members are expressly approved in writing by both the Declarant and the Board of Directors of the Gaines Bend POA.

6. **Covenants Running With the Land.** The provisions of this Declaration will be covenants running with the land and will be applicable to all of the Lots within the Subject Property and will be binding on all parties having or acquiring any right, title, or interest in the Subject Property or any part thereof. These covenants will be for the benefit of and will be binding on each Owner of a Lot within the Subject Property and their respective heirs or successors in title and assigns.

7. **Property Owners Associations.** At or about the time that this Declaration is signed and filed for record, Developer has caused or is causing a nonprofit corporation to be incorporated under the laws of the State of Texas named Gaines Bend Block 3 Property Owners Association, Inc. (the "Block 3 Association").

A. **Membership.** Each Owner of a Lot (but not of any Common Areas) within the Subject Property will automatically be a member ("Member") of both the Gaines Bend POA (as established under the 1998 SUPPLEMENTAL DECLARATION referred to in Paragraph 3 above) and the Block 3 Association. Membership in the Gaines Bend POA does not apply while the Lot is still owned by the Declarant its heirs or assigns. Membership in both the Gaines Bend POA and the Block 3 Association is appurtenant to ownership of the Lot and may not be separated from ownership of the Lot. Each Owner's membership rights and obligations in the Gaines Bend POA shall be as provided in the 1998 SUPPLEMENTAL DECLARATION (which is incorporated herein by reference for all purposes).

B. **Voting by Members.** Each Member of the Block 3 Association is entitled to one vote for each Lot owned unless the Lot is owned by the Developer. When more than one person holds an interest in any Lot, all such persons will be Members of the Block 3 Association, but no more than one vote may be cast with respect to any Lot; the vote for any Lot may be exercised as the Owners of the Lot among themselves determine. During the Development Period, the Declarant or their assigned developer is entitled to 3 votes for each Lot owned by the Declarant or their assigned developer.

C. **Bylaws.** The Block 3 Association may adopt and amend whatever bylaws and rules that it deems appropriate, provided that they are not in conflict with the terms and provisions of this Declaration, the Texas Business Organizations Code, or other applicable law.

D. **Rights, Powers, and Duties of Association.** The Block 3 Association will have the following rights, powers, and duties:

(i) The Block 3 Association is to provide for the acquisition, construction, management, maintenance, and care of the Common Areas or other property of the Block 3 Association in or related to the Subject Property, in full accordance with Section 528(c) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

(ii) The Block 3 Association may assess and collect Assessments from the Block 3 Members (other than Declarant) as provided in this Declaration and may charge reasonable admission and other fees for the use of recreational and other facilities that are a part of the Common Areas.

(iii) The Block 3 Association may borrow money and, with the affirmative vote by the Block 3 Members, at a regular or special Block 3 Association meeting, or as otherwise provided by the Governing Documents or applicable law, of at least two-thirds (2/3) of the total authorized votes, may mortgage the Common Areas owned by the Block 3 Association.

(iv) The Block 3 Association may establish reasonable rules and regulations governing the use and enjoyment of the Common Areas by Block 3 Members and their guests.

(v) The Block 3 Association may dedicate or convey all or any part of the Common Areas, or an interest therein, to any public authority for such purposes and subject to such conditions as may be agreed to by the Block 3 Members, at a regular or special Block 3 Association meeting, or as otherwise provided by the Governing Documents or applicable law, by at least a two-thirds (2/3) vote of the total authorized votes.

(vi) The Block 3 Association may rent or lease any part of the Common Areas for the operation (for profit or otherwise) of any service activity intended to serve a substantial number of residents in the Subject Property, but subject to other applicable restrictions. The Common Areas shall not be rented or leased for the operation of any service activity for use by the general public or for commercial business, work, and business activity not intended primarily for the benefit of Block 3 Members or other residents and guests in the Subject Property.

(vii) Garbage and rubbish pickup, security and/or emergency services, and similar services will be as contracted by the Gaines Bend POA for all the properties within the Gaines Bend Subdivision pursuant to Paragraph 7.E(8) of the 1998 SUPPLEMENTAL DECLARATION, and the cost thereof will be as set by the Gaines Bend POA. The Block 3 Association may contract with the Gaines Bend POA or other parties for additional garbage and rubbish pickup, security and/or emergency services, and similar services, over and above the standard services provided by the Gaines Bend POA, and the cost of any such additional services may be included in the regular Assessments payable to the Block 3 Association. Notwithstanding the "uniform rate" requirements of subparagraph E(ii) of Paragraph 7, the Block 3 Association may establish Assessments for the costs of such additional services by taking into consideration the existence or non-existence of improvements situated on Lots.

(viii) The Block 3 Association may merge with the Gaines Bend POA upon approval by at least a two-thirds (2/3) majority of the then Owners of the Block 3 Association and approval by the Gaines Bend POA according to its bylaws or applicable law.

(ix) The Block 3 Association also has all other rights, powers, and duties given to the Block 3 Association by the Certificate of Formation for the Block 3 Association, by law, by other provisions of this Declaration, or pursuant to the Bylaws adopted by the Block 3 Association, or necessary to operate the Common Areas or other property of the Block 3 Association in or related to the Subject Property, subject to any applicable restrictions established by law or otherwise.

(x) The standards of maintenance and care of Common Areas or other property of the Block 3 Association by the Block 3 Association shall be not less than the reasonable standards of maintenance and care set by the Gaines Bend POA for the common areas owned or maintained by the Gaines Bend POA pursuant to Paragraph 7.E(1) of the 1998 SUPPLEMENTAL DECLARATION, and the Gaines Bend POA may enforce its reasonable standards of maintenance and care within Block 3 if necessary by requiring the Block 3 Association to meet such standards or by directly providing the additional maintenance and care required to satisfy its standards and levying and collecting individual special assessments or charges for improvements and maintenance affecting the Block 3 properties as allowed under Paragraph 7.F(1) of the 1998 SUPPLEMENTAL DECLARATION.

E. Assessments and Liens.

(i) The Block 3 Association is expressly granted the authority (subject to the restrictions of subparagraphs (ii) and (iii) below) to levy and collect the following Assessments against Lots that are part of the Subject Property: (a) regular Assessments or charges levied by the Board of Directors of the Block 3 Association against all Lots that are part of the Subject Property; (b) special Assessments against all Lots that are part of the Subject Property for capital improvements recommended by the Board of Directors of the Block 3 Association and approved by an affirmative vote by the Block 3 Members, at a regular or special Block 3 Association meeting, or as otherwise provided by the Governing Documents or applicable law, of at least a majority of the total authorized votes; and (c) individual special Assessments or charges levied by the Board of Directors of the Block 3 Association for improvements and maintenance affecting a few particular Lots as long as at least a two-thirds (2/3) majority of the affected Owners approve in writing such individual special Assessments. A Lot becomes subject to Assessments on conveyance of the Lot by Declarant. All Assessments shall be due and payable at such frequencies and times as determined by the Board of Directors of the Block 3 Association. Any Assessment not paid by the due date is delinquent.

(ii) Both regular Assessments and special Assessments (but not individual special Assessments) shall be fixed at a uniform rate for all Lots, except as follows: (a) a regular Assessment for garbage or rubbish pickup may be set on a per house basis rather than a per Lot basis (to distinguish between Lots that are improved and Lots that are unimproved); and (b) no regular Assessment or special Assessment shall ever be charged to or payable by the Declarant for any Lot that is part of the Subject Property. Assessments shall be prorated on a daily basis as required to implement the terms of these provisions.

(iii) Until such time as the authorized number of votes of Owners (exclusive of Declarant) equals at least 60% of the total number of Lots in the Subject Property, the regular and special Assessments shall be restricted so that, without approval by vote or written consent of at least 50% of the Block 3 Members exclusive of Declarant, (a) the regular Assessments per Lot under subparagraph E(i)(a) of Paragraph 7 shall not exceed \$500 per year (not including any Assessment for garbage and rubbish pickup), and (b) no special Assessments may be authorized under subparagraph E(i)(b) of Paragraph 7. Thereafter, Assessments shall be determined as authorized under subparagraph E(i).

(iv) The regular Assessments, the special Assessments, and the individual special Assessments, together with interest and reasonable costs of collection (including court costs and attorney fees), shall be a charge on the Lot subject to the Assessment and payment of such amounts shall be secured by a continuing vendor's lien reserved by the Declarant and assigned to the Block 3 Association against the Lot against which the Assessment is made. By acceptance of a deed to a Lot, each Owner grants the lien, together with the power of sale, to the Block 3 Association. The lien for unpaid Assessments shall be unaffected by any sale, lease, or assignment of the Lot and shall continue in full force and effect until paid.

(v) The Block 3 Association may levy a fine against an Owner for a violation of the Governing Documents, as permitted by law.

(vi) The Block 3 Association may charge an Owner for maintenance and repairs of the Common Areas, or any portion thereof, caused by the willful or negligent acts of an Owner, or Occupant of a Lot, as permitted by law.

(vii) The amount of each Assessment, together with interest and reasonable costs of collection, shall also be the continuing personal obligation of the person who was the Owner of the Lot at the time when the Assessment fell due. No Owner may waive or otherwise escape liability for an Assessment by non-use of the Common Areas or abandonment of a Lot.

(viii) No sale, transfer, lease, or disposition of any Lot in the Subject Property shall be consummated unless and until the name, current address, current phone number, and social security or tax identification number of the purchaser or transferee has been provided to the Block 3 Association.

F. Remedial Rights.

(i) Delinquent Assessments accrue interest at the rate of ten percent (10%) per annum, unless a different rate of interest is set by the Block 3 Association.

(ii) If the Block 3 Association complies with all applicable notice requirements, an Owner is liable to the Block 3 Association for all costs and reasonable attorney's fees incurred by the Block 3 Association in collecting delinquent Assessments, foreclosing the Block 3 Association's lien, and enforcing the Governing Documents.

(iii) The Block 3 Association may bring an action against an Owner to collect delinquent Assessments, foreclose the Block 3 Association's lien, or enforce or enjoin a violation of the Governing Documents. An Owner may bring an action against another Owner to enforce or enjoin a violation of the Governing Documents.

(iv) The Block 3 Association may access an Owner's Lot to remedy a violation of the Governing Documents.

(v) If an Owner violates the Governing Documents, the Block 3 Association may suspend the Owner's rights under the Governing Documents in accordance with law until the violation is cured.

(vi) An Owner is liable to the Block 3 Association for damage to Common Areas caused by the Owner or the Owner's family, guests, agents, tenants, independent contractors, and invitees in accordance with law.

G. Control by Declarant.

(i) Notwithstanding any other language or provision to the contrary in the Governing Documents, Declarant hereby retains the right to appoint and remove any member of the Board of Directors of the Block 3 Association and any officer or officers of the Block 3 Association, other than board members or officers elected by Block 3 Members, if any, until one hundred twenty (120) days after the first of the following events to occur: (a) the expiration of ten (10) years after the date of the recording of this Declaration; or (b) the date upon which seventy-five percent (75%) of the Lots that are part of the Subject Property initially and that have been subsequently added to the Subject Property by a further declaration have been conveyed by Declarant to Owners other than a person or persons constituting Declarant; after which time, Declarant retains the right to appoint and remove two-thirds (2/3) of the members of the Board of Directors of the Block 3 Association and any officer or officers of

the Block 3 Association, other than board members or officers elected by Block 3 Members until fifteen (15) days after the first of the following events to occur: (a) the expiration of twenty (20) years after the date of the recording of this Declaration; or (b) the date upon which all of the Lots that are part of the Subject Property initially and that have been subsequently added to the Subject Property by a further declaration have been conveyed by Declarant to Owners other than a person or persons constituting Declarant; or (c) the surrender by Declarant of the authority to appoint and remove directors and officers by an express amendment to this Declaration executed and recorded by Declarant.

(ii) Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Block 3 Association pursuant to the provisions of this Paragraph 7.G, such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Lots, and a special meeting of the Block 3 Association shall be called at that time. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Block 3 Association Board, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Block 3 Association and any agreements or contracts executed by or on behalf of the Block 3 Association during such period which Declarant has in its possession. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors and officers of the Block 3 Association as provided in this Paragraph 7.G.

8. **Road Fund.** The Gaines Bend POA is responsible for the collection and expenditure of the Gaines Bend Road Fund and for the improvements and maintenance of the roads leading to the Lots and Common Areas in the Gaines Bend Subdivision, including the Subject Property in Block 3, across easements over Declarant's property and for the payment of ad valorem taxes, if any, attributable to such easements and improvements. By acceptance of a deed to a Lot in the Subject Property in Block 3, Gaines Bend Subdivision, an Owner of a Lot agrees, for the Owner and for the Owner's heirs, successors and assigns, to pay assessments to the Gaines Bend POA and to participate in the Gaines Bend Road Fund as it may be administered by the Gaines Bend POA, to assist in paying for construction and maintenance of the roads leading from State Highway 16 to the Lots in the Gaines Bend Subdivision including the Subject Property. Assessments for the Gaines Bend Road Fund are handled the same as assessments by the Gaines Bend POA for other purposes under Paragraph 7.F of the 1998 SUPPLEMENTAL DECLARATION.

9. **Required Approval of Improvements.**

A. No new residence, outbuilding, fence, wall, structure, tree, driveway, or utility lines of any kind may be constructed, reconstructed, planted or placed on any Lot, nor may any addition or alteration be made in any existing or new residence, outbuilding, fence, wall, structure, driveway, or utility lines on any Lot, other than for routine maintenance, unless and until the plans and specifications, designs, plot plans, and grading plan for the proposed improvements have been submitted to and approved first by the Block 3 Association's Board of Directors or its designated committee or manager, and then by the Gaines Bend POA's Board of Directors or its designated committee. This requirement is intended to insure compliance with the restrictive covenants applicable to a Lot, as established by this Declaration or other restrictive covenants, rules, or regulations applicable to the Lot.

B. To secure the approval of improvements required by this Paragraph 9, an Owner of a Lot shall deliver to the Block 3 Association's Board of Directors or its designated committee or manager such information as may be reasonably requested to enable the reviewing bodies or manager to determine the location, scale, size, design, character, style, construction materials, and appearance of the proposed improvements. Upon approval by the Block 3 Association's Board of Directors or its

designated committee or manager, the Block 3 Association's Board of Directors or its designated committee or manager will forward such information to the Gaines Bend POA's Board of Directors or its designated committee for its review.

C. Block 3, Gaines Bend Subdivision is a master planned community. The Declarant has carefully planned the location, shape, and height of each home to preserve and protect the lake views of each Lot within the subject property and nearby properties as much as is practical as well as to assure an architectural consistency. In deciding whether to approve proposed improvements, the Block 3 Association's Board of Directors or its designated committee or manager and the Gaines Bend POA's Board of Directors or its designated committee shall take into consideration, among other factors, the suitability of the proposed improvements as the same relate to the general plan of development for Block 3 and the Gaines Bend Subdivision, view preservation and the original master planned concept, and the effect of the proposed improvements on other Lots and residents of Block 3 and the Gaines Bend Subdivision. The reviewing bodies shall have full authority to make decisions regarding and to enforce the restrictive covenants applicable to the Lot and the proposed improvements, including the authority to issue rules, regulations, and guidelines interpreting and implementing the architectural restrictions (but not inconsistent with the recorded architectural and other restrictions).

D. In order to provide view protection, the following set backs and height restrictions shall apply:

(i) Zone 1. Lots 6 – 7, Phase I, and each other Lot added in the future in Block 3 (Rawhide Vistas) on the west side of Laredo and south of Cheyenne:

(a) Each Lot within Zone 1 shall be subject to a 10 foot side lot line view protecting set back within which no residential structure or other building may be constructed and no landscaping, plantings, or fences over 6 feet in height may be placed or maintained. Currently existing native live oak trees may remain, but any planted trees or other variety of trees over 6 feet in height (now or in the future) must be removed. Nothing will be allowed within this 10 foot side lot set back area that blocks the view from any other Lot or Common Areas within Block 3. The intent of this restriction is to establish along each side lot line within Zone 1 a 20 foot wide view corridor between structures.

(b) There is no height cap restriction on trees on the Lot other than in the side lot line view protecting set back as set forth in subparagraph 9.D(1)(a) above.

(ii) Zone 2. Lots 16 – 20, and Lots 8 - 9 Phase I, and Lots 13 – 15, Phase II, and each other Lot added in the future in Block 3 (Rawhide Vistas) on the east side of Laredo, on the west side of Rawhide Ridge, and on the south side of Cheyenne:

(a) Each Lot within Zone 2 shall be subject to a 15 foot side lot line view protecting set back within which no residential structure or other building may be constructed and no landscaping, plantings, or fences over 6 feet in height may be placed or maintained. Currently existing native live oak trees may remain, but any planted trees or other variety of trees over 6 feet in height (now or in the future) must be removed. Nothing will be allowed within this 15 foot side lot set back area that blocks the view from any other Lot or Common Areas within Block 3. The intent of this restriction is to establish along each side lot line within Zone 2 a 30 foot wide view corridor between structures.

(b) Each Lot within Zone 2 shall be subject to a view protecting height restriction cap of 12 feet above which height cap no plantings can extend. There is no height cap

restriction on currently existing native live oak trees at any location on the Lot. Any other trees currently on the Lot or planted in the future must be removed or trimmed back if they exceed the height cap. The intent of this height cap is to protect the view of the interior Lots within Block 3 by restricting the building height of the front lot lines.

(iii) Zone 3. Lots 21 – 25, Phase I, and each other Lot added in the future in Block 3 (Rawhide Vistas) on the east side of Rawhide Ridge:

(a) Each Lot within Zone 3 shall be subject to a 20 foot side lot line view protecting set back within which no residential structure or other building may be constructed and no landscaping, plantings, or fences over 6 feet in height may be placed or maintained. Currently existing native live oak trees may remain, but any planted trees or other variety of trees over 6 feet in height (now or in the future) must be removed. Nothing will be allowed within this 20 foot side lot set back area that blocks the view from any other Lot or Common Areas within Block 3. The intent of this restriction is to establish along each side lot line within Zone 3 a 40 foot wide view corridor between structures.

(b) Each Lot within Zone 3 shall be subject to a view protecting height restriction cap of 10 feet above which height cap no plantings can extend. There is no height cap restriction on currently existing native live oak trees at any location on the Lot. Any other trees currently on the Lot or planted in the future must be removed or trimmed back if they exceed the height cap. The intent of this height cap is to protect the view of the interior Lots within Block 3 by restricting the building height of the front lot lines.

(iv) All Zones. Each home or other structure was carefully placed to provide the best views for the affected neighboring Lots. Because of this, no additional structures, changes to existing structures, or replacement structures will be allowed unless the Block 3 Association's Board of Directors or its designated committee or manager and the Gaines Bend POA's Board of Directors or its designated committee is satisfied that no views will be significantly affected.

E. No residential structure erected on any Lot in Zone 2 or Zone 3 shall have less than 2,000 square feet of air conditioned area, not including any attached garage, breeze-way, or porch. No residential structure erected on any Lot in Zone 1 shall have less than 1,800 square feet of air conditioned area, not including any attached garage, breeze-way, or porch. Each such residential structure in Zone 2 or Zone 3 shall have an exterior construction of at least one-half (1/2) acceptable masonry, or masonry and glass. Acceptable masonry will include natural rock, brick, and stucco. Any other masonry material must be approved by the Block 3 Association's Board of Directors or its designated committee or manager and the Gaines Bend POA's Board of Directors or its designated committee. Any non-masonry portion of exterior walls and gables must be of wood shingles, cedar, wood siding, or other material approved by the Block 3 Association's Board of Directors or its designated committee or manager and the Gaines Bend POA's Board of Directors or its designated committee. The Block 3 Association's Board of Directors or its designated committee and/or the Gaines Bend POA's Board of Directors or its designated committee may adopt additional architectural requirements and design standards that are not inconsistent with the standards expressly set forth in this Declaration.

F. In the event a structure, tree, or other planting or improvement is destroyed or visibly damaged the damaged items or any debris must be repaired or removed from the Lot within 3 months of the damage.

10. Restrictions on Use. Each Lot and each Owner is subject to the following restrictions:

A. Residential and Related Uses. The Lots shall be used primarily for residential and related purposes (including, without limitation, use as a home office or vacation lease home or temporary guest rental property). No business shall be conducted in, on, or from any Lot, except that an Owner or Occupant using the dwelling on a Lot primarily for residential purposes may also conduct business activities on such Lot, if the business activity, as determined in the Block 3 Association's Board of Directors discretion:

(i) is not apparent or detectable by sight, sound, or smell from outside the Lot;

(ii) complies with applicable zoning and other legal requirements and other requirements of this Declaration;

(iii) does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees; and

(iv) is consistent with the residential character of the Subject Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the use and enjoyment of other Lots by the Owner thereof or the security or safety of others within the Subject Property.

"Business" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to persons, other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (a) such activity is engaged in full or part time; (b) such activity is intended to or does generate a profit; or (c) a license is required.

No Lot shall be rezoned to any classification allowing commercial, institutional, or other non-residential use without the express written consent of the Block 3 Association's Board of Directors and the Declarant, either of which may withhold consent in its discretion. Notwithstanding anything in this subparagraph to the contrary, Declarant or the Block 3 Association may enforce this covenant by obtaining an injunction against any unapproved rezoning at the expense of the party pursuing the unapproved rezoning, in addition and not in limitation of Declarant's or the Block 3 Association's other rights and remedies.

This subparagraph shall not apply to restrict the activities of Declarant nor shall it restrict the activities of persons Declarant approves with respect to the development, construction, and sale of property in the Subject Property. This subparagraph shall not apply to the Block 3 Association's or the Gaines Bend POA's activities related to the provision of services or to operating and maintaining the Subject Property, including, without limitation, the Subject Property's recreational and other amenities.

Leasing of a Lot by the Owner thereof for a vacation lease home or a temporary guest rental property shall not be considered a "business" within the meaning of this subparagraph. An Occupant on a Lot pursuant to a vacation lease home agreement, a temporary guest rental agreement, or similar arrangement shall be considered a guest of Owner and (as provided in Paragraph 4.K) all actions and omissions of any such Occupant shall be deemed the actions or omissions of the Owner of the Lot.

B. No existing structure or old building shall be moved onto any Lot (other than temporary construction trailers), unless the Block 3 Association's Board of Directors or its designated

committee and the Gaines Bend POA's Board of Directors or its designated committee or manager expressly grants consent otherwise.

C. Each building shall be at least 10 feet from each side lot line (unless a different set back is required by a different provision of this Declaration), but it is not required that the building be equally distant from side lines.

D. No trailer, basement, mobile home, camp tent, shack, garage, barn or other outbuilding erected on any Lot may be at any time used as a residence, either temporarily or permanently, nor may any structures of a temporary character be permitted on a Lot (except for temporary construction trailers).

E. No spirituous, vinous or malt liquor, beer, wines or other intoxicating liquor may be sold or permitted to be sold upon any Lot, and no portion of any building on any Lot may be used as a nightclub or for any character of gambling, and no Lot may be used by any Owner or Occupant in any manner as to create an annoyance or nuisance to the other Owners or Occupants.

F. No chickens, poultry or livestock of any kind may be raised or kept on a Lot after it has been developed. Declarant expressly reserves the right to graze livestock and cattle on land owned by Declarant and further reserves the right to graze livestock and cattle upon unfenced Lots owned by others.

G. All buildings, fences, and other improvements or additions to same, shall be substantially and safely constructed, painted, and kept in good repair by the Owner of the Lot, and in accordance with any rules and regulations heretofore set or to be hereinafter set by the Block 3 Association or the Gaines Bend POA. The exterior of a residence on a Lot must be substantially completed within six months from the date construction commences, unless the Block 3 Association's Board of Directors or its designated committee or manager and the Gaines Bend POA's Board of Directors or its designated committee or manager expressly grants consent otherwise.

H. Sanitary sewer lines and facilities on any Lot must be constructed, used, cleaned, and maintained in accordance with all applicable governmental rules and regulations, including (but not necessarily limited to) those of the State Department of Public Health, Palo Pinto County, and the Brazos River Authority, and in accordance with any rules established by the Block 3 Association.

I. Disposition of sewage, garbage, or other refuse shall be done in accordance with applicable governmental rules and regulations and in accordance with any applicable rules and fees established by the Block 3 Association's Board of Directors or the Gaines Bend POA's Board of Directors. If either the Block 3 Association's Board of Directors or the Gaines Bend POA's Board of Directors establishes a fee for such service, it may be made part of or in addition to the regular Assessment and may be set based on a uniform charge per house rather than per Lot (since some houses may be situated on more than a single Lot and some Lots are unimproved). No burning of garbage or other refuse is permitted without prior consent of the Block 3 Association or its designated committee or manager. Papers, trash, and rubbish must be deposited only in proper receptacles and may not be thrown or deposited on any Lot or property within Block 3 or within the Gaines Bend Subdivision. Unless the Block 3 Association's Board of Directors adopts different rules, all garbage must be deposited in the dumpsters that are centrally located in or adjacent to Block 3, and watertight receptacles with tightly fitting covers and with not more than thirty (30) gallons capacity may be used for temporary storage on a Lot before removal of the garbage to the dumpster.

J. No advertising signs of any description are allowed to be placed on any Lot or property within the Subject Property, except by special permit issued by the Block 3 Association's Board of Directors or its designated committee or manager. This subparagraph shall not apply to restrict the activities of Declarant nor shall it restrict the activities of persons Declarant approves with respect to the development, construction, and sale of property in the Subject Property.

K. All animals subject to the control of an Owner or Occupant of a Lot must be kept on the Owner's Lot at all times, except when the animal is on a leash or in a vehicle. The Block 3 Association's Board of Directors may impose restrictions on the number and type of animals allowed in the Subject Property or on the roads and easements that serve the Subject Property.

L. Fireworks on any Lot or any part of the Subject Property or on the roads and easements that serve the Subject Property may be prohibited at any time if deemed appropriate by the Block 3 Association's Board of Directors.

M. Shooting of firearms and air guns is prohibited on all parts of the Subject Property and on the roads and easements that serve the Subject Property, except as specifically approved by the Block 3 Association's Board of Directors as part of game conservation and management programs supervised by the Texas Parks & Wildlife Department.

N. The Block 3 Association's Board of Directors may adopt reasonable restrictions or prohibitions relating to the operation of vehicles (including all-terrain vehicles or "ATVs" and golf carts) within the Subject Property or on the roads and easements that serve the Subject Property. Only licensed drivers who are licensed to drive the type of vehicle which he or she is operating (if a license is required) may drive on the roads in the Subject Property or that serve the Subject Property. The Declarant expressly retains the right to impose and enforce restrictions relating to vehicles operating on land owned by Declarant, including the roads over land owned by Declarant.

O. Any exterior lighting installed on any Lot must either be indirect or of such controlled focus and intensity as not to disturb the residents of other Lots.

P. No Owner or Occupant of a Lot shall permit anything to be done or kept on a Lot which will result in the cancellation of or increase in any insurance carried by the Block 3 Association or the Gaines Bend POA, or which would be in violation of any applicable law.

Q. No Lot may be subdivided into smaller lots without the express prior written consent of the Board of Directors of the Block 3 Association and, if approval is granted, each of the smaller lots will be considered a "Lot" within the meaning of this Declaration and will be allocated a full share of the Assessments.

R. No boat or boat trailer may be parked or stored on any lot where it is visible from a road, common area, or another lot, and a boat or boat trailer may only be kept on a lot within an approved building or within an area surrounded by an approved solid fence or wall in order to block visibility from a road, common area, or another lot.

S. No Lot may be used as a rooming house, hostel, or hotel, except as may be established by Declarant or the Block 3 Association's Board of Directors.

T. Any dwelling, garage, permitted storage building, or similar structure on any Lot which is destroyed in whole or part by fire, windstorm, or for any other cause or act of God, must be rebuilt in accordance with the current rules and regulations of the Block 3 Association and the Gaines Bend POS and the requirements of this Declaration, specifically including without limitation, the provisions of Paragraph 9, or all debris removed and the Lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall debris remain longer than three (3) months. Should an Owner not conform to this provision, the Block 3 Association is entitled to accomplish necessary repairs, reconstruction, or clean-up according to its best judgment, and levy an assessment upon the Owner for any and all costs of repairs, reconstruction, or clean-up.

11. Leasing. For purposes of this Declaration, "leasing" is the regular, exclusive occupancy of a dwelling by any person other than the Owner, for which the Owner receives any consideration or benefit, including, without limitation, a fee, service, or gratuity. The improvements on the Lot may be leased only in their entirety (e.g., separate rooms within the same dwelling may not be separately leased), provided, however, that a detached "in-law suite" or "guest house" (or other portion of a residential dwelling designed for separate occupancy), the construction of which was approved pursuant to Paragraph 9, above, may be independently leased, subject to the following:

A. All leases of 30 days or more shall be in writing and shall include an acknowledgment by the tenant that the tenant and all Occupants of the leased Lot are bound by and obligated to comply with the Governing Documents. The Owner or the Owner's designee shall be responsible for making a copy of the Governing Documents available to the tenant prior to execution of the lease and shall monitor enforcement and compliance with the Governing Documents by the tenant and all Occupants of the leased Lot. For vacation rentals or leases of 29 days or less, the agreement must conform to any rules implemented by the Block 3 Association.

B. Prior to the commencement of the lease term, the Owner or the Owner's designee shall notify the Block 3 Association or the Block 3 Association's managing agent of the lease and provide such information as the Block 3 Association and/or the Block 3 Association's managing agent may reasonably require, which may include, but shall not be limited to the name, address, and telephone number of the Lot's Owner and of the tenant, and the date the tenant's occupancy commences and ends. Declarant may, from time to time during the Development Period, adopt and modify reasonable rules regulating leasing and subleasing consistent with this subparagraph B. Such rules shall be distributed to all Owners at least thirty (30) days prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants. The provisions of this subparagraph B and any rules adopted as aforesaid may be overruled, canceled, or modified by the Block 3 Members, at a regular or special Block 3 Association meeting, or as otherwise provided by the Governing Documents or applicable law, by at least a two-thirds (2/3) vote of the total authorized votes, effective on the date stated in such action but not less than one year after the adoption of the change. Unless adopted by Declarant pursuant to the foregoing, leases shall not be subject to any minimum lease length terms.

C. No Owner may assign or otherwise transfer the Owner's obligations under the Governing Documents to any tenant or other Occupant. The Block 3 Association shall have the right to enforce the covenants, conditions, restrictions, rules, and regulations set forth in the Governing Documents against the Owner, the tenant, or any Occupant of the Lot, individually or collectively. The Block 3 Association shall not be bound by any provision in the lease or other agreement between Owner and such Owner's tenant, including, without limitation, those requiring prior notice or imposing other conditions on the rights of the Block 3 Association.

D. The Block 3 Association shall be deemed a third party beneficiary of all leases of Lots, and shall have the right, but not the obligation, to enforce the terms and conditions of such leases against the tenant or the Owner. Notwithstanding the foregoing, the Block 3 Association's failure to object to any term or condition of a lease or occupancy arrangement shall not be deemed to be consent or approval of any term or condition of the lease, nor shall the Block 3 Association have any obligation whatsoever for the performance of any obligation of Owner or tenant contained in the lease or otherwise.

E. Notwithstanding any condition of any lease to the contrary, each Owner, by acceptance of the deed to a Lot, hereby covenants and agrees with the Block 3 Association and all other Owners of Lots, including, but not limited to, Declarant, that the Owner shall be responsible for any violation of the Governing Documents resulting from the acts or omissions of Occupants of the leased Lot to the same extent that Owner would be liable for such violation if it had resulted from the acts or omissions of the Owner. The Owner's obligations hereunder shall be deemed a guaranty of performance by such Owner's tenant and the Occupants of the leased Lot, and the Block 3 Association shall have the right to take any action or seek any remedy for a tenant's or an Occupant's failure or refusal to comply with the Governing Documents directly from or against the Owner without first taking such action or obtaining such remedy from or against the tenant or Occupant. Declarant makes no representations as to whether any legal requirements apply to the renting of a Lot. Owners should perform their own investigations in such regard.

F. Every Owner shall cause the tenant and Occupants of such Owner's Lot to comply with the Governing Documents and shall be responsible for all violations of the Governing Documents and any damage they cause to the Common Areas, notwithstanding the fact that such persons also are personally responsible for complying and may be sanctioned for any violation.

G. The provisions of this Paragraph 11 and any rules adopted as aforesaid may be overruled, canceled, or modified by the Block 3 Members, at a regular or special Block 3 Association meeting, or as otherwise provided by the Governing Documents or applicable law, by at least a two-thirds (2/3) vote of the total authorized votes, but such change may be made not less than two (2) years after this Declaration is filed of record in the Palo Pinto Real Property Records. In the event that pursuant to such vote, as provided for in this subparagraph G, it is determined that an Owner may no longer lease a Lot located in the Subject Property, a modification of this Declaration will be filed of record in the Palo Pinto Real Property Records, and the Owner will have not less than one (1) year from the date the modification is filed of record to discontinue leasing the Lot.

12. Provisions Relating to Brazos River Authority. Each Owner is subject to the following restrictions relating to the Brazos River Authority:

A. Declarant does not grant or warrant to any Owner or any other person any right to use water from the Lake, or to construct improvements and maintain private facilities on the Lake, or to have access to the Lake. These rights may be granted only by the Brazos River Authority and are subject to the rules and regulations established by the Brazos River Authority, as amended from time to time.

B. Declarant does not grant or warrant to any Owner or any other person any title or right to possession of any land below the 1,000 foot above mean sea level contour line of the Lake, since land below the 1,000 foot contour line is owned by the Brazos River Authority. The Brazos River Authority has given public notice that it may at some future time increase the height of the Morris Sheppard (Possum Kingdom) Dam so that the maximum lake level will be at an elevation of 1,015 feet above sea level. No improvements or betterments may be constructed below elevation of 1,015 feet mean

sea level on any part of or adjacent to the Subject Property except at the Owner's sole risk. By acceptance of a deed to any Lot or other part of the Subject Property, each Owner waives any and all damages, or claims for damages against Declarant, to any improvements or betterments that might be so erected after the date that this Declaration is filed of record, because of water stored in, caused by, resulting from, or flowing through the Lake. This waiver is only for the benefit of Declarant and its successors and assigns and expressly does not extend for the benefit of the Brazos River Authority.

13. **Easement Reserved for the Associations.** Declarant reserves for the benefit of the Block 3 Association and the Gaines Bend POA a right of ingress and egress at all times over and upon each Lot for carrying out by the Associations of their functions, duties, and obligations under this Declaration. However, any entry by the Block 3 Association or the Gaines Bend POA upon any Lot pursuant to this right must be made with as minimum inconvenience to the Owner and residents of the Lot as practical, and any damage caused by such entry shall be repaired by the Association involved at its expense.

14. **Easement Granted to Lot Owners for Ingress and Egress.** Declarant hereby grants to each Owner of a Lot in the Subject Property of Block 3, and their successors, assigns, and lienholders, a nonexclusive right of easement for ingress and egress over existing or future roadways situated on the property of Declarant located adjacent to the Lots and connecting the roads in Block 3 and the Gaines Bend Subdivision with State Highway 16, in order to provide access to the Owner's Lot and access to the Common Areas. Owners shall contribute to the costs of improving and maintaining the roadways and payment of any ad valorem taxes attributable to such roadways through the Gaines Bend Road Fund as provided in Paragraph 8 of this Declaration. Declarant reserves the absolute right at its expense to change the location of any road over Declarant's property in order to facilitate further development, leasing, and sale of Declarant's property or for any other purpose, as long as the change does not prevent reasonable access to each Lot or to the Common Areas. Declarant also reserves the right to more particularly locate the exact location of the easement under this Paragraph by filing for record a centerline description of the easement. This easement right is a right appurtenant to the ownership of a Lot and may not be conveyed separately. Only licensed drivers who are licensed to drive the type of vehicle which he or she is operating (if a license is required) may drive on the roads on Declarant's property. This express easement is not to be considered a public dedication of roadways and the fee simple title and all ownership rights in the land upon which the roadways are located are intended to remain privately owned by Declarant or Declarant's heirs, successors and assigns, subject only to the limited right of travel over and across same by the Owners of Lots and their successors, assigns, and guests. The roads themselves are to be controlled and maintained by the Gaines Bend POA as part of the Gaines Bend Road Fund, as provided in Paragraph 8 of this Declaration.

15. **Easement Reserved for Declarant.** Declarant reserves a perpetual easement in, on and under the Lots of the necessary widths for the purpose of laying, placing and maintaining utilities and drainage conduits. The Declarant hereby grants an easement in on and under the Lots to Gaines Bend Utilities, Inc., its heirs and assigns, for the purpose of maintaining and servicing the waste water lines and pumps necessary for waste water service for the Lots.

15. **Future Development.** At the time that this Declaration is filed of record, the Subject Property covered by this Declaration includes only the property specifically described in Paragraph 2 above. Declarant owns additional property located adjacent to the Subject Property which may be developed for legally permissible uses, but subject to any restrictions filed by Declarant applicable to such other property. Declarant may (but is not obligated to) bring all or part of such additional property into the general plan of development represented by this Declaration by filing of record a written document

declaring that such additional property is so added to the coverage of this Declaration. Upon the filing of any such written document, the Owners of Lots or other tracts of privately owned property within such added areas shall become Members of the Block 3 Association with the same rights, duties, and obligations as the then existing Members of the Block 3 Association unless differences in the rights, duties, and obligations for the new Members are expressly approved in writing by both the Declarant and the Board of Directors of the Block 3 Association. Declarant may also designate additional Common Areas within a newly developed area which will be transferred to and maintained by the Block 3 Association, but only with the express written consent and acceptance of the Block 3 Association. Any future development by Declarant on the property adjacent to the Subject Property (located in Block 3 or anywhere on the Gaines Bend peninsula) shall require the purchasers or users of property to participate in the Gaines Bend Road Fund.

16. **Additional Rights Reserved to Declarant.** Notwithstanding anything in the Governing Documents to the contrary, Declarant, its Affiliates, and their assigns and builders authorized by Declarant may construct, maintain, and operate upon portions of the Common Area and property they own, such facilities, activities, and things as Declarant, in its discretion, may deem to be required, convenient, or incidental to the construction, sale, or rental of Lots in the Subject Property.

17. **General Provisions.**

A. **Enforcement.** These covenants and restrictions may be enforced by Declarant, the Block 3 Association, or any Owner of a Lot. Covenants and restrictions relating to the Gaines Bend POA may be enforced by the Gaines Bend POA or by any other party as allowed by the 1998 SUPPLEMENTAL DECLARATION. Failure by any party to enforce a covenant or restriction shall not be deemed a waiver of the right to do so at a later time. Any party entitled to enforce these covenants and restrictions is expressly granted the right to sue for and obtain temporary and permanent injunctive relief to prevent the breach or to enforce the observance of these covenants and restrictions, in addition to any other remedies allowed by law.

B. **Duration; Amendment.** These covenants and restrictions run with the land and last for a period of twenty-five (25) years from the date this Declaration is recorded. They shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by a majority of the then Owners of the Lots and approved by the Block 3 Association's Board of Directors has been recorded agreeing to change these covenants and restrictions in whole or in part, or as this Declaration may otherwise be amended as allowed by any applicable law. No amendment may be adopted at any time, without the prior written consent of Declarant, that increases the Assessments payable by Declarant as provided in this document or that restricts or alters the rights of Declarant under this document.

C. **Amendment by Declarant.** As long as Declarant owns a Lot that is part of the Subject Property, the Declarant reserves the right to, and may at any time and from time to time, with the written consent of the Block 3 Association's Board of Directors, amend this Declaration by an instrument in writing duly signed, acknowledged, and filed of record, for the purpose of correcting any typographical or grammatical error, ambiguity, or inconsistency appearing herein. Any such amendment must be consistent with and in furtherance of the general plan of development as evidenced by this Declaration and may not impair the vested property or other rights of any Owner or mortgage holder.

D. Severability. If any provision of this Declaration is declared invalid by the judgment or order of a court of competent jurisdiction, such invalidity will not affect any other provision which remains in force and effect.

E. Binding Effect. Each part of this Declaration is made for the mutual benefit of, and is binding upon, each and every person acquiring a Lot within the Subject Property, and their respective successors and assigns.

F. Good Faith Lender's Clause. Nothing contained in this Declaration shall impair or defeat the lien of any existing mortgage or deed of trust made in good faith and for value on any Lot or other part of the Subject Property, but the title to any Lot or other property subject to this Declaration obtained through a sale in satisfaction of any such mortgage or deed of trust shall thereafter be held subject to all of the covenants and restrictions of this Declaration.

GAINES BEND DEVELOPMENT, LTD.

By: *Shawn K. Gibson*
Shawn K. Gibson, General Partner

By: *Cyrus A. Gibson*
Cyrus A. Gibson, General Partner

THE STATE OF TEXAS §
COUNTY OF PALO PINTO §

This instrument was acknowledged before me on June 13, 2013, by Shawn K. Gibson and Cyrus A. Gibson as General Partners on behalf of GAINES BEND DEVELOPMENT, LTD., a Texas limited partnership.

[seal]



Linda B. Johnson
Notary Public, State of Texas
Notary's Name Printed: _____
My Commission Expires: _____

DMS #74776-v2

Prepared By:

Robert G. West
Whitaker Chalk Swindle & Schwartz PLLC
301 Commerce Street, Suite 3500
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as attorney for Gaines Bend Development, Ltd.

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