

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
DEER RIDGE ESTATES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made on the date hereinafter set forth by MILL STREAM COMPANY, a Texas Corporation, the foregoing partners being (hereinafter collectively referred to as "Declarants" and each singularly as a "Declarant").

WITNESSETH:

WHEREAS, Declarants are the owners of certain real property in Parker County, Texas, which is described in Exhibit "A" and Exhibit "B" attached hereto and made a part hereof (the "Property").

WHEREAS, Declarants desire to create an exclusive planned community known as "DEER RIDGE ESTATES" on the Property and such other land as may be added thereto pursuant to the terms and provisions of this Declaration;

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

ARTICLE I
DEFINITIONS

Section 1.1. "Architectural Control Committee" shall mean the committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the Property.

Section 1.2. "Architectural Control Committee Rules" shall mean the rules and regulations adopted by the Architectural Control Committee, as from time to time amended.

Section 1.3. "Association" shall mean and refer to DEER RIDGE ESTATES HOMEOWNERS ASSOCIATION, INC., a Texas nonprofit corporation established for the purpose set forth herein.

Section 1.4. "Board" shall mean the Board of Directors of the Association.

Section 1.5. "Builder" shall mean and refer to any residential building company acquiring Lots from the Declarants for the purpose of construction and sale of homes or builder retained by Declarants.

Section 1.6. "Common Areas" shall mean and refer to that portion of the Property, if any, conveyed to the Association for the use and benefit of the Owners.

Section 1.7. "Common Maintenance Areas" shall mean and refer to the Common Areas, if any, and the entrance monuments, drainage facilities, detention ponds, right-of-way landscaping, and such other areas lying within dedicated public easements or right-of-way that the Board of Directors of the Association deems it necessary or appropriate to maintain for the common benefit of the Owners.

Section 1.8. "Declarants" shall mean and refer to the Declarant as defined in the preamble above and their respective successors and assigns who are designated as such in writing by the Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Section 1.9. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for DEER RIDGE ESTATES, and any amendments, annexations and supplements thereto made in accordance with its terms.

Section 1.10. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers, and any facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

Section 1.11. "Lot" shall mean and refer to any of the plots of land indicated upon any recorded subdivision map of the Property or any part thereof creating single-family homesites, with the exception of the Common Area and areas deeded to a governmental authority or utility, together with all improvements thereon.

Section 1.12. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 1.13. "Plans and Specifications" shall mean the documents designed to guide or control 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, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to such Improvement.

Section 1.14. "Property" shall mean and refer to the real property described in Exhibit "A", and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section 1.15. "Unit" shall mean and refer to any residential dwelling situated upon any Lot.

ARTICLE II
DEER RIDGE ESTATES HOMEOWNERS ASSOCIATION, INC.

Section 2.1. Membership. Each of the Declarants and every other Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. There shall be two (2) classes of membership, as described in Section 2.6 hereof.

Section 2.2. Funding. Subject to the terms of this Article, each Declarant, for each Lot owned by such Declarant, hereby covenants to pay, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements to the Common Areas, such assessments to be established and collected as hereinafter provided. Such assessments will remain effective for the full term (and extended term, if applicable) of this Declaration. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent assessments shall not pass to the successors in title of such Owner unless expressly assumed by them, in writing.

Section 2.3. Annual Assessment or Charge.

(a) Units Owned by Class "A" Members. Subject to the terms of this Article, each unimproved Lot is hereby subject to an initial maximum maintenance charge of \$15.00 per month or \$180.00 per annum and each improved Lot (An "improved" lot shall be a lot that has been transferred from a Builder to an initial Homeowner.) is hereby subject to an initial maximum maintenance charge of 30.00 per month or \$360.00 per annum (until such maintenance charge shall be modified as provided in the Bylaws of the Association), for the purpose of creating a fund

to be designated and known as the "maintenance fund", which maintenance charge and assessment will be paid by the Owner or Owners of each such Lot in advance in monthly, quarterly or annual installments, commencing as to all Lots on which an occupied Unit is then located on the conveyance of the First Lot to a Class A Member and as to all other Lots as of the occupancy or sale (whichever is earlier) of a Unit thereon. The annual assessment for unimproved Lots shall be one-half (1/2) the annual assessment for improved Lots. A Lot shall be deemed to be an "improved Lot" when construction of a Unit thereon is completed and closing of a sale thereof has taken place, or when the Unit is occupied as a residence, whichever first occurs. The rate at which each Lot will be assessed, and whether such assessment shall be payable monthly, quarterly or annually, will be determined by the Board of Directors of the Association at least thirty (30) days in advance of each assessment period. Said rate may be adjusted from time to time by the Board of Directors as the needs of the Association may, in the judgment of the Directors, require. The assessment for each Lot shall be uniform except as provided in Subsection (b) of this Section 2.3. The Association shall, upon written demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period.

(b) Units on Lots owned by Declarant. Notwithstanding the foregoing, Declarant shall be exempt from the annual maintenance assessment charged to Owners so long as there is a Class B membership as set forth in Section 2.6. Declarants hereby covenant and agree that in the event that the annual maintenance fund revenues are insufficient to pay the operating expenses of the Association, each Declarant shall provide, pro rata in proportion to the relative numbers of Lots owned by such Declarant, the funds necessary to make up the deficit, within thirty (30) days of receipt of request for payment thereof from the Association, provided that if such deficit is the result of the failure or refusal of an Owner or Owners to pay their annual maintenance assessments, the Association shall diligently pursue all available remedies against such defaulting Owners, including the immediate institution of litigation to recover the unpaid assessments, and shall reimburse the Declarants the amounts, if any so collected. In the alternative, Declarants shall have the right to pay full Class A assessments on its Lots without thereby relinquishing Class B status and shall then be excused from the payment of any budget deficits.

(c) Purposes of Maintenance Fund. The Association shall establish a maintenance fund composed of annual maintenance assessments and shall use the proceeds of such fund in providing for normal, recurring maintenance charges for the Common Maintenance Areas for the use and benefit of all members of the Association. Such uses and benefits to be provided by the Association may include, by way of clarification and not limitation, any and all of the following: normal, recurring maintenance of the Common Maintenance Areas (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking, and otherwise caring for existing

landscaping) and the improvements to such Common Maintenance Areas, such as sprinkler systems, provided that the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Maintenance Areas; perpetual maintenance and enhancement for walls, grounds, landscaping, lights, irrigation and electricity for rights-of-way; maintenance of the medians, the planting of flowers and maintenance of community signage along said rights-of-way; payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the property to which the maintenance fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employment of policemen and watchmen, if any, caring for vacant lots; and doing any other thing or things necessary or desirable in the opinion of the Board of Directors of the Association to keep the Property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the Board of Directors in the expenditure of said funds and the determination of what constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith. The Association shall, in addition, establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements of the Common Maintenance Area. The fund shall be established and maintained out of regular annual assessments.

(d) Special Assessment for Working Capital Fund, Nonrecurring Maintenance and Capital Improvements. In addition to the annual assessments authorized above, the Association may levy special assessments as follows:

(i) Upon sale of the first Lot by a Declarant to a Class A Member, a special assessment equal to ten (10) months estimated regular assessment may be assessed which shall be due and payable upon conveyance of the Lot to a Class A Member. Such special assessment shall be available for all necessary expenditures of the Association.

(ii) In any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Maintenance Area, including fixtures and personal property related thereto, may be assessed. The Association shall not commingle the proceeds of such special assessment with the maintenance fund. Such proceeds shall be used solely and exclusively to fund the nonrecurring maintenance or improvements in question.

Section 2.4. Non-payment of Assessments: Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the highest non-

usurious rate of interest allowed by Texas law from time to time. The Association shall have the authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by duly adopted resolutions and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien retained herein against such Owner's property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Maintenance Area or abandonment of such Owner's property.

Section 2.5. Subordinated Lien to Secure Payment. To secure the payment of the maintenance charge and assessment established hereby and to be levied on individual Lots as above provided, there is hereby reserved a lien for the benefit of the Association, said lien to be enforceable through appropriate proceedings at law or in equity by such beneficiary; provided, however, that each such lien shall be specifically made secondary, subordinate and interior to all liens, present and future, given, granted, and created by or at the insistence and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot; and further provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting first mortgage lien, said beneficiary shall give the holder of such first mortgage sixty (60) days written notice of such proposed action, such notice, which shall be sent to the nearest office of the first mortgage lien holder by prepaid U.S. registered mail, to contain the statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of any such first mortgage lien holder, and beneficiary shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular property covered by such first mortgage lien to the particular property covered by such first mortgage lien to holder thereof. Sale or transfer of a Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessment as to payments, which became due prior to such sale or transfer. No sale, foreclosure or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. The Association shall have the right to file notices of liens in favor of the Association in the Official Public Records of Parker County, Texas.

Section 2.6. Voting Rights. The Association shall have two classes of voting membership.

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

(b) Class B. The Class B members shall be the Declarants who shall each be entitled to three (4) votes for each unoccupied Lot owned. The Class B membership shall cease and be converted to Class "A" membership one hundred twenty (120) days after the conveyance of the Lot which causes the total votes outstanding in the Class A membership to equal the total votes outstanding in the Class B membership, or ten (10) years after conveyance of the first Lot by a Declarant, whichever occurs earlier. Class B membership shall be reinstated at any time before the expiration of ten (10) years from the date of conveyance of the first Lot if additional Lots owned by a Class B member are annexed to this Declaration in sufficient numbers to restore a ratio of at least one Class B Lot for each four Class A Lots in the overall area subject to this Declaration, but any such reinstated Class B status shall terminate upon the occurrence of the events set forth above.

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

Section 2.7. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized herein shall be sent to all members, or delivered to their residences, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of members or of proxies or voting representatives entitled to cast two-thirds (2/3) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be two-thirds (2/3) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (the quorum requirement being reduced for each such meeting). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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

Section 3.1. Purpose of Maintenance Fund. The Board, for the benefit of the Owners, shall provide and shall pay for out of the maintenance fund provided for in Article II above the following:

- (a) Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any.
- (b) Care and preservation of the Common Maintenance Area.
- (c) The services of a professional person or management firm to

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

(d) Legal and accounting services.

(e) A policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors, including a policy or policies of insurance as provided herein in Article IV.

(f) Workers compensation insurance to the extent necessary to comply with any applicable laws.

(g) Such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.

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

Section 3.2. Powers and Duties of Board. The Board, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the Bylaws of the Association:

(a) To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

(b) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board sees fit.

(c) To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

(d) To protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

(e) To make reasonable rules and regulations for the operation of the Common Maintenance Areas and to amend them from time to time;

provided that, any rule or regulation may be amended or repealed by an instrument in writing signed by Owners constituting a majority of the votes of the Association, or with respect to a rule applicable to less than all of the Common Areas, by the Owners in the portions affected.

(f) To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owner at reasonable times and intervals.

(g) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

(h) To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

(i) To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

Section 3.3. Board Powers Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the maintenance fund and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

Section 3.4. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

ARTICLE IV TITLE TO COMMON AREAS

Section 4.1. Association to Hold. The Association shall own all Common Areas in fee simple and assume all maintenance obligations with respect to any Common Areas which maybe hereafter established. Nothing contained herein shall create an obligation on the part of any Declarant to establish any Common Area.

Section 4.2. Liability Insurance. From and after the date on which title to any Common Area vests in the Association, the Association shall purchase and carry a general comprehensive public liability insurance policy for the benefit of the Association and its members, covering occurrences on the Common Areas. The policy limits shall be as determined by the Board of Directors of the Association. The Association shall use its best efforts to see that such policy

shall contain, if available, cross-liability endorsements or other appropriate provisions for the benefit of the members, Directors, and the management company retained by the Association (if any), insuring each against liability to each other insured as well as third parties. Any proceeds of insurance policies owned by the Association shall be received, held in a segregated account and distributed to the Association's general operating account, members, Directors, the management company and other insureds, as their interests may be determined.

Section 4.3. Condemnation. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas to replace that which has been condemned or to take whatever steps are it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. In the event that the Board of Directors of the Association determines that the funds cannot be used in such a manner due to lack of available land for additional Common Areas or for whatever reason, any remaining funds may be distributed to each Owner on a pro rata basis.

ARTICLE V EASEMENTS

Section 5.1. Entry Easement. In the event that the Owner fails to maintain the Lot as required herein, or in the event of emergency, the Association shall have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein shall not be deemed a trespass, and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

Section 5.2. Temporary Completion Easement. All Lots shall be subject to easement of ingress and egress for the benefit of Declarants, their employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Property as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon Lots adjacent to the Property, provided that such easement shall terminate twelve (12) months after the date such Lot is conveyed to the Owner by a Declarant.

Section 5.3. Corner Monument Easements. Easements are hereby reserved for the benefit of Declarants and the Association for the erection, maintenance, repair and replacement of walls, fences, signs, monuments or similar structures demarking the entrance to the Property on Church Road and entrance to Wapiti Drive. The Owners of any adjacent Lots to either entry shall not remove or relocate any structure erected within said easements by the Declarant or the Association without the written consent of the Board of Directors of the Association.

ARTICLE VI
USE AND OCCUPANCY

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

VII
PROPERTY RIGHTS

Section 7.1. Owners' Easement of Enjoyment. Every Owner shall have a right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to establish and publish rules and regulations governing the use of the Common Areas affecting the welfare of Association members;

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

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

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

Section 7.2. Effect of Declaration. Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 7.3. Subdivision Prohibited. No Lot shall be subdivided without the express consent of the Association and Declarants (as long as such Declarant owns any Lot subject to this Declaration), which may be withheld in Declarants' and/or the Association's sole discretion. Any Declarant or the Association may enforce this covenant by obtaining an injunction against any unapproved subdivision at the expense of the enjoined party.

**ARTICLE VIII
USE RESTRICTIONS**

Section 8.1. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done which may be or may become an annoyance or nuisance to the neighborhood.

Section 8.2. Development Activity. Notwithstanding any other provision herein, Declarants and their successors and assigns (including Builders) shall be entitled to conduct on the property all activities normally associated with and convenient to the development of the Property and the construction and sale of dwelling units on the Property.

Section 8.3 Temporary Structures. No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or mobile home or other outbuilding, and no prefabricated or relocated structures, shall be used on any Lot at any time as a residence, either temporarily or permanently. This restriction shall not be interpreted to limit the right of a Declarant or any Builder to use trailers or outbuildings as sales offices, construction offices or material storage facilities.

Section 8.4. Signs and Picketing. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the subdivision or carried by any person or by any other means displayed within the subdivision except the following:

(a) For Sale Signs. An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of the ground advertising the Property for sale or such other signs that Declarant may approve.

(b) Declarant's Signs. Signs or billboards may be erected by any declarant.

(c) Political Signs. Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within fifteen (15) days after the election.

(d) Farm/Ranch Emblems. With prior approval of the Architectural Control Committee, an Owner may display logos, brands, and/or other signage on or about its primary gate or entrance feature.

In addition to the foregoing, to protect the safety and harmony of the community, no person shall engage in picketing on any Lot, easement, right-of-way or Common Area within or adjacent to the Property, nor shall any vehicle parked, stored or driven in or adjacent to the Property bear or display any signs, slogans, symbols, words or decorations intended to create controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the property rights, occupancy or permitted business activities of any Owner or Declarant.

Section 8.5. Campers, Trucks, Boats, and Recreational Vehicles. No campers, vans, pickup trucks, boats, boat trailers, recreational vehicles and other types of non-passenger vehicles, equipment, implements or accessories may be kept on any Lot unless the same are fully enclosed within the garage located on such Lot and/or said vehicles and accessories are screened from view by a screening structure or fencing and said vehicles and accessories are in an operable condition; provided, however, horse and stock trailers may be stored openly (i.e., not within a fully enclosed garage) so long as located in proximity to a garage or to another primary structure on the Lot. The Association shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and adequately screened from public view. Approval of the type of screening shall be at the sole discretion of the Association.

Section 8.6. Construction in Place. All Units constructed on the Property shall be built in place on the Lot and the use of prefabricated materials other than trusses and wall panels shall be allowed only with the prior written approval of the Architectural Control Committee.

Section 8.7. Unfinished Structures. No structure shall remain unfinished for more than two hundred seventy (270) days after construction has commenced.

Section 8.8. New Materials. Only new materials shall be utilized in constructing any structures situated upon a Lot, unless approved by the Architectural Control Committee.

Section 8.9. No Window Units. No window or wall type air conditioner which is visible from any street in the Subdivision shall be permitted to be used, placed or maintained on or in any building in any part of the Property.

Section 8.10. Pets, Livestock and Poultry. No swine or fowl shall ever be kept upon any lot nor shall any part of any Lot ever be used for a commercial feed lot for livestock or fowl or dog or cat kennel. All livestock, or dogs kept on any Lot for other purposes must be restricted and contained within appropriate fencing and housing solely as approved by Architectural Control Committee on the subject property and shall not be allowed to run free outside of any Lot line of a Lot.

Section 8.11. Garbage and Refuse Disposal. No rubbish, trash, ashes, sawdust, waste, or other offensive or unsightly material of any kind shall be used, stored or otherwise permitted on any Lot. Trash, garbage or other waste shall not be kept except in sanitary containers. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble, or debris shall be stored, kept, placed or maintained on any Lot where visible from any street except solely on a day designated for removal of garbage and rubbish and on which days only such cans, bags, containers, and receptacles may be placed in front of a residence and beside a street for removal but shall be removed from view before the following day.

During construction, all construction debris and waste shall be completely contained in a waste container as may be approved from time to time by the Architectural Control Committee. No concrete washout shall occur on any lot, street, common area, or undeveloped parcels in the area at any time.

Section 8.12. Parking. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Maintenance Area or on any easement unless in use for maintaining such Common Maintenance Areas.

Section 8.13. Commercial or Institutional Use. No Lot, and no building erected or maintained on any Lot shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes. Businesses of a limited nature are permitted, such as professional (legal, insurance, accounting, etc.). Space required for business purposes must be contained within the residence or attached by breezeway and be of similar or compatible construction with the residence. No wrecking or salvage yards or any other business requiring large buildings or open-air storage of materials or merchandise shall be permitted. Excessive or offensive noise, fumes or odors, excessive traffic, and unsightly conditions are expressly prohibited in order to protect neighboring property values and enjoyment of rural living. Garage sales, sidewalk sales, and other similar endeavors tending to invite or solicit, expressly or impliedly, persons who are not Owners onto the Property or portions thereof are expressly prohibited without the prior written consent of the Board.

Section 8.14. Building Standards. No building shall be erected or maintained on any Lot unless it complies with all governmental ordinances and codes as well as all of the provisions and regulations of this Declaration and such provisions and regulations set forth from time to time by the Architectural Control Committee.

Section 8.15. Detached Buildings. No detached accessory buildings, including, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without the prior consent of the Architectural Control Committee.

Section 8.16. Fencing. All fencing must be approved in advance by the Architectural Control Committee. All fences fronting on or adjacent to public or private road frontages shall be pipe-and-cable type or pipe-and-pipe type construction, of materials and colors designated or approved by the Architectural Control Committee, except for retaining or decorative walls installed by Declarant or retaining walls or decorative walls approved by the Architectural Control Committee. Fencing which does not front on or is not adjacent to public or private road frontage may be of other materials approved by the Architectural Control Committee, such as barbed or smooth wire and metal posts. No chain-link, metal cloth or other fences may be built or maintained on any Lot without the consent of the Architectural Control Committee.

Section 8.17. Antenna, Satellite Dishes and Solar Collectors. No Owner may erect or maintain a television or radio receiving or transmitting antenna or similar equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view in a manner acceptable to the Architectural Control Committee. Furthermore, no Owner may erect or maintain a satellite dish with a diameter greater than thirty inches (30"), solar collector panel, or similar apparatus or equipment on any Lot without the prior written consent of the Architectural Control Committee; a satellite dish with a diameter of thirty inches (30") or less (such as the RCA or Sony "Direct View" systems) shall be permitted so long as same is installed and/or screened out of view from any road or other Lot.

Section 8.18. "In-Law" Residences. One primary single-family residence and one guest, employee or "in-law" residence and incidental out-buildings shall be constructed or permitted on any Lot. No guest, employee or "in-law" residence shall be constructed until after the completion of the primary single-family residence. No out-buildings located on any Lot shall ever be used for a residence.

Section 8.19. Construction. No main dwelling shall be constructed unless the design meets with the requirements of what is commonly known as frame construction or better, unless otherwise approved by the Architectural Control Committee. All out-buildings, to the extent not of "frame" construction, shall be built in accordance with such other construction requirements as may be approved in advance by the Architectural Control Committee. The primary single family residence placed upon a Lot shall be of new construction, with

a minimum of 55 per cent (55%) rock or brick veneer exterior. All residential construction (with the exceptions of fencing and well completion) shall be completed within two hundred seventy (270) days from commencement of construction

Section 8.20. Chimneys. All fireplace flues, smoke stacks, and spark arrestors shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the principal finish material of the exterior walls of the dwelling or otherwise approved by the Architectural Control Committee.

Section 8.21. Clothes Hanging Devices. Exterior clothes hanging devices shall not be permitted.

Section 8.22. Limitation on Square Footage and Height. The minimum square footage of units, exclusive of open porches and or garages erected on Lots 2.5 acres and over shall be 2,050 square feet. The minimum square footage of units, exclusive of open porches and/or garages on Lots less than 2.5 acres shall be 1,600 square feet.

Maximum height of any primary residence shall be 35 feet, and maximum height of any out-building shall be 35 feet.

Section 8.23. Roof. Unless otherwise approved in advance in writing by the Architectural Control Committee, Roofs shall consist of (i) fire-rated, fire-retardant wood shingles, (ii) gray-shade dimensional fiberglass asphalt or composition shingles of a weight equal to 200 pounds or more per square, or (iii) standing-seam metal of a gray shade or otherwise as approved by the Architectural Control Committee. Any other type of roof must be approved by the Architectural Control Committee. The Architectural Control Committee shall have the authority to approve roof treatments and materials when in its determination such treatments and materials, in the form utilized, will not be a detriment to the quality of the neighborhood. The roofs of all structures other than the main dwelling shall be subject to the prior approval of the Architectural Control Committee.

Section 8.24. Building Setbacks and Frontages. All buildings shall conform to the following setbacks:

(a) Lots 1-69, Block 1 - All residential buildings shall present a proper frontage to the street. No building or lot shall front or have access to Antler Ridge Drive except Lots 1A-4A, and Lots 15-18, without specific approval by the Architectural Control Committee. No building or lot shall front or have access to Church Road.

Setbacks shall be:

Front Yard: 50 feet

Side Yard: 25 feet except side yard adjacent to Antler Ridge which shall be 50 feet and except side yard along Church Road which shall be 50 feet.

Rear Yard: 25 feet except on Lot 5 which shall be 50 feet, and except on Lots 1A-4A and 1B-Lot 4B which shall be 25 feet.

(b) Planned Lots 1-41, Block 2 and Lots 1-9, Block 3 - All Residential Buildings shall present a proper frontage to the street. No building or lot shall front or have access to Antler Ridge Drive or Church Road.

Setbacks shall be:

Front Yard: 30 feet

Side Yard: 15 feet except side yard along Antler Ridge Drive which shall be 50 feet.

Rear Yard: 15 feet except rear yard along Church Road which shall be 50 feet.

Section 8.25. Athletic and Recreational Facilities. Outdoor athletic and recreational facilities such as basketball goals, swing sets and sport courts of either a permanent or temporary nature may be placed only between the rear property line of the Lot and the back of the Unit constructed thereon, unless otherwise approved by the Architectural Control Committee. Tennis court lighting and fencing shall be allowed only with the approval of the Architectural Control Committee.

Section 8.26. Window Treatment. No aluminum foil, reflective film or similar treatment shall be placed on window or glass doors.

Section 8.27. Subdividing. No Lot shall be further divided or subdivided, and no easements or other interests therein less than the whole shall be conveyed by the Owner thereof; provided, however, that when a Declarant is the Owner thereof, such Declarant may further divide and subdivide any Lot and convey any easement or other interest less than the whole, with the approval of the other Declarants.

Section 8.28. Construction of Improvements. No Improvements shall hereafter be constructed upon any of the Property without the prior written approval of the Architectural Control Committee. In the case of single-family residences to be constructed on a Lot, the Architectural Control Committee may limit its review to a review of a typical floor plan for the proposed residence, and upon the Architectural Control Committee's approval of such floor plan, residences may be constructed consistent with the approved floor plan without the requirement of further review or approval by the Committee, anything herein to the contrary notwithstanding.

Section 8.29. Repair of Buildings. All Improvements upon any of the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof.

Section 8.30. Hazardous Activities. No activities shall be conducted on the Property and no Improvements shall be constructed on the Property which are or might be unsafe or hazardous to any person or property.

Section 8.31. Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single family residence building site, and may place or construct Improvements on such site with the prior written approval of the Architectural Control Committee. In cases of such consolidation of Lots, setback lines shall be measured from the two side Lot lines existing after consolidation, rather than from the Lot lines shown on the Plat. The Owner may not thereafter resubdivide the consolidated Lots.

Section 8.32. Hunting/Trapping/Firearms. Hunting, trapping and discharge of firearms (which does not include air-powered guns) are expressly prohibited within the Property.

Section 8.33. Mineral Exploration. No mining, quarrying, tunneling, excavation or drilling for exploration or removal of any minerals including oil, gas, gravel, rocks, earth or earth substances of any kind shall be permitted within the Property.

Section 8.34. Motorcycles and ATV's. The use of motorcycles and ATV's shall be limited to on-road use of motorcycles which have been approved and are legal for street use. Such use shall be limited to the public streets. No off-road use of any motorcycles or ATV's shall be permitted and all motorcycles and ATV's operated within the Property shall have mufflers installed in good condition which limits the exhaust noise to no more than 80 decibels, ten (10) feet from the end of the exhaust pipe.

Section 8.35. Pool Equipment. All pool service equipment shall be located in the side or rear yard unless other placement is specifically approved in writing by the appropriate Architectural Control Committee. All pool service equipment, wherever located, shall be appropriately screened according to standards promulgated by the Architectural Control Committee from time to time. Without

limiting the generality of the foregoing, all such equipment must be screened by a solid masonry wall of the same material as the Dwelling or board-on-board wood fence of a height equal to the height of the tallest pool equipment to be screened.

Section 8.36. Driveways. All driveways or parking areas on all lots shall be of a material that is dust free. Approval of driveway materials shall be at the sole discretion of the Architectural Control Committee. Driveway culverts shall be of reinforced concrete or corrugated metal pipe. All culverts shall have concrete or masonry headwalls subject to approval of the committee.

Section 8.37. Multiple Ownership. No lots or Dwellings may be sold under any time-sharing, time-interval, or similar right-to-use programs.

Section 8.38. Traffic Regulations. All vehicular traffic on the private streets and roads in the Property shall be subject to the provisions of the laws of the State of Texas, Parker County and any other governmental body having jurisdiction, concerning operation of motor vehicles on public streets. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including reasonable safety measures and speed limits and including modification of those in force on public streets, within the Property. The Association shall be entitled to enforce same by establishing such enforcement procedures, as it deems appropriate, including levying fines for the violation thereof. In the event of a conflict between such provisions of the laws of the State of Texas and Parker County or other governmental jurisdiction, and such rules and regulations promulgated by the Association, the more restrictive rules and regulations shall govern. Only drivers licensed to operate motor vehicles by the State of Texas or by any other state in the United States may operate any type of motor vehicle within the Property. All vehicles of any kind and nature which are operated on the streets in the property shall be operated in a careful, prudent, safe, and quiet manner and with due consideration for the rights of all residents of the Property.

ARTICLE IX

ARCHITECTURAL CONTROL COMMITTEE

Section 9.1. Membership. The Architectural Control Committee shall consist of not more than five (5) voting members (the "Voting Members").

Section 9.2. Rights of Appointment and Removal. Until the earlier of (i) April 1, 2003, or (ii) the date when the Class B membership shall cease, each Declarant shall have the right to appoint a voting member and remove the member of the Architectural Control Committee appointed by such Declarant. Thereafter, all members of the Architectural Control Committee shall be appointed and/or removed by the Board of the Association. Declarant may delegate in whole or in

part its right to appoint and remove members of the Architectural Control Committee to the Board by written instrument.

Section 9.3. Action by Architectural Control Committee. Items presented to the Architectural Control Committee shall be decided by a majority vote of the Voting Members. The Architectural Control Committee may appoint an agent to act on behalf of the Architectural Control Committee, and the Architectural Control Committee may delegate any duties, powers and/or functions to the agent. Any such appointment and delegation shall be in writing.

Section 9.4. Term. Each Voting Member shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein.

Section 9.5. Adoption of Rules. The Architectural Control Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including but not limited to a building code, a fire code, a housing code, architectural guidelines, landscaping guidelines, and other similar codes or guidelines as it may deem necessary and desirable.

Section 9.6. Review of Proposed Construction. The Architectural Control Committee shall have the right whenever its approval is required under this Declaration to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts and information which in its sole discretion are relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the builder shall submit a Design Review Application and review fee, and the Plans and Specifications to the Architectural Control Committee. Construction thereof may not commence unless and until the Architectural Control Committee has approved such Plans and Specifications in writing. The design review fee shall be established from time to time by the Architectural Control Committee. Upon written request, the Architectural Control Committee may waive the requirement of such plans for any Lot if the Builder uses plans previously approved by the Architectural Control Committee for another Lot. There shall be no material revisions made to the approved plans without resubmittal to and approval by the Architectural Control Committee of the revised plans. The Architectural Control Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or from time to time assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Architectural Control Committee. The Architectural Control Committee may postpone review of any Plans and Specifications submitted for approval pending its receipt of any information or document deemed necessary by it. The Architectural Control Committee, in its sole judgment, shall have the authority to disapprove any proposed

Improvement based upon this Declaration or in the best interest of the property and the neighborhood, and the decision of the Architectural Control Committee shall be final and binding so long as it is made in good faith. The Architectural Control Committee shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof, from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

Section 9.7. Variance. The Architectural Control Committee may grant variances from compliance with any of the provisions of this Declaration when, in its opinion and in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property and/or is justified due to aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument in recordable form, and must be signed by a majority of the Voting Members. The granting of such variance shall not operate to waive or amend any of the terms and provisions of this Declaration applicable to the Lots for any purpose except as to the particular property and the particular matter covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

Section 9.8. Actions of the Architectural Control Committee. The Architectural Control Committee may, by resolution unanimously adopted in writing, designate any of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Control Committee. In the absence of such designation, the vote of a majority of all Voting Members, which may be taken without a meeting, shall constitute an act of the Architectural Control Committee.

Section 9.9. No Waiver of Future Approvals. The approval or consent of the Architectural Control Committee to any Plans and Specifications shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different Person.

Section 9.10. Work in Progress. At its option, the Architectural Control Committee may inspect any work in progress to insure compliance with approved Plans and Specifications.

Section 9.11. Nonliability of Architectural Control Committee Members. Neither the Architectural Control Committee nor any member thereof, nor the Board nor any member thereof, shall be liable to the Association or to any Owner or to any other Person for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Control Committee's or the Board's respective duties under this Declaration, unless due to the willful misconduct or bad faith of such Person. Neither the Architectural Control Committee nor any member thereof shall be liable to any Owner due to the construction of any Improvement within the Property.

Section 9.12. Address. Plans and Specifications shall be submitted to the Architectural Control Committee at Deer Ridge Estates, 1525 Merrimac Circle, Suite 200, Fort Worth, Texas 76109, or such other address as may be designated by Declarants (or the Board if Declarants have delegated such designation right to the Board) from time to time.

ARTICLE X ANNEXATION

Section 10.1. Annexation by Declarants. At any time during the initial term of this Declaration, Declarants, may, at their collective option, annex additional property to this Declaration to be subject to the terms hereof to the same extent as if originally included herein and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarants.

(a) Declaration of Annexation. Annexation shall be evidenced by a written Declaration of Annexation executed by Declarants setting forth the legal description of the property being annexed and the restrictive covenants to be applied to such annexed property.

(b) FHA/VA Approval. Declarants shall submit a written request for approval of any annexation under this Section to the Federal Housing Administration ("FHA") and the Veterans Administration ("VA") accompanied by a copy of the Declaration of Annexation. If neither FHA nor VA notifies a Declarant of objections to the annexation within fifteen (15) days of the date of a Declarant's request for approval, such approval shall be deemed to have been granted.

Section 10.2. Annexation by Action of Members. At any time the Board of Directors of the Association may request approval of the membership for the annexation of additional property into the Association to be subject to all of the terms of this Declaration to the same extent as if originally included herein. No such annexation shall be effective unless approved in writing by members entitled to cast two-thirds (2/3) of the votes in each class of membership, and by FHA and VA as set forth in Subsection 9.1(b) above. Any property that is contiguous to existing property to this Declaration may be annexed hereto according to the foregoing requirements, provided however, that no such annexation shall be effective without the consent and joinder of the owners of the property to be annexed. Such annexation must be evidenced by a Declaration of Annexation as set forth in Subsection 9.1(a) above executed by the parties herein described.

Section 10.3. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of a Declarant or any member to annex any property to this Declaration and no owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

Section 10.4. Effect of Annexation on Class B Membership. In determining the number of Lots owned by a Declarant for the purpose of Class B Membership status according to Section 2.6 hereof, the total number of Lots covered by this Declaration, including all Lots annexed thereto, shall be considered. If Class B Membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by a Declarant to the number required for Class B Membership, such Class B Membership shall be reinstated until it expires pursuant to the terms of Section 2.6.

ARTICLE XI
GENERAL

Section 11.1. Remedies. In the event of any default by any Owner under the provisions of the Declaration, Bylaws or rules and regulations of the Association, the Association and any Owner shall have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws and said rules and regulations, and those which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgment for the payment of the money and collection thereof, or for any combination of the remedies, or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses, and all damages liquidated or otherwise, together with interest thereon at the maximum rate permitted by law but, with reference to any Lots financed by FHA insured loans, not in excess of the maximum rate of FHA loans at the time of delinquency, from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of respective maintenance assessment (to the same extent as the lien provided herein for unpaid assessments) , upon the Lot and upon all of his additions and improvements thereto, and upon all of his personal property upon the Lot. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or any Owner.

Fines may be assessed to owners or builders for violation of the rules and regulations that may be adopted by the Architectural Control Committee. In the sole discretion of the committee, builders who do not conform to the construction rules and regulations as approved from time to time by the Architectural Control Committee may be fined, denied "Approved Builder Status", and may be banished from future construction within the property.

Section 11.2. Term and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless seventy-five percent (75%) of the votes outstanding shall have voted to terminate the covenants and restrictions of this Declaration upon the expiration of the initial thirty (30) year period or any extension thereof, which termination shall be by written instrument signed by seventy-five percent (75%) of the Owners and properly recorded in Parker County, Texas. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Owners and by the Declarant if the Class B membership has not theretofore terminated, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Owners. Any amendment must be recorded. Declarant further reserves, prior to the closing of the sales of all of the Property, all rights which may be necessary to deal with the Property.

Section 11.3. Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain, in full force and effect.

Section 11.4. Rights and Obligations. The provisions of this Declaration and the Articles of Incorporation and Bylaws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or the acceptance of a deed conveying a Lot of any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration and the Articles of Incorporation and Bylaws, whether or not mention thereof is made in said deed.

Section 11.5. Miscellaneous Provisions. Any provisions of this Declaration or of the Articles of Incorporation and Bylaws to the contrary notwithstanding, the following provisions shall control:

(a) The following actions will require notice to all institutional holders of first mortgage liens: (1) abandonment or termination of the Association; or (2) material amendment to this Declaration.

(b) Upon the request of any first mortgagee of a dwelling on a Lot, the Association shall furnish to such mortgagee a written notice of any default by the Owner of such dwelling in the performance of such Owner's obligations under this Declaration or the Bylaws or Association rules and regulations which is not cured within thirty (30) days. Any first mortgagee of a dwelling who comes into possession of such dwelling pursuant to the remedies provided in the Mortgage, a

foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged dwelling which accrued prior to the time such holder comes into possession of the dwelling.

(c) Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each mortgage) have given their prior written approval, neither the Association nor the Owners shall be entitled to:

- (i) by act or omission seek to abandon, partition, encumber, or transfer the Common Areas, if any, or any portion thereof of interest therein;
(The granting of easements for public utilities or other public purposes consistent with the intended use of such property shall not be deemed a transfer within the meaning of this clause.)
- (ii) substantially change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner by the Association;
- (iii) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of the dwellings or maintenance of the dwellings or Lots;
- (iv) fail to maintain liability and extended coverage insurance on insurable property comprising a part of the Common Areas on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs).

(d) All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa

Section 11.6. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 11.7. Conflicts. In the event of conflict between the terms of this declaration and the Bylaws, rules, regulations or Articles of Incorporation of the Association, this Declaration shall control.

Section 11.8. Partial Invalidity. The invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, Declarants have caused this instrument to be executed on its behalf, attested and its corporate seal to be hereunto affixed as of May 12th, 2003.

DECLARANTS:

MILL STREAM COMPANY,
a Texas corporation

By: *Larry White Jr.*
Title: President

STATE OF TEXAS §
COUNTY OF TARRANT §

Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared *Larry White Jr.*, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he execute the same for the purpose and considerations therein expressed and under the oath stated that the statements in the foregoing certificate are true.

Given under my hand and seal of office, this 12 day of May, 2003.



Carol Arledge
Notary Public, State of Texas

After Recording
Return To:

Luther W. Ellis
Brackett & Ellis
100 Main Street
Fort Worth, TX 76102-3090

EXHIBIT 'A'

197.823 acres situated in the T.&P. RR. CO. SURVEY, Abst. No. 1422; WILLIAM ELLIOTT SURVEY, Abst. No. 2383; H.R. & J.H. LOVELACE SURVEY, Abst. No. 2134; and the J.P. HILL SURVEY, Abst. No. 2119, Parker County, Texas, being a portion of that certain tract of land conveyed to Parker 1102 Holdings, Ltd., by deeds recorded in Volume 1877, Page 924 and Volume 1877, Page 942, Real Records, Parker County, Texas, and being more particularly described, as follows:

Beginning at a old cedar post fence corner found in the north line of said Parker 1102 Holdings, Ltd. tract at the southwest corner of that certain tract of land conveyed to Derald Lynn Coomer, by deed recorded in Volume 626, Page 698, Deed Records, Parker County, Texas, said point being the called southwest corner of the G.W. DODSON SURVEY, Abst. No. 2443, Parker County, Texas, and the called southeast corner of said T. & P. RR. CO. SURVEY;

THENCE N 61°28'00" E, along the common line of said Parker 1102 Holdings, Ltd. tract and said Coomer tract, passing the southeast corner of said Coomer tract at the most westerly southwest corner of that certain tract of land conveyed to Edmond E. McClure and wife, Nancy Ann McClure, by deed recorded in Volume 649, Page 724, Deed Records, Parker County, Texas, and continuing, along the common line of said Parker 1102 Holdings, Ltd. tract and said McClure tract, in all, 1985.04 feet to a ½" iron set;

THENCE S 60°37'08" E, along the common line of said Parker 1102 Holdings, Ltd. tract and said McClure tract, passing the most southerly southeast corner of said McClure tract, passing the southwest and southeast corners of that certain tract of land conveyed to Delena Sue Coomer Doyle, by deed recorded in Volume 626, Page 702, Deed Records, Parker County, Texas, and passing the southwest corner of that certain tract of land conveyed to Donald R. Propp, etux, by deed recorded in Volume 728, Page 353, Deed Records, Parker County, Texas, and continuing, along the common line of said Parker 1102 Holdings, Ltd. tract and said Propp, etux tract, in all, 2508.73 feet to a ½" iron set;

THENCE S 58°23'26" W, 764.98 feet to a ½" iron set;

THENCE S 68°40'10" W, 335.26 feet to a ½" iron set;

THENCE S 29°28'02" W, 325.57 feet to a ½" iron set;

THENCE S 12°45'57" W, 318.06 feet to a ½" iron set;

THENCE N 60°31'58" W, 440.95 feet to a ½" iron set;

THENCE N 67°42'49" W, 160.00 feet to a ½" iron set at the beginning of a curve to the left, whose radius is 1240.00 feet and whose long chord bears N 73°49'15" W, 570.01 feet;

THENCE along said curve, in a westerly direction, through a central angle of 26°34'32", a distance of 575.15 feet to a ½" iron set at the end of said curve;

THENCE S 02°53'29" W, 80.00 feet to a ½" iron set at the beginning of a non-tangent curve to the left, whose radius is 1160.00 feet and whose long chord bears N 88°42'59" W, 65.10 feet;

THENCE along said curve, in a westerly direction, through a central angle of 03°12'57", a distance of 65.11 feet to a ½" iron set at the end of said curve;

THENCE S 89°40'32" W, 1340.39 feet to a ½" iron set at the beginning of a curve to the right, whose radius is 680.00 feet and whose long chord bears N 52°14'58" W, 838.70 feet;

THENCE along said curve, in a northwesterly direction, through a central angle of 76°09'00", a distance of 903.77 feet to a ½" iron set at the end of said curve;

THENCE N 14°10'28" W, 961.85 feet to a ½" iron set at the beginning of a curve to the left, whose radius is 580.00 feet and whose long chord bears N 45°51'12" W, 609.18 feet;

THENCE along said curve, in a westerly direction, through a central angle of 63°21'28", a distance of 641.36 feet to a ½" iron set at the end of said curve;

THENCE N 77°31'56" W, 66.24 feet to a ½" iron set at the beginning of a curve to the left, whose radius is 1000.00 feet and whose long chord bears N 83°54'43" W, 222.24 feet;

THENCE along said curve, in a westerly direction, through a central angle of 12°45'36", a distance of 222.70 feet to a ½" iron set at the end of said curve;

THENCE S 89°42'29" W, 322.29 feet to a ½" iron set in the east line of Church Road (County Road No. 1070 - R.O.W. varies);

THENCE N 00°17'31" W, along the east line of said Church Road, 592.57 feet to a ½" iron set;

THENCE N 00°33'41" W, continuing along the east line of said Church Road, 793.99 feet to a ½" iron set;

THENCE S 85°24'31" E, 159.40 feet to a ½" iron set;

THENCE S 08°03'29" E, 142.80 feet to a ½" iron set;

THENCE N 81°44'01" E, 132.08 feet to a ½" iron set;

THENCE N 53°19'13" E, 103.83 feet to a ½" iron set;

THENCE S 64°27'31" E, 208.86 feet to a ½" iron set;

THENCE N 66°54'07" E, 162.42 feet to a ½" iron set;

THENCE N 40°05'07" E, 170.48 feet to a ½" iron set;

THENCE N 08°20'38" E, 204.16 feet to a ½" iron set;

THENCE S 77°43'26" E, 201.65 feet to a ½" iron set;

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THENCE S 44°56'06" E, 219.35 feet to a ½" iron set;

THENCE S 61°50'41" E, 271.66 feet to a ½" iron set;

THENCE N 28°54'22" E, 217.51 feet to a ½" iron set;

THENCE S 87°23'15" E, 114.68 feet to a ½" iron set in the east line of said Parker 1102 Holdings, Ltd. tract and the west line of said Coomer tract;

THENCE S 00°38'23" E, along the common line of said Parker 1102 Holdings, Ltd. tract and said Coomer tract, 2336.40 feet to the POINT OF BEGINNING and containing 197.823 acres of land.

EXHIBIT "B"

66.292 acres situated in the T.&P. RR. CO. SURVEY, Abst. No. 1422 and the WILLIAM ELLIOTT SURVEY, Abst. No. 2383, Parker County, Texas, being a portion of that certain tract of land conveyed to Parker 1102 Holdings, Ltd., by deed recorded in Volume 1877, Page 942 and Volume 1877, Page 924 of the Real Records, Parker County, Texas, and being more particularly described, as follows:

Beginning at the intersection of the existing east right-of-way line of Church Road (County Road 1070 - variable width public right-of-way) and the southerly right-of-way of Antler Ridge Drive (variable width private right-of-way) according to the plat recorded in Cabinet B, Slide 727, Plat Records, Parker County, Texas;

THENCE along the southerly right-of-way line of said Antler Ridge Drive the following courses and distances:

N 89°42'29" E, a distance of 322.29 feet to a ½" iron set at the beginning of a curve to the right, whose radius is 1000.00 feet and whose long chord bears S 83°54'43" E, 222.24 feet;

Along said curve, in a easterly direction, through a central angle of 125°45'35", a distance of 222.70 feet to a ½" iron set;

S 77°31'56" E, 66.24 feet to a ½" iron set at the beginning of a curve to the right, whose radius is 580.00 feet and whose long chord bears S 45°51'12" E, 609.18 feet;

Along said curve, in a southeasterly direction, through a central angle of 63°21'28", a distance of 641.37 feet to a ½" iron set;

S 14°10'28" E, 961.85 feet to a ½" iron set at the beginning of a curve to the left, whose radius is 680.00 feet and whose long chord bears S 19°56'28" E, 136.65 feet;

Along said curve, in a southeasterly direction, through a central angle of 11°32'00", a distance of 136.88 feet to a ½" iron set;

THENCE S 64°31'09" W, leaving the southerly right-of-way line of said Antler Ridge Drive, a distance of 400.00 feet to a ½" iron set;

THENCE S 17°42'26" W, 1478.37 feet to a ½" iron set;

THENCE N 86°47'57" W, 515.14 feet to a ½" iron set in the existing easterly right-of-way line of said Church Road;

THENCE along the easterly right-of-way line of said Church Road the following courses and distances:

N 01°57'24" W, 155.72 feet to a ½" iron set;

N 00°14'01" W, 558.14 feet to a ½" iron set;

N 00°17'31" W, 326.44 feet to the POINT OF BEGINNING and containing 66.292 acres of land;

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FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: May 20, 2003 at 04:20

Document Number: 00480725

Amount \$1.00

By
Leona Franklin

STATE OF OREGON COUNTY OF PUNDEE
I hereby certify that this instrument was
filed on the date and time stamped herein by me
and was duly recorded in the volume and page
of the named records of: Parker County
as stamped herein by me.

May 20, 2003

JENNIE BRANSON, COUNTY CLERK
PUNDEE COUNTY

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