

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CREEK OF DRIFTWOOD**

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF HAYS §

This Declaration of Covenants, Conditions and Restrictions for Creek of Driftwood (this "**Declaration**") is made to be effective the date set forth below by RNI Onion Creek, LLC, a Nevada limited liability company ("**Declarant**").

RECITALS:

A. Declarant is the owner of certain real property located in Hays County, Texas, more particularly described as all of the Lots in the CREEK OF DRIFTWOOD, a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Volume 8, Page 246 of the Plat Records of Hays County, Texas (the "**Property**").

B. Declarant desires to create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of the present and future owners of the lots comprising the Property, and desires to provide for the preservation of the values of the lots and amenities in the Property and for the maintenance of private streets and other common facilities, and to this end, desires to subject the Property to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner of a lot comprising the Property; and

C. Declarant has deemed it desirable, for the efficient preservation of the values, attractiveness and desirability of the lots in said subdivision to create a homeowners association for the purpose of maintaining certain common facilities, administering and enforcing certain covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

NOW, THEREFORE, it is declared (i) that all of the Property shall be held, sold, conveyed, and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof; an (ii) that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions, and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

ARTICLE I DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the following meanings:

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

"Architectural Committee Rules" shall mean the rules and regulations adopted by the Architectural Committee, as the same may be amended from time to time.

"Assessment" or "Assessments" shall mean such assessments as may be levied by the Association under the terms and provisions of this Declaration.

"Association" shall mean the Creek of Driftwood Owners Association, Inc., a Texas non-profit corporation.

"Association Rules" shall mean the rules and regulations adopted by the Board as the same may be amended from time to time.

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

"Bylaws" shall mean the Bylaws of the Association as adopted by the Board, and as from time to time amended.

"Certificate" shall mean the Certificate of Formation for the Association, which shall be filed in the office of the Secretary of State of the State of Texas, as from time to time amended.

"Common Area" shall mean either fee simple or an easement interest in any and all real property and all improvements located thereon, from time to time (1) conveyed and/or granted to the Association, and/or (2) expressly designated by Declarant to be "Common Area" for the benefit of the Association and the Members thereof, including without limitation (i) Lot 1, Block B of the Property and the private streets located thereon; (ii) Lot 2, Block B of the Property and any improvements located thereon from time to time.

"Declarant" shall mean RNI Onion Creek, LLC, its successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

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

"Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, barns, 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, and poles, pumps, wholes, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, electronic data transmission or other utilities.

"Lot" or **"Lots"** shall mean any parcel or parcels of land within the Property shown as a subdivided lot on the Plat, together with all Improvements located thereon, other than the Private Streets (as hereinafter defined).

"Member" or **"Members"** shall mean any person, persons, entity, or entities holding membership rights in the Association.

"Mortgage" shall mean any mortgage or deed of trust covering any portion of the Property given to secure the payment of a debt.

"Mortgagee" or **"Mortgagees"** shall mean the holder or holders of any Mortgage or Mortgages.

"Owner" or **"Owners"** shall mean a person or persons, entity or entities, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include a Mortgagee.

"Person" or **"Persons"** shall mean any individual, individuals, entity, or entities having the legal right to hold title to real property.

"Plans and Specifications" shall mean any and all 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, sample of exterior colors, plans for utility services, and all other documentation or information relevant to such improvement.

"Plat" means that plat of the Property recorded in Volume 8, Pages 246-248 of the Plat Records of Hays County, Texas, as the same may be amended, modified or replatted from time to time.

"Private Streets" shall mean the street improvements located on Lot 1, Block B of the Property and designated as "Onion Creek Lane," "Onion Creek Bend," "Bandana" and "Conestoga Court" on the Plat, and shall not include any private driveway, roadway, trail or other accessway located on any Lot.

"Property" shall mean all of the Lots in the CREEK OF DRIFTWOOD, a subdivision in Hays County, Texas, according to the Plat.

"Subdivision Restrictions" shall mean this Declaration, the Association Rules, the Architectural Committee Rules and the Certificate and Bylaws of the Association, and any restrictions on the Plat, all as the same may be amended from time to time.

ARTICLE II DEVELOPMENT OF THE PROPERTY

2.01 Development by Declarant. It is contemplated that the Property will be developed pursuant to a single plan, which may, from time to time, be amended or modified in which the development of, and restrictions upon, each portion of the Property will benefit every other portion, as well as the entire Property.

ARTICLE III GENERAL RESTRICTIONS

All of the Property shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions:

3.01 Antennae; Satellite Dishes. No exterior radio or television antenna, or serial or satellite dish receiver (except satellite dishes not exceeding eighteen (18) inches in diameter), or other devices designed to receive telecommunication signals, including, but not limited to, radio, television, or microwave signals which are intended for cable television, network television reception, or other entertainment purposes shall be erected or maintained, without the prior written approval of the Architectural Committee. Satellite dishes not exceeding eighteen (18) inches in height may only be placed in the rear one-fourth of a Lot, and must be neatly screened so as to not be visible from the Private Street in front of the Lot. If it is determined, however, that a satellite dish cannot be located in compliance with the foregoing, the Architectural Committee shall approve the location of a satellite dish in the least conspicuous location on the Lot where an acceptable quality signal can be obtained.

3.02 Solar Collectors, Wind Generators. No solar collectors or wind generators shall be erected or maintained on any Lot without the approval of the Architectural Committee, except for solar collectors integrated into the design of the residence. Any such approved installation shall be in harmony with the design of the residence, and shall be installed in a location or shall be screened from view from any Private Street or Common Area.

3.03 Insurance Rates. Nothing shall be done or kept on any Lot that would increase the rate of insurance or cause the cancellation of insurance on any other Lot or any of the Improvements located on the Property without the prior written approval of the Board.

3.04 Subdividing. No Lot shall be further divided or subdivided to create a new Lot, nor may any exclusive use, recreation, landscape, green belt, conservation, buffer, "no-build" or similar easements be granted whose purpose or effect is to add the portion of the Lot covered thereby to or for the exclusive use and benefit of the owner of another Lot, or any other interests in the Lot less than the whole be conveyed by the Owner without the prior written approval of the Architectural Committee; provided, however, that when Declarant is the Owner, Declarant may further divide and subdivide any Lot and convey an easement or other interest less than the whole, all without the approval of the Architectural Committee.

3.05 Signs. No sign of any kind shall be displayed to the public view on the Property without the prior written approval of the Architectural Committee except for signs which are part of Declarant's overall marketing plan for the Property. The Architectural Committee may permit signs of any type advertising a portion of the Property for sale or lease or it may set standards for the same.

3.06 Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property or any Lot, and no odors shall be permitted to arise therefrom so as to render the Property or any portion of it unsanitary, unsightly, offensive, or detrimental to any other Lot or to the occupants thereof. The Association may contract for the collection of trash and garbage with a single Person for the entire Property, however, the cost of such collection services shall be billed to and payable directly by the Owners unless the Board determines the Association will provide such services as part of the common expenses included in its budget for purposes of determining the annual assessments. Refuse, garbage, and trash shall be kept at all times in covered containers as designated by the Association or the Person providing trash and garbage collection services, and such containers shall be kept within enclosed structures or appropriately screened from view, except only on the day designated for collection and after 6:00 p.m. of the immediately preceding day during which period such containers may be placed on the Lot near the front Lot line (but not within the right of way of the Private Streets) or as otherwise designated by the Board. Neither the Property nor any part thereof shall be used or maintained as a dumping ground for rubbish. No incinerators or other equipment for the storage or disposal of such material shall be permitted. Material of any kind stored on any Lot shall be arranged in an orderly manner in the rear of the residential dwelling, and shall be properly covered.

3.07 Noise. No exterior horns, whistles, bells, or sirens (other than security devices used exclusively for security purposes) shall be located, used, or placed on any of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

3.08 Construction of Improvements. No Improvements shall be constructed upon any of the Property or any Lot without the prior written approval of the Architectural Committee. The Improvements on any Lot shall be limited to one single family residence not exceeding two stories in height with an attached garage. No detached garages and no carports shall be permitted. Except as herein set out, no other structures may be located upon any portion of the Property, except that a children's playhouse or buildings of like nature used for the convenience and pleasure of the occupants of the residence may be placed in the rear one-fourth of the Lot. No recreational equipment, including but not limited to swing sets, basketball courts or nets, sport courts, or swimming pools, shall be located between the front of the residence and the Private Street. No prefabricated structures or log homes are permitted. No mobile home nor HUD-code manufactured homes (as those terms are defined by the Texas Manufactured Housing Standards Act, Texas Occupations Code Section 1201.001 et seq, as the same may be amended from time to time) shall be permitted on any Lot. No old homes shall be moved upon the Property or any Lot without the prior written approval of the Architectural Committee. No above ground swimming pools are allowed on the Property. No tent, shack or other structure of a temporary character shall be placed or erected on any Lot. Above ground propane tanks may only be placed in the rear one-fourth of a Lot, and must

be neatly screened so as to not be visible from the Private Street in front of the residence. All other propane tanks shall be installed underground, and any connections or other above-ground associated equipment, connections or improvements are not required to be screened.

3.08 Residence Size. The minimum heated floor area for any residence structure shall be 2,200 square feet.

3.09 Building Materials. All residences and outbuildings shall be built with eighty percent (80%) of its exterior covered by stone, brick or stucco. In computing such percentage, (1) all gables shall be excluded from the total area of exterior walls; (2) all windows and door openings shall be excluded from the total area of the exterior walls; and (3) stone or brick used on fireplaces, chimneys and walls of an attached garage shall be included in the computation as stone or masonry used. No Hardy board or any similar building material or any concrete or cement type brick exterior shall be permitted on any structure on any Lot with the exception of eaves and trim as approved by the Architectural Committee. No geodesic structures are permitted on any Lot.

3.10 Repair of Improvements; Maintenance of Lots. All Improvements upon any of the Property shall at all times be kept in good condition and repair and adequately painted and otherwise maintained by the Owner. The Owner of each Lot shall keep grass, weeds and vegetation trimmed or cut so that the same shall remain in a neat and attractive condition.

3.11 Alteration or Removal of Improvements. Any construction, other than normal maintenance, which in any way alters the exterior appearance of any Improvement, or the removal of any Improvements, shall be performed only with the prior written approval of the Architectural Committee.

3.12 Roofing Materials. As approved by the Architectural Committee, roofs may be constructed of the following materials: (i) wood shingles; (ii) asphalt three (3) tab composition shingles ; (iii) non-reflective metal; (iv) slate; (v) architectural shingles or (vi) clay or cement tile.

3.13 Hazardous Activities. No activities shall be conducted on the Property and no Improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property and no open fires shall be lighted or permitted except within safe and well-designed interior or exterior fireplaces, or in contained barbecue units while attended and in use for cooking purposes.

3.14 Certain Temporary Structures. Temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained with the proper approval of Declarant. Such approval shall be dependent on the nature, size, duration, and location of such structure.

3.15 Septic Systems. Installation of septic tank soil-absorption sewerage disposal system shall be in accordance with the minimum recommendations by the Division of Sanitary Engineering, Texas State Department of Health, and inspected by a duly authorized agent of Hays County Health Department.

3.16 Roadways. No part of any Lot may be used for a roadway or driveway leading to other privately owned property outside the Property.

3.17 Driveways. All driveways used as access to the residence located on a Lot shall be paved with asphalt, concrete or brick pavers, and shall extend from the Private Street to the garage.

3.18 Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth. The digging or removal of dirt or other surface material from any Lot, except as necessary in connection with landscaping or construction of improvements, is prohibited.

3.19 Unightly Articles; Vehicles. No article deemed to be unsightly by the Architectural Committee shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the above, trailers, graders, trucks (other than pickups), boats, tractors and garden maintenance equipment shall be kept at all times, except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile, truck, motorcycle or other motorized vehicle (other than minor emergency repairs), except in enclosed garages. No automobiles or other vehicles may be parked overnight on any of the Private Streets within the Property. No racing motor vehicle and no derelict, junk or any motor vehicle without a current license tag, shall be placed or kept on any portion of the Property. Service areas, storage areas, compost piles and facilities for hanging, drying, or airing clothing or household fabrics shall be appropriately screened from public view and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, or refuse of trash shall be kept, stored or allowed to accumulate on any portion of the Property except within enclosed containers or appropriately screened from view.

3.20 Motor Homes, Travel Trailers and Recreational Vehicles. No motor home, travel trailer or recreational vehicle shall be parked on or near any Lot so as to be visible from adjoining Lots or from the Private Streets or public thoroughfares for more than forty-eight (48) hours.

3.21 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of dogs, cats, or other household pets may be kept, provided they are kept in fenced enclosures and are not allowed to run free, and are not kept, bred, or maintained for any commercial purpose.

3.22 Construction Activities. Nothing in this Declaration shall be construed so as to unreasonably interfere with, or prevent, normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event of any dispute regarding such matters, a temporary waiver of the applicable provision may be granted by the

Architectural Committee, provided that such waiver shall be only for the reasonable period of such construction.

3.23 Construction in Place. All dwellings constructed on the Property shall be built in place on the Lot and the use of prefabricated materials shall not be allowed.

3.24 Unfinished Structures. No structure shall remain unfinished for more than twelve (12) months after the same has been commenced.

3.25 Sale of Alcohol. The sale of beer, liquor, or other intoxicants shall never be permitted upon the Property or any Lot.

3.26 Fences. All fencing shall be approved by the Architectural Committee; shall be not more than seventy two (72") in height; and shall be constructed of stone, wood, wrought iron or a combination thereof. No cyclone, chain link or other wire fencing is permitted. No fence, wall, hedge or utility meter shall be placed, or permitted to remain, on any Lot nearer to the Private Streets adjoining such Lot than is permitted for the main residence on such Lot.

3.27 Setback Requirements. No Improvements (other than driveways, fences and landscaping) shall be constructed (i) closer than five (5) feet from any line marking the side boundary with another Lot, unless the Owner of such Lot owns the contiguous Lot(s), and in that instance, no setback is applicable to the side boundary line between such contiguous Lots, (ii) closer than ten (10) feet from the back boundary line of the Lot, and (iii) closer than fifteen (15) feet from the boundary line of the Lot and the Private Street(s) adjoining the Lot.

3.28 Rentals. Nothing in this Declaration shall prevent the rental of any Lot and the Improvements thereon by the Owner thereof for residential purposes.

3.29 Exterior Lighting. All Owners shall submit a lighting plan for all exterior lighting to be installed or placed on a Lot, showing locations, spacing, standard types and light type and sizes. All driveways shall have low voltage or solar powered down lighting, and if approved by the Architectural Committee, may have stand alone lamp house lighting. All exterior lighting must be rated by the manufacturer as full cutoff or fully shielded; must be limited to the equivalent lumens produced by 70 Watts HPS; must be shielded so that no luminous elements (that is, the bulb, reflectors and reflective lens) shall be directly visible from the Private Streets or another Lot; and in all cases be compatible with the general tone and design of the neighborhood. Notwithstanding the foregoing, reasonable Christmas lighting and displays shall be permitted during the month of December without the prior approval; provided all such lighting shall be removed by January 15 of the immediately following year.

3.30 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article III or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of invalidity or

unenforceability thereof and, by acquiring the Lot, waives and releases all claims and causes of action based on invalidity or unenforceability against Declarant or any of Declarant's members or their respective members, general partners, directors, officers, agents and legal representatives.

ARTICLE IV USE RESTRICTIONS

4.01 General. The Property shall be improved and used solely for single family residential use, and no business or commercial structure shall be constructed or placed on the Property. Garage and other apartments, duplexes, condominiums, townhouses, and other multifamily residential, office, commercial, retail, and industrial buildings and uses are prohibited. No professional, business, or commercial activity, including without limitation, any home occupations, to which the general public is invited shall be conducted on any Lot.

4.02 Common Area. No land within any Common Area shall be improved, used or occupied, except in such manner as shall have been approved by the Board. Such required approval shall extend to the nature and type of use, occupancy, and Improvement. Access to any Common Area may be limited to persons currently paying assessments, fees, and other charges, or otherwise conditioned or restricted, or made available to non-owners, all on such terms and conditions as the Board may determine from time to time.

4.03 Permissive Conveyance of Common Area. At any time following creation of the Association, Declarant may convey to the Association all of Declarant's right, title and interest in and to all or any part of the Common Area, save and except those rights to the Common Area accruing to Declarant as an Owner of a Lot or Lots. The Association shall accept such conveyance and thereupon become owner of the Common Area.

ARTICLE V THE CREEK OF DRIFTWOOD OWNERS ASSOCIATION, INC.

5.01 Organization. The Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association. The Association shall be a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its Certificate and Bylaws and in this Declaration. Neither the Certificate nor the Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.02 Membership. Any Person, upon becoming an Owner, shall automatically become a Member of the Association. Membership shall be appurtenant to, and shall run with, the property interest which qualifies the Owner thereof for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated, except together with the title to the said property interest.

5.03 Voting Rights. The right to cast votes, and the number of votes which may be cast, for election of members to the Board of Directors of the Association, and on all other matters to be voted on by the Members, shall be calculated as provided below. Owners entitled to votes pursuant to (a) below are hereinafter sometimes referred to as "Class A Members." Declarant, which is entitled to vote pursuant to (b) below, is hereinafter sometimes referred to as the "Class B Member."

(a) The Owner of each Lot within the Property shall have one vote for each Lot so owned.

(b) In addition to the votes to which it is entitled by reason of subsection (a) of this section, during the Declarant Majority Period defined below, the Declarant shall have an additional two (2) votes ("**Declarant's Additional Votes**") for each Lot owned by Declarant. The Declarant's Additional Votes shall be in addition to the one (1) vote per lot to which Declarant is entitled under subsection (a) above. The "**Declarant Majority Period**" shall mean that period beginning with the formation of the Association and ending on the date on which the number of total votes held by Class A voters other than Declarant equals or exceeds the number of total votes held by the Class B voter (including the Declarant's Additional Votes). After the Declarant Majority Period, Declarant shall have only the votes to which it is entitled under subsection (a) of this section.

5.04 Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration. Without in any way limiting the generality of the two preceding sentences, the Association and the Board, acting on behalf of the Association, shall have the power and authority at all times as follows:

(a) Association Rules and Bylaws. To make, establish, and promulgate, and in its discretion to amend or repeal and re-enact rules and Bylaws, not in conflict with this Declaration, as it deems proper covering any and all aspects of its functions.

(b) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association functions.

(c) Records. To keep books and records of the Association's affairs.

(d) Assessments. To levy assessments as provided in Article VII below. An assessment is defined as that sum which must be levied in the manner and against the property set forth in Article VII in order to raise the total amount for which the levy in question is being made.

(e) Right of Entry and Enforcement. To enter at any time in an emergency (or in the case of a non-emergency, after twenty-four (24) hours written notice), without being

liable to any Owner, upon any Lot for the purpose of enforcing the Subdivision Restrictions or for the purpose of maintaining or repairing any area, Improvement or other facility to conform to the Subdivision Restrictions, and the expense incurred by the Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be a lien upon the Lot entered upon and Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VII hereof for regular and special assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Subdivision Restrictions. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Subdivision Restrictions.

(f) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association.

(g) Conveyances. To grant and convey to any person or entity the real property and/or other interest therein including fee title, leasehold estates, easements, rights-of-way, or mortgages out of, in, on, over, or under any Association property for the purpose of constructing, erecting, operating, or maintaining the following:

- (1) Parks, parkways or other recreational facilities or structures;
- (2) Roads, streets, walks, driveways, trails and paths, including, without limitation, the right to convey or dedicate the Private Streets to the County or other governmental authority for operation and maintenance as public streets or roads subject to the approval of by a majority vote of the Members;
- (3) Lines, cables, wires, conduits, pipelines or other vices for utility purposes;
- (4) Sewers, water systems, storm water drainage systems, sprinkler systems, and pipelines; and/or
- (5) Any similar public, quasi-public or private improvements or facilities.

Nothing above, however, shall be construed to permit use or occupancy of any Improvement or other facility in a way which would violate applicable use and occupancy restrictions imposed by other provisions of this Declaration.

(h) Manager. To retain and pay for the services of a person or firm (the Manager") to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. To the extent permitted by law, the

Association and the Board may delegate any other duties, powers and functions to the Manager. The members of the Association hereby release the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power, or function so delegated.

(i) Association Property Services. To pay for water, sewer, garbage removal, landscaping, gardening and all other utilities, services and maintenance for the property of the Association; to maintain and repair easements, roads, roadways, rights-of-way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes and other areas of the Property, as appropriate; and to own and operate any and all types of facilities for both active and passive recreation.

(j) Other Services and Properties. To obtain and pay for any other property and services, and to pay for other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of this Declaration, or the Articles or Bylaws of the Association.

(k) Construction on Association Property. To construct new improvements or additions to Association properties, subject to the approval of the Architectural Committee as required by this Declaration.

(l) Contracts. To enter into contracts with Declarant and other persons, on such terms and provisions as the Board shall determine, to operate and maintain any Common Area or to provide any service or perform any function on behalf of Declarant or other person, including maintenance of private driveways or other improvements located within an easement that may be granted or imposed for the benefit of more than one, but less than all, of the Lots.

(m) Property Ownership. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease gift, or otherwise.

5.05 Maintenance. The Association shall maintain all Private Streets and all other Common Area dedicated, conveyed or granted to the Association for maintenance, including without limitation any entry gate and related improvements, landscaping or wall along the boundary of the Property and Darden Hill Road (County Road No. 162), and the Association may further maintain the median strips between the Property and Darden Hill Road (County Road No. 162).

5.06 Common Area. Subject to and in accordance with this Declaration, the Association, acting through the Board, shall have the following duties and authority:

(a) To accept, own, operate, and maintain all Common Area which may be conveyed or leased to it by Declarant, together with all improvements of whatever kind and for whatever purpose which may be located in said areas; and to accept, own operate, and maintain all other property, real and personal, conveyed or leased to the Association by Declarant and to maintain in good repair and condition all lands, improvements, and other Association property owned by, or leased to, the

Association. Such maintenance shall include but not be limited to mowing and removal of rubbish or debris of any kind.

(b) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the members of the Association. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

(c) To execute mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Association. Financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the Association. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second, or other junior lien as shall be deemed appropriate by the Association, on the improvement or other facility to be constructed, together with such underlying and surrounding lands as the Association deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees, assessment of the members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by the Association, but subject to the limitations imposed by this Declaration.

(d) To take out and maintain current a policy of liability insurance coverage to cover accidental bodily injury and/or death caused by the use and enjoyment in the Common Area. Such insurance shall be in an amount as the Board shall deem appropriate.

5.07 Indemnification. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, committee member, employee, servant or agent of the Association against expenses, including attorney's fees, reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a Court that he (1) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, or (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of nolo contendere, of its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, servant, or agent of the Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

ARTICLE VI
ARCHITECTURAL COMMITTEE

6.01 Membership of Architectural Committee. The Architectural Committee shall consist of not more than three (3) voting members ("**Voting Members**") and such additional nonvoting members serving in an advisory capacity ("**Advisory Members**") as Declarant, its successors or assigns deems appropriate. The initial voting members of the Architectural Committee shall be designated by the Declarant.

6.02 Action by Architectural Committee. Items presented to the Architectural Committee shall be decided by a majority vote of the Voting Members.

6.03 Advisory Members. The Voting Members may from time to time designate Advisory Members.

6.04 Term. Each member of the Architectural Committee 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.

6.05 Declarant's Rights of Appointment. Declarant, its successors or assigns shall have the right to appoint and remove all members of the Architectural Committee during the Declarant's Majority Period; provided, Declarant may delegate this right to the Board by written instrument. After the expiration of Declarant's Majority Period, or earlier delegation, the Board shall have the right to appoint and remove all members of the Architectural Committee.

6.06 Adoption of Rules. The Architectural 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, and other similar codes as it may deem necessary and desirable. Each Owner shall comply with said rules as the same may be amended from time to time, and failure to comply with said rules shall constitute a default of this Declaration, and any Owner, including Declarant, at its sole expense and/or the Board may seek any of the remedies set forth herein for default of this Declaration.

6.07 Review of Proposed Construction. Whenever in this Declaration, or in any Supplemental Declaration, the approval of the Architectural Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which, in its sole discretion, are relevant. Prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications therefor shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. The Architectural Committee shall review applications for proposed work in order to (i) ensure conformity of the proposal with these covenants, conditions, and restrictions and (ii) ensure harmony of external design in relation to surrounding structures and topography. An application can be rejected for providing insufficient information. The Committee shall have broad, discretionary authority to interpret and apply these standards. In rejecting an application, the Committee should detail the reasons for rejection and suggest how the applicant could remedy the

deficiencies. The Architectural Committee may review Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Architectural Committee of any information or document deemed necessary by the Architectural Committee, it may postpone review of any Plans and Specifications submitted for approval. No Improvement shall be allowed on any Lot which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes and materials and similar features as to be incompatible with residential development within the Property. The decision of the Architectural Committee shall be final and binding. The Architectural 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.

6.08 Variance. The Architectural Committee may grant variances from compliance with any of the provisions of Article III of this Declaration when, in the opinion of the Architectural Committee, in its sole and absolute discretion, such variance will not impair or detract from high quality development of the Property, and such variance is justified due to unusual or 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 of the Architectural Committee. The granting of such variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Lots for any purpose except as to the particular property and in a particular instance 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.

6.09 Actions of the Architectural Committee. The Architectural Committee may, by resolution, unanimously adopted in writing, designate one or two 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 Committee. In the absence of such designation, the vote of a majority of all of the members of the Architectural Committee taken without a meeting shall constitute an act of the Architectural Committee.

6.10 No Waiver of Future Approvals. The approval or consent of the Architectural Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Architectural Committee 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.

6.11 Work in Progress. The Architectural Committee, at its option, may inspect all work in progress to insure compliance with approved Plans and Specifications.

6.12 Nonliability of Architectural Committee Members. Neither the Architectural 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 their being in any way connected with the performance of the Architectural Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct of the

Architectural Committee or its member or the Board or its member, as the case may be. Neither the Architectural Committee, nor the members thereof, shall be liable to any Owner due to the construction of any Improvement within the Property.

6.13 Failure to Act. If the Architectural Committee fails either to approve or reject an application for proposed work within thirty (30) days after submission of the Plans and Specifications, then Committee approval shall not be required, and the applicant shall be deemed to have fully complied with this Article.

6.14 Fees. The Architectural Committee shall have the right to require a reasonable submission fee for each set of Plans and Specifications submitted for its review.

6.15 Certificate of Compliance. Upon completion of any Improvement approved by the Architectural Committee and upon written request by the Owner of the Lot, the Architectural Committee shall issue a Certificate of Compliance in a form suitable for recordation. The Certificate shall identify the Lot and the Improvement, the use or uses to be conducted thereon, and the Plans and Specifications on file with the Architectural Committee pursuant to which the Improvements were made and shall specify that the Improvements comply with the approved Plans and Specifications. The Certificate shall not be construed to certify the acceptability, sufficiency, or approval by the Architectural Committee of the actual construction of the Improvements or of the workmanship or materials thereof. The Owner is hereby notified that the Certificate in no way warrants, except as set forth above, the sufficiency, acceptability, or approval by the Architectural Committee of the construction, workmanship, materials, or equipment of the Improvements. Preparation and recordation of such a Certificate shall be at the expense of the Owner of the improved Lot.

ARTICLE VII FUNDS AND ASSESSMENTS

7.01 Assessments.

(a) Regular Annual Assessments established by the Board pursuant to the provisions of this Article VII shall be levied on a uniform basis against each Lot within the Property. The amount of the Regular Annual Assessment shall be determined by dividing the total amount determined by the Board to be necessary pursuant to Section 7.03 and/or 7.04 hereof by the total number of Lots within the Property at the time the Assessment is levied, as determined by reference to the most current Plat of the Property which is of record at the time the Assessment is levied.

(b) Each unpaid Assessment, together with interest and costs of collection, as provided below, shall be the personal obligation of the Owner of the Lot against which the Assessment fell due, and shall become a valid lien against each such Lot and all its Improvements. The Association may enforce payment of such Assessments in accordance with the provisions of this Article.

7.02 Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association, and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

7.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Subdivision Restrictions, including but not limited to, the cost of all maintenance, the cost of providing street lighting, the cost of enforcing the Subdivision Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as provided herein, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including non payment of any individual Assessment, the Association may at any time, and from time to time, levy further Assessments in the same manner as provided above. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion. Until the conveyance of fifty percent (50%) of the Lots by Declarant to third parties, Declarant shall not be liable for the Assessments with respect to the Lots owned by Declarant, and instead shall pay to the Association an amount equal to all operational expenses of the Association, less the operational expenses portion of the Assessments as reflected in the budget adopted by the Board actually paid by the other Owners. The maximum regular annual Assessment permitted hereunder may be increased by the no more than the greater of (i) six percent (6%) per year compounded on an aggregate basis from 2009 until the year of the Assessment, or (ii) a percentage equal to the increase in the cost of living, as measured by the United States Department of Labor's Bureau of Labor Statistics, Consumer Price Index, Unadjusted, All Urban Consumers, All Items, All Cities (1982-84 = 100), or the successor of that index, from the Effective Date of this Declaration until January 1 of the year of the Assessment, unless a greater increase is approved by the affirmative vote of two-thirds (2/3) of each class of Members, voting in person or by proxy, at a meeting duly called for such purpose.

7.04 Special Assessments. In addition to the regular annual Assessments provided for above, the Board may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Subdivision Restrictions. The amount of any special Assessments shall be at the reasonable discretion of the Board. In no event shall the total special Assessment per lot during the year 2009 exceed the sum of \$900.00. Thereafter, the maximum special Assessment permitted hereunder may increase by no more than ten percent (10%) per year compounded on an aggregate basis from 2009 until the year of such special Assessment. In addition to the special Assessments authorized above, the Association may, in an assessment year, levy a special Assessment applicable to that assessment year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, provided that any such special Assessment shall have the assent of two-thirds (2/3) of the

votes for each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

7.05 Owner's Personal Obligation for Payment of Assessments. The regular and special Assessments provided for herein shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments; provided until the conveyance of fifty percent (50%) of the Lots by Declarant to third parties, the Declarant shall have no obligation for the payment of Assessments as provided in Section 7.03 above. In the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date thereof, together with all costs and expenses of collection, including reasonable attorneys' fees.

7.06 Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid, shall, together with interest as provided in Section 7.05, and the cost of collection, including reasonable attorneys' fees, are hereby secured by a continuing lien and charge on the Lot covered by such Assessment, which shall bind such Lot in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors, or assigns. Each Owner, by acceptance of a Lot shall be deemed to have consented to and granted such lien as of the date the Lot was acquired by such Owner. The lien shall be superior to all other liens and charges against the said Lot, except only for (i) tax liens, and (ii) a deed of trust or other mortgage instrument of record that secures sums borrowed for the acquisition or improvement of the Lot in question. The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association. To evidence the aforesaid Assessment lien, the Association may prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien, and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Hays County, Texas. Such lien for payment of Assessments shall attach with the priority set forth above from the date that such payment become delinquent and may be enforced by the foreclosure of the defaulting Owner's Lot by the Association in like manner as a mortgage on real property subsequent to the recording of a notice of Assessment lien as provided above, or the Association may institute suite against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorneys' fees incurred. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee, the Association shall report to said Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Board the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Assessments and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, both judicially and by non-judicial foreclosure pursuant to Texas Property Code § 51.002 (as same may be amended or revised from time to time

hereafter) and in addition to and in connection therewith, by acceptance of the deed to his Lot, expressly GRANTS, BARGAINS, SELLS AND CONVEYS to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Assessment, and other sums due hereunder remaining unpaid hereunder by such Owner from time to time. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and attested to by the Secretary of the Association and filed in the Office of the County Clerk of Hays County, Texas. In the event of the election by the Board to foreclose the liens herein provided for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such Lot in accordance with the requirements of Texas Property Code § 51.002 (as same may be amended or revised from time to time hereafter). At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorneys' fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice..

ARTICLE VII EASEMENTS

8.01 Reserved Easements. All dedications, limitation, restrictions, and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions, and related rights, made by Declarant prior to the Property becoming subject to this Declaration, are incorporated herein by reference and made part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed, or conveyance executed, or to be executed, by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner, or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas, water, cable television, electricity, telephone and drainage), in favor of any person or entity, along and on either or both sides of any Lot line, which said easement shall have a maximum width of 7.5 feet on each side of such Lot line.

8.02 Surface Areas. The surface of easement areas for utility services may be used for planting of shrubbery, trees, lawns, or flowers so long as the same do not unreasonably interfere with, or prevent the use of, such easement areas for purposes of utility services. However, neither the Declarant nor any supplier of any utility service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity

relating to the construction, maintenance, operation, or repair of any facility in any such easement area.

8.03 Common Area. Each Owner shall have an easement of use and enjoyment in and to all Common Area which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

(a) The right of the Association to suspend the Owner's voting rights and right to use the Common Area for any period during which any Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the Association Rules;

(b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a majority vote of the Members;

(c) The right of the Association to borrow money for the purpose of improving the Common Area and, in furtherance thereof, mortgage the Common Area, all in accordance with the Certificate and Bylaws;

(d) The right of the Association to make reasonable rules and regulations regarding the use of the Common Area and any facilities thereon; and

(e) The right of the Association to contract for services with third parties on such terms as the Association may determine.

ARTICLE IX MISCELLANEOUS

9.01 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 31, 2029, unless amended as herein provided. After December 31, 2029, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed and recorded prior to the expiration of each successive 10-year period by the Owners of at least three-fourths (3/4) of the Lots within the Property subject to this Declaration at the time of the execution of such instrument.

9.02 Amendment.

(a) By Declarant. This Declaration may be amended for the purpose of complying with any requirements of the City of Dripping Springs, Texas, Hays County, Texas, the Veterans Administration, the Federal Housing Administration, the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association by the Declarant acting alone at any time during the Declarant Majority Period. No such amendment shall be effective until there has been recorded in the Official Public Records of Hays County, Texas, an instrument executed and acknowledged by Declarant and setting forth the amendment, and an instrument executed and

acknowledged by the President and Secretary of the Board certifying that the Declarant had the requisite number of votes.

(b) By Owners. In addition to the method in Section 9.02 (a), this Declaration may be amended by the recording in the Official Public Records of Hays County, Texas, of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least seventy-five percent (75%) of the number of votes entitled to be cast pursuant to Section 5.03 hereof.

9.03 Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices; Such address may be changed from time to time by notice in writing given by such person to the Association. If no such notice has been given to the Association, then notice may be addressed to the address reflected in the tax records for Hays County, Texas.

9.04 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property and of promoting and effectuating the fundamental concepts of the Property set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

9.05 Exemption of Declarant. This Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Property.

9.06 Assignment by Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

9.07 Compliance with Provisions of Subdivision Restrictions. Each Owner shall comply strictly with the provisions of the Subdivision Restrictions as the same may be amended from time to time. Failure to comply with any of the Subdivision Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of the Association or by any aggrieved Owner.

9.08 Enforcement and Nonwaiver.

(a) Right of Enforcement. Except as otherwise provided herein, any Owner at his own expense, Declarant, and/or the Board shall have the right to enforce all of the provisions of

Subdivision Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision.

(b) Nonwaiver. The failure to enforce any provision of the Subdivision Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said restrictions.

9.09 Construction.

(a) Restrictions Severable. The provisions of the Subdivision Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.

(b) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

(c) Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections or articles hereof.

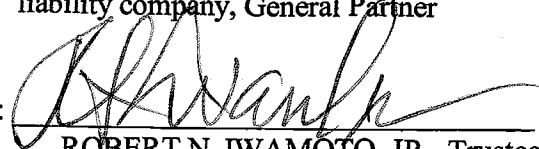
IN WITNESS WHEREOF, Declarant has executed this Declaration to be effective the date of Declarant's acknowledgement below.

RNI Onion Creek, LLC

By: RNI-NV LIMITED PARTNERSHIP,
a Nevada limited partnership,
Member

By: RNI NEVADA, LLC, a Nevada limited
liability company, General Partner

By:


ROBERT N. IWAMOTO, JR., Trustee of
The Robert N. Iwamoto, Jr. Trust dated
December 30, 1988

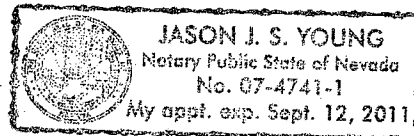
STATE OF NEVADA §
§
COUNTY OF CLARK §

This instrument was acknowledged before me on February 6, 2009, by Robert N. Iwamoto, in his capacity as Trustee of The Robert N. Iwamoto, Jr., Trust dated December 30, 1988, as the Member of RNI Nevada, LLC, a Nevada limited liability company, on behalf of said limited liability company as General Partner of RNI-NV Limited Partnership, a Nevada limited partnership, on behalf of said limited partnership, as the Member of RNI UNION CREEK, LLC, a Nevada limited liability company, on behalf of said limited liability company.


Notary Public, State of NEVADA

AFTER RECORDING, PLEASE RETURN TO:

**R. Alan Haywood
Graves Dougherty Hearon & Moody
P.O. Box 98
Austin, Texas 78767**



**** Electronically Filed Document ****

Hays County Texas
Liz Q. Gonzalez
County Clerk

Document Number: 2011-11020379
Recorded As : ELECTRONIC RECORDING

Recorded On: August 29, 2011
Recorded At: 12:15:07 pm
Number of Pages: 4
Book-VI/Pg: Bk-OPR VI-4179 Pg-768
Recording Fee: \$24.00

Parties:

Direct- CREEK AT DRIFTWOOD OWNERS ASS
Indirect-

Receipt Number: 283316
Processed By: Christina Rodriguez

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.



I hereby certify that this instrument was filed for record in my office on the date and
time stamped hereon and was recorded on the volume and page of the named records
of Hays County, Texas

Liz Q. Gonzalez

Liz Q. Gonzalez, County Clerk

**FIRST AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CREEK AT DRIFTWOOD**

THE STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF HAYS §

This First Amendment to the Declaration of Covenants, Conditions and Restrictions for Creek at Driftwood (this "**Amendment**"), is made to be effective as of the date set forth below by the members of the Creek at Driftwood Owners Association, Inc., a Texas non-profit corporation (the "**Association**").

RECITALS:

A. By that certain Declaration of Covenants, Conditions and Restrictions for Creek at Driftwood (the "**Declaration**") dated February 6, 2009, recorded in Volume 3589, Page 166 of the Real Property Records of Hays County, Texas, RNI Onion Creek, LLC, a Nevada limited liability company (the "**Declarant**") imposed certain development covenants, conditions and restrictions on certain real property more particularly described therein and locally known as the Creek at Driftwood.

B. Section 9.02(b) of the Declaration provides the Declaration may be amended by the recording in the Official Public Records of Hays County, Texas, of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least seventy-five percent (75%) of the number of votes of the Association pursuant to the Declaration.

C. At the annual special meeting of the members of the Association, which was held on July 7, 2011, the Owners entitled to cast at least seventy-five percent (75%) of the votes of the Association voted to amend Section 3.09 of the Declaration regarding building materials.

NOW, THEREFORE, we, Scott Iwamoto and Chad Iwamoto, as President and Secretary, respectively, of the Creek at Driftwood Owners Association, Inc., do hereby certify that the Owners entitled to cast at least seventy-five percent (75%) of the votes of the Association approved the Declaration be amended as follows:

Section 3.09 of the Declaration is hereby deleted in its entirety and replaced with the following:

3.09 Building Materials. All residences and outbuildings shall be built with sixty percent (60%) of its exterior covered by stone, brick or stucco. In computing such percentage, all windows and door openings shall be excluded from the total area of the exterior walls. No Masonite or any similar building material or any concrete or cement type brick exterior shall be permitted on any structure on any Lot unless as approved by the Architectural Committee. No geodesic structures are permitted on any Lot.

In accordance with the provisions of Section 9.02(b) of the Declaration, this Amendment has been executed by the undersigned to evidence the amendment of the Declaration as set forth herein.

Except as expressly amended hereby, the Declaration shall continue in full force and effect.

EXECUTED by the undersigned on the dates set forth below our respective signatures to be effective the date this Amendment is recorded in the Official Public Records of Hays County, Texas.

CREEK AT DRIFTWOOD OWNERS
ASSOCIATION, INC.

By: 

Scott Iwamoto, President

By: 

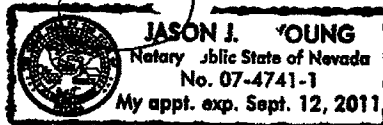
Chad Iwamoto, Secretary

THE STATE OF Nevada §

COUNTY OF Clark §

This instrument was acknowledged before me on the 18 day of August, 2011, by Scott Iwamoto, as President of CREEK AT DRIFTWOOD OWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.

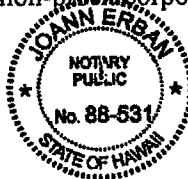

NOTARY PUBLIC, State of Nevada

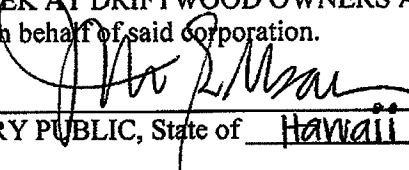


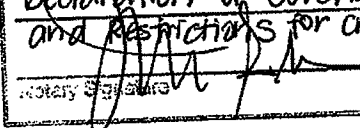
THE STATE OF Hawaii §

COUNTY OF Honolulu §

This instrument was acknowledged before me on the 12th day of August, 2011, by Chad Iwamoto, as Secretary of CREEK AT DRIFTWOOD OWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.




NOTARY PUBLIC, State of Hawaii

Document Date:	<u>Undated</u>	# Pages:	<u>3</u>
Notary Name:	JOANN ERBAN		
Doc. Description:	<u>First Amendment to the Declaration of covenants, Conditions and Restrictions for creek at Driftwood.</u>		
Notary Signature:			
Date:	<u>8.12.11</u>		

