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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GILLESPIE §

THAT, COOL WATER RANCH, LTD., a Texas Limited Partnership ("Declarant"), being the owner of that certain subdivision known as COOL WATER RANCH (hereinafter referred to as the "Subdivision"), according to the plat of said subdivision as recorded in Volume 4, Pages 4 and 5 of the Plat Records of Gillespie County, Texas, and, as such, desiring to create and carry out a uniform plan for the improvement, development, and sale of the subdivided Tracts situated within the Subdivision, does hereby adopt and establish the following easements, restrictions, covenants and conditions ("Protective Covenants") to run with the land and to apply in the use, occupancy, and conveyance of the aforesaid described subdivided Tracts therein, which easements, restrictions, covenants and conditions shall be binding on all parties having a right, title or interest in or to the above described Subdivision or any part thereof, and their heirs, successors and assigns, and which easements, restrictions, covenants and conditions shall inure to the benefit of each owner thereof; and each contract or deed which may be executed with regard to any of such property shall be conclusively held to have been executed, delivered and accepted, subject to the following restrictions and covenants:

ARTICLE I.

DEFINITIONS

"Association" shall mean and refer to The Cool Water Ranch Owners' Association, Inc. (a Texas non-profit corporation), its successors and assigns.

"Common Area" shall mean all real property (including the Improvements thereto) leased, owned or maintained by the Association for the common use and enjoyment of the Owners. By way of illustration, Common Area may include, but not necessarily be limited to, the following: street medians, entryway Improvements, landscaping, lighting, entrance signs, walls, bridges, and other similar or appurtenant improvements. The term "Common Area" shall also include all Roadways (as defined in Article III) until such time as such Roadways are accepted and included in Gillespie County's road system.

"Declarant" shall mean and refer to COOL WATER RANCH, LTD., its successors and assigns, if such successors or assigns should acquire all of the undeveloped and unsold lots or acreage from the Declarant for the purpose of development.

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

"Single Family Dwelling" shall mean and refer to any Improvement on a Tract which is designed and intended for use and occupancy as a residence by one individual, by a single

family, or by individuals related by blood, marriage or adoption, who are maintaining a common household.

"Improvement" or "Improvements" shall mean or refer to all structures or other improvements to any portion of the Property, whether above or below grade, including, but not limited to, buildings, barns, carports, fences, pens, walls, well houses, entryways, gates, exterior lighting, mailboxes, flag poles, recreation areas, utility installations (including, without limitation, water, telephone, electric, satellite, propane gas tanks and systems, and septic tanks and systems), driveways, and any exterior additions, including any changes or alterations thereto.

"Member" shall mean and refer to an Owner who is a member of the Association as provided for below.

"Owner" shall mean and refer to the record owner (including Declarant), whether one or more persons or entities, of a fee simple title to any Tract, including contract Sellers, but excluding those having such interest merely as security for the performance of an obligation.

"Plat" shall mean and refer to the map or plat of the Subdivision recorded in Volume 4, Pages 4 and 5 of the Plat Records of Gillespie County, Texas, as such plat may be modified and amended from time to time.

"Property" or "Subdivision" shall mean and refer to that certain real property hereinbefore described as the "Subdivision" and more particularly described as Cool Water Ranch, according to the Plat, and any additional property that may be made subject to this Declaration pursuant to Article II hereof.

"Tract" shall mean and refer to any plot of land shown upon the Plat, with the exception of any plot designated on the Plat as a Common Area.

ARTICLE II.

ADDITION OF LAND

Section 1. Addition of Land. Declarant hereby reserves to itself and shall hereafter have the right, but not the obligation at any time and from time to time, in its sole and absolute discretion, and without notice to or the approval of any party or person whomsoever or whatsoever, to impose this Declaration or a substantially similar Declaration upon additional property adjacent, contiguous or nearby to the Property. Declarant may, at any time and from time to time, add any other lands to the Property, and upon such addition, this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall apply to the added land, and the rights, privileges, duties and liabilities of the persons subject to the Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration, unless such supplemental Declaration shall provide for changes to the Declaration to deal with the unique character of Declarant's overall development plans for the added property. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Official Public Records of Gillespie County, Texas, a notice of addition of land

(in the form of a Supplemental Declaration) containing the following provisions:

(a) A reference to this Declaration, which reference shall state the book and page numbers of the Official Public Records wherein this Declaration is recorded;

(b) A statement that the provisions of this Declaration shall apply to the added land;

(c) A legal description of the added land; and

(d) Any covenants, conditions, or restrictions that are different or unique to the added land.

ARTICLE III.

DEDICATION OF ROADWAY/RESERVATION OF RIGHTS

Section 1. Dedication of Roadways. Declarant will construct the roads shown on the Plat (the "Roadways"). Developer does hereby dedicate the Roadways for the use of the public. Until such time as the Roadways are accepted and included in Gillespie County's road system, Declarant hereby dedicates the Roadways for the common use of all Owners, and does hereby grant to all such Owners, their heirs, successors and assigns, and their agents, licensees, guests, tenants, invitees and permittees, the free nonexclusive and uninterrupted use, liberty, privilege and easement of passage in and along the Roadways, together with free ingress, egress and regress, over and across the same, at all times and seasons forever, in, along, upon and out of said way (the "Roadway Easement"). The right to use and enjoy the Roadway Easement shall exist in favor of and shall inure to the benefit of the Owners, and each of them, and each of their respective heirs, successors and assigns, and their respective agents, licensees, tenants, guests, invitees and permittees in common with each other, the Declarant, the Declarant's successors and assigns, and their respective agents, licensees, tenants, guests, invitees and permittees. The Roadway Easement shall further be deemed an easement appurtenant to the Property, and each and every portion thereof. The right of ingress and egress provided by the Roadway Easement may be exercised by any reasonable means, whether now in existence or known or whether by a means which may come into existence in the future, and regardless of any increased burden which may result from such use.

Section 2. Reservation of Right to Construct Improvements. Until Turnover (as hereinafter defined), Declarant and/or the Association shall have the exclusive right to construct Improvements in the Common Areas. From and after Turnover, the Association, and the Association's successors and assigns, shall have the exclusive right to construct Improvements in the Common Areas.

Section 3. Maintenance of Common Areas. The Association shall have the exclusive right to repair, replace and maintain the Common Areas.

ARTICLE IV.

EASEMENTS – UTILITY AND DRAINAGE

Section 1. Reservation of Utility Easements. Declarant reserves unto Declarant's, Gillespie County, and any public or private providers of utility services to the Subdivision, and their respective successor and/or assigns, perpetual easements (the "Utility Easements") for the installation and maintenance of utilities and all necessary appurtenances thereto, whether installed in the air, upon the surface or underground, along and within, (i) all Roadways, (ii) ten (10) feet along and outside of all boundaries of the Roadways, (iii) ten (10) feet of the rear, front and side boundary lines of all Tracts, and (iv) twenty (20) feet along the entire perimeter boundary of the Subdivision; with the authority to place, construct, operate, maintain, relocate and replace utility lines, systems and equipment thereon. The Utility Easements include the right of anchoring any support cables or other devices outside such easement areas when deemed necessary to support equipment. Nothing shall be placed or permitted to remain within the easement areas which may damage or interfere with the installation and maintenance of utilities. The easement areas within each Tract and all Improvements within it shall be maintained by the Owner of the Tract, except as otherwise provided in this Declaration and except for those Improvements for which an authority or utility provider is responsible. Utility providers shall have all of the rights and benefits necessary and convenient for the full enjoyment of the rights herein granted, including, but not limited to the free right to ingress to, and egress from, easement areas, and the right from time to time to cut and trim all trees, undergrowth and other obstructions that may injure, endanger or interfere with the installation, operation or maintenance of utilities. Declarant shall have the right, without the necessity of joinder by any Owner, or the Association to execute and deliver any and all instruments that may be required by any provider of such utilities in order to grant or assign such provider the right to utilize the easement reserved hereby to provide such utilities.

Section 2. Easements Shown on Plat. All dedications, limitations, 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 a 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.

Section 3. Access Easements. Declarant hereby reserves for itself and its successors and assigns, and the Association is hereby granted, a non-exclusive right of access to and easement across all Tracts for purposes of exercising their respective rights or performing their respective duties under these Declarations (including, without limitation, any rights or duties of maintenance or repair).

Section 4. Drainage Easements. Easements for drainage ("Drainage Easements") throughout the Subdivision are reserved as shown on the aforementioned recorded plats, and are reserved along and within the Roadways. The Drainage Easements are reserved by Declarant, for Declarant and Declarant's successors and assigns. Declarant reserves the right: (i) to

construct drainage channels and install culverts along and within the Drainage Easements, and (ii) to construct water retention berms (the "Water Retention Berms") to be situated within the Drainage Easements. Declarant shall have all of the rights and benefits necessary and convenient for the full enjoyment of the rights herein granted, including, but not limited to the free right of entry onto all Tracts for the purpose of construction and installation of any drainage channel, culverts and Water Retention Berms, and the right to cut and trim all trees, undergrowth and other obstructions that may interfere with the construction or installation of any drainage channels, culverts and Water Retention Berms. No owner of any Tract in the Subdivision may perform or cause to be performed any act which would alter or change the course of such drainage easements in a manner that would divert, increase, accelerate or impede the natural flow of water over and across such easements. More specifically, and without limitation, no owner may:

(1) alter, change or modify the existing natural vegetation of the drainage easements in a manner that changes the character of the original environment of such easements;

(2) alter, change or modify the existing configuration of the drainage easements, or fill, excavate or terrace such easements or remove trees or other vegetation therefrom without the prior written approval of the Association;

(3) construct, erect or install a fence or other structure of any type or nature within or upon drainage easements which will impede the natural flow of water over said easement.

(4) permit storage, either temporary or permanent, of any type upon or within such drainage easements; or

(5) place, store or permit to accumulate trash, garbage, leaves, limbs or other debris within or upon the drainage easements, either on a temporary or permanent basis.

After the initial construction of any drainage channels, culverts and Water Retention Berms by Declarant, the Association shall have the right to, and shall be responsible for, the maintenance and repair of such drainage channels, culverts and Water Retention Berms to the extent required in order to cause them to adequately perform the drainage and water retention function for which they were initially constructed; provided that the Owner of a Tract on which a Drainage Easement, drainage channel, culvert and/or Water Retention Berm is situated shall be responsible for the normal, day-to-day maintenance of such areas on such Owner's Tract (including, without limitation, mowing such areas, and keeping such areas free from trash, garbage, leaves, limbs and other debris), and for any maintenance or repairs caused by any violation by such Owner of the restrictions provided for in these Declarations. The failure of any owner to comply with the provisions of this Section 4 shall in no event be deemed or construed to impose liability of any nature on the Association and/or Declarant, and such Association and/or Declarant shall not be charged with any affirmative duty to police, control or enforce such provisions. The drainage easements provided for in this provision shall in no way affect any other recorded easement in

the Subdivision.

Section 5. No Liability for Damage to Improvements. Declarant shall not be liable to any Owner for any damage to any vegetation (including, without limitation, shrubbery, trees, lawns or flowers) or other Improvements situated within such easement area, as a result of any activity relating to the construction, maintenance, operation, or repair of any utility lines or facilities in any such easement area. A provider of utility services shall not be liable to any Owner for any damage to any vegetation (including, without limitation, shrubbery, trees, lawns or flowers) or other Improvements situated within such easement area, as a result of any activity relating to the construction, maintenance, operation, or repair of any utility lines or facilities in any such easement area, except to the extent liability or obligation to repair any such damage arises out of this Declaration, or any State, County, or Municipal statutes, ordinances, rules or regulations, or the custom and practice of such utility provider. Prior to the construction of any utilities on a developed lot ("developed lot" shall mean any Tract which has a Single Family Dwelling constructed thereon), Declarant and the Association reserves the right to require that the utility provider pay the cost of repairing and restoring the easement area to the same condition as it was prior to construction.

Section 6. Changes. Additions, and Reservations. Declarant reserves the right to make changes in and additions to the easements described in this Article IV for the purpose of more efficiently and economically installing any Improvements. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, (i) to grant, dedicate, reserve or otherwise create easements for utility purposes, (including, without limitation, water, sewer, gas, electricity, telephone, cable television, and drainage) in favor of any person or entity furnishing or to furnish utility services to the Property, but only to the extent reasonably necessary and appropriate, and (ii) to execute and deliver any and all instruments and documents in connection therewith, including, without limitation, any and all instruments and documents that may be required by any provider of such utilities.

ARTICLE V.

COMMON AREAS

Other than the Roadways (until such Roadways are accepted and included in Gillespie County's road system), the medians, and the entryway to the Subdivision, and any Improvements in connection therewith, there are no Common Areas planned to be developed within the Subdivision.

ARTICLE VI.

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Tract, subject to the following provisions:

(a) the right of the Association to charge fees for the repair and maintenance of the

Common Areas, collect all dues, fines, assessments, reimbursements, and/or other fees or charges of any sort provided for in this Declaration, and enforce collection of any such dues, fines, assessments, reimbursements, and/or other fees or charges in accordance with any and all terms, conditions or rights set forth in this Declaration;

(b) the right of the Association to suspend the voting rights of an Owner for any period of time during which any assessment against his Tract remains unpaid, or for any period of time during which such Owner is delinquent in the payment of any dues, fines, assessments, reimbursements, and/or other fees or charges due the Association hereunder;

(c) the right of the Association to suspend the voting rights of any Owner during any period of time in which an infraction of any of the rules and regulations set forth in this Declaration, or adopted by the Association, has taken place, and to uphold such suspension for up to 60 days after said Owner's cure;

(d) the right of the Association (i) to enforce any and all rules and regulations which are a part of this Declaration or which are adopted by the Association pursuant to the authority granted to the Association by these Declarations, and (ii) to make and adopt rules and regulations regarding participation in Association activities or the use of the Common Areas, or otherwise related to its purpose; and

ARTICLE VII.

PROPERTY OWNER'S ASSOCIATION AND COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Membership and Voting. Declarant shall take all steps necessary to create the Association, to which Association the Declarant may assign or delegate on a permanent or temporary basis one or more of the rights, powers, obligations and duties of the Declarant under this Declaration. Every Owner of a Tract within the Property shall be a member of the Association.

The Association shall have two classes of voting membership.

Class A: Class A Members shall be all Owners of Tracts, with the exception of the Declarant, and shall be entitled to one (1) vote for each Tract owned. When more than one person owns an interest in any Tract, all such persons shall be members. The vote for such Tract shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any one Tract hereunder.

Class B: Class B Members shall be the Declarant. Declarant shall be entitled to three (3) votes for each Tract owned. Once a Tract is sold to a person or persons who would be classified as Class A Members, the three (3) votes attached to that Tract shall be extinguished.

When more than one person owns an interest in any Tract, in order for the vote attributable to such Tract to be valid, the Owners of such Tract (or their representatives) shall deliver to the Board of Directors such instruments and documents (including, without limitation, resolutions, authorizations, approvals, and certifications) as the Board of the Directors may reasonably request to confirm that such vote was authorized; such instruments and documents to be delivered prior to the taking of the vote of the members. If such instruments and documents are not delivered, or if the Board of Directors determines, in its sole discretion, that such vote was not properly authorized, the vote submitted for such Tract shall be deemed to be an abstention.

Section 2. Turnover.

(a) At any time after commencement of operations of the Association, at Declarant's sole discretion, the Owners may be required to take over the management of the Association and relieve Declarant of all duties associated therewith (for purposes of this Declaration, the transfer of management of the Association by Declarant to the Owners is hereinafter referred to as "Turnover"). Upon such Turnover by the Declarant, the Owners will be required to choose their own Board of Directors to represent them and to manage the Association in accordance with the terms and conditions of this Declaration and to establish any and all bylaws, procedures and other management devices by which the Association shall operate. Prior to the date such Turnover occurs, a Director need not be a member of the Association. From and after such date, a Director shall be a member of the Association.

(b) Notwithstanding anything to the contrary, until such Turnover has taken place, the management of the Association shall be by Declarant and its staff, and any expenses incurred in such management shall be reimbursed to Declarant by the Association. Said reimbursable expenses shall include the cost of Declarant's staff for the time spent in the management of the Association.

(c) Declarant shall give the Owners written notice of the Turnover (the "Turnover Notice") at least thirty (30) days prior to the effective date of such Turnover. The Turnover Notice shall state the effective date of the Turnover (the "Turnover Date"). In addition, the Turnover Notice shall state the place, date and hour of a special meeting of the Owners called for the purpose of the election of a new Board of Directors as of the Turnover Date, and shall constitute a call and notice of such special meeting. In the event the Owners fail to elect a new Board of Directors by the Turnover Date, the Declarant may (but shall not be obligated to) appoint three (3) or more Owners to serve as an interim Board of Directors until such time as the Owners elect a new Board of Directors. Turnover of the Association shall occur on the Turnover Date specified in the Turnover Notice, whether or not a new Board of Directors is elected by the Owners by the Turnover Date, and whether or not an interim Board of Directors is appointed by the Declarant.

(d) The Association shall at all times from and after Turnover indemnify and hold Declarant, its officers and partners, harmless from and against any and all liability, claims or damages of every kind, arising out of the operation of the Association (whether before or after such Turnover), or the development and operation of the Subdivision (whether before or after such Turnover), including, without limitation, the Common Areas. Additionally, Declarant, its

officers and partners, shall not be held liable in any way in its role in enforcing or failing to enforce any of the covenants, conditions, restrictions and other terms of this Declaration, in protecting its rights or in carrying out any of its duties or obligations. The indemnification by the Association of the Declarant shall include the Association's payment of any and all expenses incurred by Declarant, its officers or partners, including the payment of any and all legal expenses, court costs, and all other costs associated with the protection and/or defense of Declarant, its officers and partners, in any legal actions or proceedings or any other action of any kind.

(e) Upon written request made by Declarant to the Association, which request may be made at any time after the date hereof, the Association shall obtain and maintain in effect at all times, at the Association's expense, Commercial General Liability Insurance with limits of liability reasonably acceptable to Declarant, but not less than $1,000,000.00 per occurrence and $2,000,000.00 aggregate single limit; such insurance (i) to include coverage insuring against liability arising out of or related to the operation of the Association, and the development, operation and maintenance of the Subdivision, including, without limitation, the Common Areas, (ii) to name Declarant as an additional insured, and (iii) to be issued by an insurance company reasonably acceptable to Declarant. The Association shall, not later than ten (10) days after the date of Declarant's request for such liability coverage, provide Declarant with a certificate of insurance providing for the insurance coverage required hereby. The Association shall not cancel any insurance policy obtained in accordance herewith without giving Declarant at least thirty (30) days prior written notice. The Association shall maintain such liability insurance until the later of (a) the date all of the Common Areas are turned over to the Association, (b) the date management of the Association has been turned over to the Owners, or (c) the date Declarant no longer owns any interest in any part of the Subdivision.

Section 3. Personal Obligation and Lien Rights Associated with Collection of Dues and Assessments.

(a) Each Owner, by acceptance of a deed, whether or not it shall be so expressed in such deed, is deemed to agree to pay to the Association regular annual assessments and all other Association dues, fees, fines, assessments or charges of any kind, including special assessments, which may be established and collected as hereinafter provided.

(b) 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 property 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 property at the time the assessment fell due. The personal obligation for delinquent assessments shall pass to any successors or assigns in title.

Section 4. Purpose of Assessments. The assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents and/or Owners of the Property, for the improvement and maintenance of the Common Areas, for the enforcement of the covenants, conditions and restrictions contained in this Declaration, and for the general and administrative expenses of the Association. These expenses may include, but shall not necessarily be limited to, payment of taxes and insurance, construction, repair or replacement of

Common Areas and Improvements thereon, cost of trash and debris clean-up, street and lot cleaning, cost of professional or other outside services, and labor, equipment, materials, outside management and supervision necessary to carry out its authorized functions. Additionally, any other expenses which, in Declarant's or Association's sole discretion, are deemed necessary to uphold the Subdivision's property values and/or are for the overall betterment of the Subdivision and its appearance, shall be the responsibility of the Association and shall be paid out of assessments.

Section 5. Initial Annual Assessment. Until adjusted in accordance herewith, the maximum annual assessments shall be as follows:

- Class A Members: $200.00 per individual Tract owned; and

- Class B Members: $200.00 per individual Tract owned.

(a) From and after January 1 of the calendar year immediately following the first conveyance of a Tract to an Owner, the maximum Class A annual assessment (a) may be increased each year by the Board of Directors not more than 15% above the maximum assessment for the previous year without a vote of membership and (b) may be increased each year by more than 15% above the maximum assessment for the previous year if such increase is approved by the Board of Directors and by a vote of more than two thirds (2/3) of the votes that may be cast by the members represented in person or by proxy at a meeting duly called for such purpose.

(b) The Board of Directors may fix the Class A annual assessment at an amount not in excess of the maximum Class A annual assessment, as such maximum Class A annual assessment may be increased from time to time as provided for above.

(c) In no event will the maximum Class B annual assessments stated above be altered or adjusted.

Section 6. Special Assessments. In addition to the annual assessments authorized above, the Board of Directors of the Association may levy special assessments from time to time for the purpose of defraying the cost of any construction, reconstruction, repair or replacement of any capital improvements upon or which are a part of the Common Areas, the cost of acquisition, repair or replacement of any fixtures and personal property used by or benefiting the Association or the Subdivision, and/or for carrying out any other purposes of the Association as stated herein or in the Association's organizational documents, as they may be amended from time to time. In order for the Board of Directors of the Association to levy a special assessment in accordance herewith, such special assessment must be approved by a vote of more than two thirds (2/3) of the votes that may be cast by the members represented in person or by proxy at a meeting duly called for such purpose.

Section 7. Notice and Quorum for any Action Authorized Under Sections 5 and 6. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5 or

6 above shall be sent to all members not less than 20 days nor more than 90 days in advance of any meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all the votes of the membership of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called by the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 90 days following the preceding meeting.

Section 8. Uniform Rate of Assessment. Any and all dues of the Association or special assessments must be fixed at a uniform rate for all Tracts owned by Class A Members, and a uniform rate for all Tracts owned by Class B Members, and may be collected on a monthly or quarterly basis in lieu of annually. This decision may be made by Declarant until "Turnover" occurs, and thereafter may be made by the Board of Directors.

Section 9. Date of Commencement of Annual Assessments. The annual assessment period shall be a calendar year. Annual assessments shall not commence until January 1, 2007 (the "Assessment Commencement Date"). With respect to the initial sale of a Tract occurring after the Assessment Commencement Date, the buyer may be assessed at the closing of such sale for a prorated amount of the annual assessment attributable to such Tract as if such Tract had been assessed at the Class A annual assessment rate at all times during such annual assessment period, such prorated amount to be determined based upon the number of days remaining in such annual assessment period after such closing. The Board of Directors shall fix the amount of the annual assessment against each Tract at least ten (10) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto.

Section 10. Assessment Due Date. All assessments (whether annual or special) shall be due and payable in advance upon receipt of the bill for such assessment sent by the Association.

Section 11. Certification Regarding Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Tract have been paid. A properly executed certificate of the Association as to the status of assessments on a Tract is binding upon the Association as of the date of its issuance.

Section 12. Reimbursement of Declarant. Notwithstanding any other terms or conditions set forth in this Declaration, any expenses which are incurred by Declarant prior to the establishment of the Association, or prior to sufficient income being received from assessment billings, and which would normally be the responsibility of the Association, shall be reimbursed to Declarant from proceeds of the Association as funds become available from dues and assessments, but in any case not later than one (1) year after the date the expense was incurred.

Section 13. Effect of Nonpayment of Assessments: Remedies of the Association. The Association may charge a one time late fee of $50.00 if any assessment is not paid within thirty (30) days after the date it is due. In addition, any assessment not paid within thirty (30) days after the date it is due shall bear interest from the due date at a rate equal to the lesser of (a) twelve percent (12%) per annum, or (b) the highest legal rate permitted by law to be charged the non-paying Owner. The Association may bring an action at law against the Owner personally

obligated to pay the same, may foreclose the Association's lien again such Owners' Tract, and/or exercise any and all other rights and remedies it may have hereunder, or under Texas law, to enforce an Owner's obligations hereunder. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Tract.

Section 14. Subordination of the Lien to Mortgage. The Association's lien to secure payment of the assessments provided for herein shall be subordinate to mortgage, deed of trust, or home equity liens of record. The sale or transfer of any Tract shall not affect the assessment lien. No sale or transfer shall relieve such Tract from liability for any assessments thereafter becoming due or from the lien thereof.

Section 15. Exempt Property. All Common Areas and other portions of the Property, if any, which are dedicated to public authorities, shall be exempt from assessment.

ARTICLE VIII.

RESTRICTIVE COVENANTS

The Declarant hereby declares that the Property shall henceforth be owned, held, transferred, sold and conveyed subject to the following covenants, conditions and restrictions which are intended for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding on Declarant and all Owners, and their respective heirs, successors and assigns, and which shall inure to the benefit of Declarant and each Owner of any part of the Property, and their respective heirs, successors and assigns. THE FOLLOWING RESTRICTIVE COVENANTS SHALL APPLY TO ALL TRACTS UNLESS EXPRESSLY PROVIDED OTHERWISE IN A PARTICULAR RESTRICTIVE COVENANT.

Section 1. General Restrictions

(1) Signs. No signs of any kind shall be displayed to the public view on any Tract (or in the right of way of any Roadway adjacent to the Tract) except one sign, commercially attractive, of not more than six (6) square feet advertising the Tract for sale or rent. However, during the construction period of a Single Family Dwelling on a Tract, a builder may have one sign of up to sixteen (16) square feet advertising their particular homes and/or services, and may identify the architect who designed the Single Family Dwelling and may include a lender's name providing construction financing. Declarant, or its agent, shall have the right to remove any sign not complying with the provisions of this subsection, and in so doing shall not be liable for any tort arising from such removal. Declarant may erect signs of any size in order to advertise the Subdivision and the availability of Tracts for sale in the Subdivision, as long as Declarant owns any Tracts.

(2) Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property or to its occupants, provided, timber and vegetation which has been removed in the

clearing of a Tract, may accumulate until appropriate conditions exist to burn the debris onsite. Refuse, garbage and trash shall be kept at all times in covered containers to the rear of the Single Family Dwelling and such containers shall be kept within enclosed structures or appropriately screened from view by the public, and contents thereof disposed of regularly.

(3) Noise. No exterior speakers, horns, whistles, bells or other sound devices (other than speakers for porches or patios, and other than alarm 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.

(4) Repair of Buildings. All Improvements erected or constructed upon a Tract subsequent to the execution of this Declaration shall at all times be kept in good, safe, attractive condition and repair and adequately painted or otherwise maintained by the Owner of such Tract.

(5) Hazardous Activities. No activities shall be conduced on a Tract and no Improvements shall be constructed on a Tract which are or might be unsafe or hazardous to any person or property.

(6) 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. No tank for the storage of oil, gasoline, or other hazardous products may be maintained on any Tract.

(7) Unsightly Articles: Vehicles. No unsightly article shall be permitted to remain on any Tract so as to be visible from adjoining Property or public streets. Without limiting the generality of the foregoing, trailers, trucks (other than pickups not to exceed one ton capacity), boats, tractors, vans, recreational vehicles and other vehicles used or designed for use as commercial vehicles, campers, wagons, buses, motorcycles and similar two (2) and four (4) wheel motorized vehicles, motor scooters, golf carts, 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 forgoing, or on any automobile (other than minor emergence repairs), except in fully enclosed garages or other structures, screened from public view. No commercial vehicle owned by an Owner or any resident within the Property shall be parked on the driveway or street within the Subdivision. Each Single Family Dwelling constructed within the Property shall have sufficient garage space, or screened area to the rear of such Single Family Dwelling to house all other vehicles to be kept on the Tract.

(8) Mobile Homes. Travel Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any Tract at any time, and no travel trailers or recreational vehicles owned by anyone other than the Owner or resident of the Tract, shall be parked on or near any Tract so as to be visible from adjoining Tracts or public streets for more than forty-eight (48) hours.

(9) Animals. No domestic household pet or domestic livestock shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Tract of its Owner unless confined to a leash. The household within each Tract shall not keep more than two (2) dogs and two (2) cats at any one time. No

domestic pet may be caged or boarded for hire or remuneration on the Property and no kennels or breeding operations of domestic pets will be allowed. No domestic household pet shall be allowed to run at large and domestic pets and domestic livestock shall be kept within enclosed areas on a Tract which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed area shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof. Enclosures for domestic pets shall be screened so as not to be visible from the front side of the Tract at street level. Dog runs shall not be visible from any portions of the Property at street level. No vicious or dangerous animals shall be allowed on the Property.

(10) Livestock. Domestic livestock shall be permitted provided not more than one animal unit, as defined by rules of the Gillespie Central Appraisal District, shall be permitted for each 5 acres owned by an Owner.

(11) Temporary Structures. No structure of a temporary character such as a trailer, mobile home, manufactured home, tent, shack, garage, barn or other outbuilding shall be used on any Tract at any time as a residence, either temporarily or permanently. No Single Family Dwelling previously constructed elsewhere may be moved on any Tract in the Subdivision. This covenant prohibits the use of a mobile home or manufactured home as a residence, either temporarily or permanently. A portable building or enclosed trailer may be permitted for use as a builder's storage facility during construction of a Single Family Dwelling on a Tract (subject to approval of the Declarant); however, any such building or structure shall be removed immediately upon completion of construction.

(12) Construction Materials and Debris. No building material of any kind shall be placed or stored upon a Tract until the Owner thereof is ready to commence construction of Improvements. All building materials shall be placed within the property lines of the Tract upon which the Improvements are erected and shall not be placed on the street. During construction of a Single Family Dwelling or other Improvements, a Tract must be cleaned of trash and debris and placed in an orderly condition by 7:00 P.M. each Friday. At all times during construction, all trash and debris shall be contained in a small defined area which shall be maintained in a sanitary and orderly manner and disposed of as hereinabove provided.

(13) Nuisances. No noxious, offensive or dangerous activity shall be carried on upon any Tract, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. This includes builders and construction workers working after daylight hours. No Owner shall do any act or any work that will impair any easement or hereditaments, or do any act or allow any condition to exist which will adversely affect the other Tracts or their Owners.

(14) Firearms, Projectiles, and Weapons. The discharge of any firearm, including BB guns and pellet guns, within the Subdivision is prohibited, provided discharge of firearms to eradicate varmints and snakes which are destroying property or pose a potential threat of harm or injury to persons, is permitted. Hunting of game animals protected by State or Federal statutes or regulations is prohibited.

(15) Rentals. Nothing in this Declaration shall prevent the rental of any Tract and the

Improvements thereon by the Owner thereof for single family residential purposes; provided however, all lessees shall be and are hereby bound to comply fully with the terms, covenants and restrictions of this Declaration. During any period when a Tract or Improvements are rented or leased, the Owner of the Tract shall remain liable for complying with all terms of the Declaration. No Single Family Dwelling or Improvement may be rented or leased for any single period of less than one (1) month. No "time-share plan" or any similar plan of fragmented or interval ownership of said Single Family Dwelling shall be permitted on the Property.

(16) Trees. Preservation and maintenance of the deciduous trees within the Subdivision is strongly encouraged. Prudence, care, and discretion should be used in the positioning of all Improvements in order to preserve as many deciduous trees as possible within the Subdivision. Replacement of deciduous trees that are removed or die is encouraged. All precautions shall be taken in connection with the pruning and trimming of deciduous trees, in order to prevent the spread of oak wilt and oak decline within the Subdivision. Such precautions shall include, but not be limited to minimal trimming and pruning of oak trees, trimming and pruning of oak trees during dormant months only (normally January, February and August), and painting all fresh cuts with appropriate dressing or paint. Diseased and dead trees may be cut and removed at anytime.

(17) Entry. Entry or exit into or upon a Tract off of Sultemeier Moellering Road is prohibited.

Section 2. Residential Restrictions

(1) Single Family Residential Use. All Tracts shall be improved and used principally for single family residential purposes. Except the use of a room within a Single Family Dwelling as an in-home office or in an office studio, which office use is secondary to the residential use of the Tract, no business, commercial, industrial, trade, professional or other nonresidential activity or use of any nature, type, kind or description shall be conducted upon a Tract or from any Single Family Dwelling or within any Improvement located or constructed on any Tract. No signs of any type advertising or describing in any way the in-home office use or business is permitted to be placed anywhere on a Tract or within or upon the Single Family Dwelling or any other Improvement on a Tract. The activities or business conducted at the in-home office or office studio shall not be such as to generate traffic by customers, vendors or the like through the Subdivision or to a Single Family Dwelling or other Improvements on a Tract.

Notwithstanding the above, a Tract may be used for growing and processing of various agricultural products and commodities for commercial purposes, including, by way of illustration (but not limitation), vineyards, orchards (including, fruits and nuts), farming operations (including vegetable farming), and cropland operations (including, small grain crops, sorghum hay, improved pasture hay, and row crop); provided that, (i) such use does not significantly increase traffic flow to and from any Tract, and (ii) no Tract shall be open to the public for the harvesting and/or purchasing of any such agricultural products and commodities.

(2) Construction in Place. All Improvements constructed on the Property shall be built in place on the Tract and the use of prefabricated buildings are prohibited, provided a prefabricated steel building used as a workshop shall be permitted.

(3) Building Materials. All Single Family Dwellings and other Improvements shall be constructed of recognized standard construction quality. New construction materials (except stone or brick) shall be used in constructing any Single Family Dwelling or Improvement situated on a Tract. The exterior walls of all one-story Improvements and the lower story and entire (both first and second stories) front of all two-story Improvements shall be composed of 80% masonry or masonry veneer. In addition, the exterior walls of all two-story Improvements shall be composed of masonry or masonry veneer for 80% or more of the total exterior wall area. The minimum masonry percentage shall apply to the aggregate area of all exterior walls but be exclusive of door, window and similar openings. "Masonry" or "masonry veneer" means stucco, stone and brick. Logs which were hewn prior to 1900 shall be considered masonry for purposes of satisfying the minimum requirements of masonry or masonry veneer.

(4) Single Family Dwelling Size. Except for Tract Nos. 23, 24, 26 and 27, all Single Family Dwellings constructed after the execution of this Declaration shall contain not less than 2,500 square feet of enclosed, air conditioned and heated living space, exclusive of porches (open or covered), decks and garages. Additionally, all two-story Single Family Dwellings constructed after the execution of this Declaration shall contain not less than 2,800 total square feet of enclosed, air conditioned and heated living space, exclusive of porches (open or covered), decks and garages, of which a minimum of 2,200 square feet shall be first floor living area.

With respect to Tract Nos. 23, 24, 26 and 27, all Single Family Dwellings shall contain not less that 3,000 square feet of enclosed, air conditioned and heated living space, exclusive of porches (open or covered), decks and garages. Additionally, all two-story Single Family Dwellings on Tract Nos. 23, 24, 26 & 27 shall contain not less than 3,500 total square feet, of enclosed, air conditioned and heated living space, exclusive of porches (open or covered), decks and garages, of which a minimum of 2,500 square feet shall be first floor living area.

Notwithstanding the foregoing, after construction of a Single Family Dwelling complying with the square footage requirements of this paragraph, a second Single Family Dwelling containing not more than 1250 square feet of enclosed, air conditioned and heated living space, exclusive of porches (open or covered), decks and garages may be constructed on a Tract.

(5) Windows. Mill finish aluminum window and door frames are hereby expressly prohibited.

(6) Corner Tract Residences. Single Family Dwellings constructed upon corner lots shall have the veneer of the sides facing a street constructed of the same style and type of material.

(7) Setback Lines. Except for entrance and other gates, wells and related well house, earthen dams and ponds, septic systems, fences and utility lines no Improvements shall be constructed, placed or maintained within one hundred feet (100') of the front (abutting a street or roadway) boundary of a Tract, one hundred feet (100') of the side (common boundary of two tracts) boundary of a Tract, or one hundred feet (100') of the rear boundary (boundary most distance from front boundary of a Tract) of a Tract which rear boundary abuts the boundary of another tract, provided, an owner of two or more tracts which have common and abutting boundaries, shall not be subject to setback restrictions on the common and abutting boundaries.

In the event the platted setback line as described and delineated on the Plat conflicts with, or is other than the setbacks as provided in the Declaration, the platted setback lines shall be controlling.

(8) Improvements Compatible with Single Family Dwelling. All Improvements shall be compatible with the Single Family Dwelling to which they are appurtenant in terms of design and material composition.

(9) Swimming Pools. Moveable, above-ground swimming pools are strictly prohibited. All swimming pools must be of a permanent nature built into the ground and in a fenced enclosure with self-closing and self-latching gates, and in accordance with any applicable ordinances, regulations, or statutes.

(10) Athletic Facilities. Tennis courts and sport courts, and related lighting and fencing shall be allowed and may be constructed on any Tract upon which the primary Single Family Dwelling is situated or upon any Tract contiguous thereto. Tennis courts and sport courts shall not be illuminated between 12:01 A.M. and 6:00 A.M.

(11) Foundation Exposure.

(A) All Stucco Finishes. All foundation sides on any Improvement with an exterior stucco finish shall be covered with stucco which matches the texture and color of the exterior stucco walls of such Improvement and shall be a continuation of such stucco walls so that there is no defined horizontal relief line between the foundation and such walls.

(B) All Stone. Masonry Finishes. The foundation of any Improvement with a stone, brick, masonry, masonry veneer (other than stucco) exterior finish shall not be exposed more than twenty-four (24) inches above final grade. If floor level is more than twenty-four (24) inches above final grade, the foundation shall be built to accommodate a finished wall matching the exterior wall of the Improvement to within twenty-four (24) inches of final grade. The exposed foundation shall be trowel finished. Landscaping to screen exposed foundation is encouraged.

(12) Governmental Rules. All Improvements located, erected, constructed and installed upon any Tract shall conform to and comply with all applicable governmental regulations, rules and ordinances, including, without limitation, all building and zoning requirements. All activities of the Owners, and those of their tenants, invitees, agents, employees and contractors on or about the Property shall comply with all applicable governmental regulations, rules and ordinances.

(13) Garages and Carports. All garages and carports shall be designed, erected, constructed, installed or maintained as side entry/load in such manner that the garage doors or the carport opening shall not face the front of the Single Family Dwelling or any abutting street. All garages must have garage doors that are operated by electric door openers kept in operable condition. All garage doors shall be kept closed when not in use.

(14) Antennas. No radio or television aerial wires, antennae or other special television

apparatus or equipment shall be maintained on any portion of any Tract forward of the rear building line of the principal Single Family Dwelling. Furthermore, no radio or television aerial wires or antennae shall be placed or maintained on any Tract which extends higher than the highest part of the roof of the Single Family Dwelling on said Tract and must be attached to the ground. All satellite dishes, discs, and similar apparatus or equipment must be screened from the view of streets.

(15) Mailboxes. No individual mailbox receptacle shall be placed upon a Tract. A common mailbox receptacle for servicing all of the Tracts shall be provided at the entryway to the subdivision.

(16) Tanks. No Butane, propane, or any type of elevated tank of any kind shall be erected, placed or permitted on any Tract (provided that, such tanks maybe allowed if shielded from view from the street, or buried).

(17) Underground Utility Lines. No utility lines, including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any portion of the Property, unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements. Provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements. **This restriction shall not apply to any utility lines situated on the Property on the date of this Declaration.**

(18) Fences Generally. All fences are to be professionally constructed. Wood or chain link fences are prohibited, provided, chain link fencing used for dog runs and kennels, and vinyl clad chain link for tennis and sport courts, shall be permitted.

(19) Livestock Fencing. Notwithstanding paragraph (18) above, if an owner keeps and maintains livestock on a tract, a fence shall be constructed on the exterior perimeter of the sides and rear of the tract to allow more open space for the livestock. The fence shall not be constructed within the front setback line for improvements. Other than a working pen, small confined areas for livestock are prohibited as this promotes cruelty to animals. Exterior perimeter fence should be constructed in a neat professional manner and consist of netting and/or barb wire or barbless wire with steel post, pipe post, cedar or treated post in order to resemble a ranch fence and comparable to the construction of the fence at the entry of the Subdivision. After the exterior perimeter fence is installed, cross fencing is permitted provided that such cross fenced sections must be not less than two acres.

(20) Unfinished Structures. No Single Family Dwelling or Improvement shall remain unfinished for more than eighteen (18) months after the commencement of construction of the structure.

(21) A. Height Limitation. No Improvement shall be constructed, erected, maintained or placed upon any of the Tracts described below if any portion of the Improvement will extend

above a horizontal plane which is located twenty (20) feet above the surface of the tract ("base line") at the 100 foot front building setback line and which plane is described by extending an infinite number of perpendicular lines from the front street (Kruse Hill Drive) side of the tract through the base line to its intersection with the improvement which exceeds the height limitation herein imposed.

The tracts which are subject to this height limitation are Tracts No. 7 and 8.

B. Height Limitation. No Improvement shall be constructed, erected, maintained or placed upon any of the Tracts described below if any portion of the Improvement will extend above a horizontal plane which is located twenty-five (25) feet above the surface of the tract ("base line") at the 100 foot front building setback line and which plane is described by extending an infinite number of perpendicular lines from the front street (Rusty Spur Drive) side of the tract through the base line to its intersection with the improvement which exceeds the height limitation herein imposed.

The tracts which are subject to this height limitation are Tracts No. 50 and 51.

(22) Signage, Setback, and Height Variance. Upon submission of a written request to the Board of Directors of the Association, the Association may, from time to time in its sole discretion, permit Owners to construct, erect or install Improvements which are in variance with the Article VIII., Section 2. Residential Restrictions, (7) Setback Lines, and (21) A. and B. Height Limitation, and signs which are in variance with Article VIII, Section 1. General Restrictions, (1) Signs, which are provided in this Declaration. Such variances must, in the Board of Directors' sole discretion, not detrimentally affect the integrity of the Subdivision. Neither the Declarant, nor the Association, nor any member of the Board of Directors of the Association, shall be liable to any Owner for claims, causes of action, or damages arising out of the grant or denial of any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Association's right to strictly enforce the covenants and restrictions provided hereunder, against any other Owner.

Approval of a variance shall require unanimous approval of the members of the Board of Directors of the Association. If written notice of approval has not been delivered to the requesting Owner within thirty (30) days of the date of submission of the request, it shall be conclusively presumed that the Board of Directors has denied the request for a variance.

Section 3. Restriction Against Subdivision

No subdivision of any Tract shall be permitted prior to January 1, 2011. After January 1, 2011, tracts may be subdivided provided that the resultant tracts shall contain a minimum of four (4) acres each and comply with Gillespie County Subdivision regulations. Notwithstanding the foregoing, Declarant shall have the right to subdivide any Tracts owned by Declarant without restriction at anytime.

Notwithstanding the foregoing, Owners of Tracts having a common and abutting boundary line may modify, alter, change, realign or adjust the common and abutting boundary line.

Section 4. Xeriscape and Water Conservation

There is a national, state and local movement to conserve our limited water resources. Water conservation assures this generation and the generations to follow will have sufficient quantities of this most precious resource.

Declarant discourages the establishment of landscaping which traditionally requires high water demands. A xeriscape landscape will conserve water and protect the environment. Xeriscape landscaping incorporates seven (7) basic principles, which achieve water conservation and Owners are encouraged to adhere to these basic principles in establishing landscape on their Tract:

1. Planning and design;
2. Soil analysis;
3. Appropriate plant selection;
4. Practical turf areas;
5. Efficient irrigation;
6. Use of mulches; and
7. Appropriate maintenance.

To aid in water conservation, the following restrictive covenants shall apply:

1. Gardens for personal household purposes shall be limited to 15,000 square feet on all tracts.
2. Irrigation of lawns and landscaping shall be limited to 20,000 square feet on all tracts.

Section 5. Compliance with Provision of this Declaration

Each Owner shall comply strictly with the provisions of these restrictions as the same may be amended from time to time. Failure to comply with any provision of this Declaration shall constitute a violation of the Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by an aggrieved Owner or Declarant. Declarant makes no warranty or representation as to the present or future validity or enforceability of the Declaration, its terms or provisions. Each Owner acquiring a Tract in reliance on this Declaration, its terms and provisions shall assume all risks of the possible amendment, validity and enforceability thereof, as well as the possibility that variances from the restrictions contained in this Declaration may be granted from time to time; and, by acquiring the Tract, each Owner agrees to hold Declarant harmless from any damages resulting from any amendment to, variances from, or invalidity or unenforceability of this Declaration.

ARTICLE IX.

TERM

The covenants, conditions and restrictions set forth in this Declaration are made and adopted to run with the land and shall be binding upon the undersigned and all parties and persons claiming through and under them until January 1, 2035, at which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless and until an instrument executed by Owners of at least two thirds (2/3rds) of the Tracts has been recorded agreeing to terminate said covenants and restrictions in whole or in part; provided that, if Declarant owns any interest in the Property at the time, the covenants and restrictions may only be terminated if the Declarant joins in executing such instrument.

ARTICLE X.

ENFORCEMENT

Section 1. Right of Enforcement. Declarant, its successors or assigns, the Association, its successors or assigns, or any Owner, shall have the right to enforce, by proceedings at law or in equity, the terms, provisions, covenants, conditions, and restrictions of this Declaration. Failure of Declarant or the Association to take any action upon any breach or default shall not be deemed a waiver of their right to take action upon any subsequent breach or default. Declarant, for itself, its successors or assigns, reserves the right to enforce this Declaration, though it may have previously sold and conveyed all Tracts controlled hereby. The reservation by Declarant or the Association of this right of enforcement shall not create a duty or obligation of any kind to enforce same, and neither Declarant nor the Association shall be subjected to any claim, demand, or cause of action from any Owner by virtue of not enforcing any term, provision, covenant, condition or restrictions herein contained.

Section 2. Declarant and Association Right to Self Help.

(a) The Declarant and Association shall have the authority to employ self-help to enforce compliance with any provision of this Declaration. Upon the occurrence of a default or other violation of this Declaration, the Declarant or the Association may provide notice to the defaulting Owner of the matter of noncompliance, the action necessary to cure the noncompliance, and a date by which the noncompliance shall be cured; such notice to be sent in accordance with subparagraph (b) below. In the event the Owner fails to cure the matter of noncompliance within the required time, the Association may take action to cure the matter of noncompliance.

(b) Notice of default or other violation of this Declaration and of the Declarant's or Association's intent to act pursuant to this provision shall be in the form and in the manner as required by Article XVI. In the event of continuing noncompliance, a second notice, at least ten (10) days subsequent to the date of the mailing of the first notice, shall be sent to the noncomplying Owner. Not sooner than thirty (30) days after date of the mailing of the first

notice, the Association or the Declarant may send a third notice (the "Notice of Intent to Remedy") to the noncomplying Owner of the Association's or the Declarant's intent to remedy the noncomplying condition. The Notice of Intent to Remedy shall be sent by United States Certified Mail, return receipt requested, and shall otherwise conform to Article XVI. In the event the noncomplying condition is not cured within ten (10) days after the date of the Notice of Intent to Remedy, the Declarant or the Association may commence actions to remedy the noncomplying condition at the sole expense of the noncomplying Owner.

(c) In the event that Declarant or the Association acts to remedy a noncomplying condition in accordance herewith, all sums incurred by the Declarant or the Association in connection therewith, including any attorneys' fees, shall be charged against the Owner, and shall be payable by the Owner upon demand. If such sums are not paid within three (3) days after demand for payment is made therefor, such sums shall bear interest at a rate equal to the lesser of (a) twelve percent (12%) per annum, or (b) the highest legal rate permitted by law to be charged the Owner and, unless otherwise provided herein, shall be secured by the assessment lien provided for herein against all Tracts owned by such Owner. In addition, the Declarant or the Association may exercise any and all other rights and remedies that may be available hereunder, or under Texas law, to enforce an Owner's obligations hereunder.

Section 3. Penalties. The Association shall have the right to establish penalties, including fines, for the violation of the covenants and restrictions contained in this Declaration.

ARTICLE XI.

ASSESSMENT LIEN/NONJUDICIAL FORECLOSURE

Section 1. Special Deed of Trust. To secure the payment of assessments, reimbursements, and the other amounts owed to the Association by an Owner hereunder, and to ensure compliance with the applicable covenants, conditions, restrictions and easements set forth herein, each Owner, upon acceptance of his or her deed to a Tract governed by this Declaration conveys the Tract to the Trustee hereinafter named, in trust, for so long as these covenants, conditions, restrictions and easements shall remain in effect, such conveyance operating as a Special Deed of Trust. If an Owner fails to tender payment of any assessments, reimbursements, or other amounts owed to the Association when due, or if an Owner fails to perform any of the obligations under or maintain any condition required by this Declaration, the Association, or Declarant in accordance with Article X. above, may perform those obligations, advance whatever funds may be required, and then be reimbursed by the Owner on demand for any sums so advanced, including attorney's fees, plus interest on those sums from the dates of payment at a rate equal to the lesser of (a) twelve percent (12%) per annum, or (b) the highest legal rate permitted by law for the Owner. The sum to be reimbursed shall be secured by this Special Deed of Trust.

Section 2. Failure to Pay. If the Owner fails to pay the Association for any assessments, reimbursements or other amounts owed by such Owner to the Association, and such failure continues after the Association gives the Owner notice of the failure and the time within which it must be cured, as may be required by law, then the Association, as the Beneficiary of this Special

Deed of Trust, may:

(a) Request the Trustee appointed herein, or such Trustee's successor, to foreclose the liens created herein, in which case the Association shall give notice of the foreclosure sale as provided by Section 51.002 et. seq. of the Texas Property Code then in effect or any successor statute thereto; and

(b) Purchase the Tract at any foreclosure sale by offering the highest bid and then have the bid credited to the amounts owed to the Association.

Section 3. Foreclosure. If requested by the Association to foreclose this lien, the Trustee shall:

(a) Either personally or by agent give notice of the foreclosure sale as required by, Section 51.002 et. seq. of the Texas Property Code then in effect or any successor statute thereto;

(b) Sell and convey the Tract to the highest bidder for cash with a general warranty binding the Owner, subject to prior liens and to other exceptions to conveyance and warranty; and

(c) From the proceeds of the sale, pay, in this order:

(1) expenses of foreclosure, including a commission to Trustee of five percent (5%) of the successful bid;

(2) to the Association, the full amount owed, attorney's fees, and other charges due and unpaid;

(3) any amounts required by law to be paid before payment to the Owner; and

(4) to the Owner, any remaining balance.

Section 4. Appointment of Trustee. Carroll J. Bryla is appointed Trustee for the purpose of this Article XI. The Association, as Beneficiary, may appoint a substitute or successor trustee, succeeding to all rights and responsibilities of the Trustee appointed herein, by filing an appropriate designation of substitute trustee among the Real Property Records of Gillespie County, Texas.

Section 5. Tenancy-At-Sufferance. From and after any foreclosure under this Article XI., the occupants of such Tract shall be required to pay a reasonable rent for the use of such Tract and such occupancy shall constitute a tenancy-at-sufferance. The purchaser at such foreclosure shall be entitled to sue for recovery of possession of such Tract by forcible detainer without further notice.

Section 6. Compliance with Property Code. It is intended that the provisions of this Section to comply with the provisions of the Texas Property Code (including, without limitation, Section 51.002), as such provisions may be amended from time to time. The President of the

Association, acting without joinder of any Owner or mortgagee of any Owner, may, by amendment to this Declaration filed in the office of the County Clerk of Gillespie County, Texas, amend the provisions hereof so as to comply with Section 51.002.

Section 7. Priority of Lien. Any liens created by this Declaration, shall be superior to all other liens and charges against any Tract covered hereby, except only for tax liens, and mortgage, deed of trust, or home equity liens of record.

ARTICLE XII.

PARTIAL INVALDITY

The invalidation of any of the terms, provisions, covenants, conditions or restrictions contained in this Declaration, by judgment, court order, operation of law or otherwise, shall in no way affect the validity any of the other terms, provisions, covenants, conditions or restrictions hereof, which shall remain in full force and effect.

ARTICLE XIII.

AMENDMENT

(a) Except as otherwise provided herein, as long as Declarant owns any interest in the Property, the Declarant and the Owners (but expressly excluding their respective mortgagee's, if any) of at least two thirds (2/3rds) of the Tracts may amend this Declaration, by executing and filing an instrument containing such amendment, in the office of the County Clerk of Gillespie County, Texas. Except as otherwise provided herein, from and after the date that Declarant no longer owns any interest in the Property, the Owners (but expressly excluding their respective mortgagees, if any) of at least two thirds (2/3rds) of the Tracts may amend this Declaration (except for the terms and conditions of any loan or assessments due to Declarant by the Association) by executing and filing an instrument containing such amendment, in the office of the County Clerk of Gillespie County, Texas.

(b) Notwithstanding anything to the contrary, Declarant shall have the right at any time, at its sole discretion and without any joinder or consent of any other party, to amend this Declaration for the purposes of correcting any error, ambiguity or inconsistency appearing herein or for any reason whatsoever deemed necessary for the benefit of the overall development as determined by Declarant, in its sole discretion. Said amendment shall be effective upon filing of the instrument containing such amendment in the office of the County Clerk of Gillespie County, Texas.

ARTICLE XIV.

WAIVER AND LACHES

The obligation to abide by the provisions contained in this Declaration shall be deemed to be of a continuing and continual basis. Each and every day an Owner allows a condition to exist

on such Owner's Tract which is not in compliance with the requirements contained herein shall constitute a separate and individual violation hereof, and shall give rise to a new cause of action for such breach. The intended effect and express purpose of this provision shall be that every Owner, by accepting title to a Tract, hereby waives the affirmative defenses of the statute of limitations, waiver and laches with respect to covenant violations. Failure of Declarant, the Association or of any Owner to enforce the terms of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XV.

ASSESSMENTS BY AWARD OR JUDICIAL DECREE

In the event arbitration or litigation is necessary to enforce any provision contained within this Declaration, any and all awards granted by the arbitrator, or damages, penalties, fees, costs, and/or any other charges awarded in the decree shall also constitute an assessment, which shall likewise run with the land, and which shall be secured by the lien created in Article XI. herein.

ARTICLE XVI.

NOTICE

Whenever written notice or demand to an Owner is permitted or required hereunder, such notice shall be given by the mailing of such notice to such Owner at the address of such Owner appearing on the records of the Association, unless such Owner has given written notice to the Association of a different address, in which event such notice shall be sent to the Owner at the address so designated. Notice shall conclusively be deemed to have been given by the Association on the date such notice is deposited in the United States Mail, properly addressed, whether received by the addressee or not.

ARTICLE XVII.

ASSIGNMENT BY DECLARANT

Notwithstanding any provision in this Declaration to the contrary, Declarant may in writing filed of record referring to this Declaration by volume and page number, expressly 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. Upon assignment by Declarant of any or all of Declarant rights, the Declarant shall no longer be liable for performance of such assigned rights provided that the assignee expressly assumes in the recorded assignment the obligations of Declarant that are assigned.

ARTICLE XVIII.

HEADINGS

The headings contained herein are for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Declaration.

EXECUTED by said Declarant, this 5th day of July, 2006.

COOL WATER RANCH, LTD.

By COOL WATER RANCH ONE, LLC, its General Partner

By: _____
CHARLES E. ITZ, Member and Manager

By: _____
RICHARD STEHLING, JR., Member and Manager

By: _____
SHERMAN D. DURST, Member and Manager

By: _____
CARROLL J. BRYLA, Member and Manager

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 5th day of July, 2006, by CHARLES E. ITZ, RICHARD STEHLING, JR., SHERMAN D. DURST, and CARROLL J. BRYLA, Members and Managers of COOL WATER RANCH ONE, LLC, the General Partner of COOL WATER RANCH, LTD, a Texas Limited Partnership.

NOTARY PUBLIC STATE OF TEXAS
CHERRIL HOHENBERGER
Notary Public
STATE OF TEXAS
My Commission
Expires 10/04/2008

_____
Notary Public, State of Texas

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk

Gillespie County TEXAS

July 05, 2006 03:17:15 PM

FEE: $115.00 20064225

DCC 20071105
4 PGS

COOL WATER RANCH, LTD. TO THE PUBLIC

FIRST AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH

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

WHEREAS, COOL WATER RANCH, LTD. has executed and filed that certain Declaration of Covenants, Conditions and Restrictions of The Cool Water Ranch (herein "Declaration") dated July 5, 2006, recorded under County Clerk's File No. 20064225 of the Official Public Records of Gillespie County, Texas; and

WHEREAS, COOL WATER RANCH, LTD. is the Declarant as defined in the Declaration; and

WHEREAS, pursuant to ARTICLE XIII., AMENDMENT of the Declaration, Declarant has reserved to itself, in Declarant's sole discretion without any joinder or consent of any other party, the right to amend the Declaration for the purpose of correcting any error, ambiguity, or inconsistency appearing therein, or for any other reason whatsoever deemed necessary for the benefit of the overall development as determined by the Declarant. Declarant determines that the Amendment contained herein, is necessary (1) to correct errors, ambiguities, or inconsistencies or (2) for the benefit of the overall development of the subdivision;

WHEREAS, pursuant to ARTICLE XIII., AMENDMENT, "the Declarant and the Owners of at least two-thirds of the Tracts may amend this Declaration by executing and filing an instrument containing such amendment in the office of the County Clerk of Gillespie County, Texas. The Declarant on the date of execution of this instrument is the owner of at least two-thirds of the Tracts;

NOW, THEREFORE, the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH are amended as follows:

AMENDMENT NO. 1

Paragraph (13) Garages and Carports., Section 2. Residential Restrictions, of ARTICLE VIII., RESTRICTIVE COVENANTS, of the Declaration is declared a nullity and of no further force and effect and in substitution for such paragraph (13) Garages and Carports., the Declaration shall be amended by the incorporation of the following paragraph (13) Garages and Carports:

> (13) Garages and Carports. All garages and carports shall be designed, erected, constructed, installed or maintained as side/entry load in such a manner that the garage doors or the carport opening shall not be situated on the front side of the single-family dwelling.
>
> All garages must have garage doors that are operated by electric door openers kept in operable condition. All garage doors shall be kept closed when not in use for entry/exit.

The amendment herein shall be effective from and after the date that it is duly filed in the Official Public Records of Gillespie County, Texas.

The amendment herein shall be a burden running with the land and be enforceable by and against the undersigned, its heirs, successors and assigns, and all Owners of Tracts in the Cool Water Ranch Subdivision.

In all other respects, the provisions of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH shall continue in full force and effect as written without change.

EXECUTED this the 2 day of March, 2007.

COOL WATER RANCH, LTD.

By COOL WATER RANCH ONE, LLC, its General Partner

By: _____
CHARLES E. ITZ, Member and Manager

By: _____
RICHARD STEHLING, JR., Member and Manager

By: _____
SHERMAN D. DURST, Member and Manager

By: _____
CARROLL J. BRYLA, Member and Manager

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 2nd day of March, 2007, by CHARLES E. ITZ, RICHARD STEHLING, JR., SHERMAN D. DURST, and CARROLL J. BRYLA, Members and Managers of COOL WATER RANCH ONE, LLC, the General Partner of COOL WATER RANCH, LTD, a Texas Limited Partnership.

_____
Notary Public, State of Texas

NOTARY PUBLIC STATE OF TEXAS
CAROLYN WEIDENFELLER
Notary Public
STATE OF TEXAS
My Commission
Expires 03/12/2008

FTC

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk

Gillespie County TEXAS

March 02, 2007 04:00:57 PM

FEE: $23.00 20071105

KC

20080208S

DCC 20081677
4 PGS

COOL WATER RANCH, LTD. TO THE PUBLIC

SECOND AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH

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

WHEREAS, COOL WATER RANCH, LTD. has executed and filed that certain Declaration of Covenants, Conditions and Restrictions of The Cool Water Ranch (herein "Declaration") dated July 5, 2006, recorded under County Clerk's File No. 20064225 of the Official Public Records of Gillespie County, Texas; and

WHEREAS, COOL WATER RANCH, LTD. has executed and filed that certain First Amendment of Declaration of Covenants, Conditions and Restrictions of The Cool Water Ranch dated March 2, 2007, recorded under County Clerk's File No. 20071105 of the Official Public Records of Gillespie County, Texas; and

WHEREAS, COOL WATER RANCH, LTD. is the Declarant as defined in the Declaration; and

WHEREAS, pursuant to ARTICLE XIII., AMENDMENT of the Declaration, Declarant has reserved to itself, in Declarant's sole discretion without any joinder or consent of any other party, the right to amend the Declaration for the purpose of correcting any error, ambiguity, or inconsistency appearing therein, or for any other reason whatsoever deemed necessary for the benefit of the overall development as determined by the Declarant. Declarant determines that the Amendment contained herein, is necessary (1) to correct errors, ambiguities, or inconsistencies or (2) for the benefit of the overall development of the subdivision;

NOW, THEREFORE, the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH is amended as follows:

AMENDMENT NO. 1

Paragraph (4) Single Family Dwelling Size., of Section 2. Residential Restrictions, of ARTICLE VIII., RESTRICTIVE COVENANTS, of the Declaration is amended by the incorporation of the following as an addition to, and part of, paragraph (4) Single Family Dwelling Size:

> The improvements situated on Tract No. 12 and Tract No. 48 ("Predeclaration Improvements") were erected prior to the execution of the Declaration. The renovation, remodeling, restoration and construction of Improvements which incorporate the Predeclaration Improvements are not subject to any of the following express requirements in the Declaration: 1) the minimum square footage requirements as contained in this Paragraph (4); 2) that only new materials may be used; 3) that a Single-Family Dwelling complying with the requirements in the Declaration be erected before, or after, renovation of the Predeclaration Improvements. Such renovations, remodelings, restorations and additions to Predeclaration Improvements shall otherwise be subject to the terms, conditions and provisions of this Declaration.

The amendment herein shall be effective from and after the date that it is duly filed in the Official Public Records of Gillespie County, Texas.

The amendment herein shall be a burden running with the land and be enforceable by and against the undersigned, its heirs, successors and assigns, and all Owners of Tracts in the Cool Water Ranch Subdivision.

In all other respects, the provisions of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH shall continue in full force and effect as written without change.

EXECUTED this the 24th day of MARCH, 2008.

COOL WATER RANCH, LTD.

By COOL WATER RANCH ONE, LLC, its General Partner

By: _____
CHARLES E. ITZ, Member and Manager

By: _____
RICHARD STEHLING, JR., Member and Manager

By: _____
SHERMAN D. DURST, Member and Manager

By: _____
CARROLL J. BRYLA, Member and Manager

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 24th day of March, 2008, by CHARLES E. ITZ, RICHARD STEHLING, JR., SHERMAN D. DURST, and CARROLL J. BRYLA, Members and Managers of COOL WATER RANCH ONE, LLC, the General Partner of COOL WATER RANCH, LTD, a Texas Limited Partnership.

_____
Notary Public, State of Texas

ELGINIA HOHMANN
Notary Public, State of Texas
My Commission Expires
July 24, 2010

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk

Gillespie County TEXAS

March 25, 2008 04:07:01 PM

FEE: $23.00

20081677

DCC 20084709
20 PGS

COOL WATER RANCH, LTD. TO THE PUBLIC

THIRD AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH

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

WHEREAS, COOL WATER RANCH, LTD. has executed and filed that certain Declaration of Covenants, Conditions and Restrictions of The Cool Water Ranch (herein "Declaration") dated July 5, 2006, recorded under County Clerk's File No. 20064225 of the Official Public Records of Gillespie County, Texas; and

WHEREAS, COOL WATER RANCH, LTD. has executed and filed that certain First Amendment of Declaration of Covenants, Conditions and Restrictions of The Cool Water Ranch dated March 2, 2007, recorded under County Clerk's File No. 20071105 of the Official Public Records of Gillespie County, Texas; and

WHEREAS, COOL WATER RANCH, LTD. has executed and filed that certain Second Amendment of Declaration of Covenants, Conditions and Restrictions of The Cool Water Ranch dated March 24, 2008, recorded under County Clerk's File No. 20081677 of the Official Public Records of Gillespie County, Texas; and

WHEREAS, COOL WATER RANCH, LTD. is the Declarant as defined in the Declaration; and

WHEREAS, pursuant to ARTICLE XIII., AMENDMENT, "the Declarant and the Owners of at least two-thirds of the Tracts may amend this Declaration by executing and filing an instrument containing such amendment in the office of the County Clerk of Gillespie County, Texas. The

Declarant on the date of execution of this instrument is the owner of twenty-one (21) of the fifty-six (56) tracts of the Cool Water Ranch Subdivision; and

WHEREAS, the Declarant and the undersigned owners of Tracts in the Subdivision desire to amend the Declaration as is herein provided;

NOW, THEREFORE, the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH are amended as follows:

AMENDMENT NO. 1

Paragraph (2) Construction in Place. and paragraph (3) Building Materials. of Section 2. Residential Restrictions, of ARTICLE VIII., RESTRICTIVE COVENANTS, of the Declaration are declared a nullity and of no further force and effect and in substitution for such paragraph (2) Construction in Place. and paragraph (3) Building Materials., the Declaration shall be amended by the incorporation of the following as paragraph (2) Construction in Place. and paragraph (3) Building Materials.:

(2) Construction in Place. All Improvements constructed on the Property shall be built in place on the Tract and the use of prefabricated buildings is prohibited, provided a prefabricated steel building used as a workshop which complies with the exterior wall area requirements of paragraph (3) c) Building Materials, shall be permitted.

(3) Building Materials.

a) All Single Family Dwellings and other Improvements shall be constructed of recognized standard construction quality. New construction materials (except stone or brick) shall be used in constructing any Single Family Dwelling or Improvement situated on a Tract.

b) The exterior walls of all one-story Single Family Dwellings and the lower story and entire (both first and second stories) front of all two-story Single Family Dwellings shall be composed of at least 80% masonry or masonry veneer. In addition, the exterior walls of all two-story Single Family Dwellings shall be composed of masonry or masonry veneer for 80% or more of the total exterior wall area. The minimum masonry percentage for Single Family Dwellings shall apply to the aggregate area of all exterior walls but be exclusive of door, window and similar openings ("total exterior wall area"). "Masonry" or "masonry veneer" means stone, brick, stucco, or fiber cement siding;

provided at least 50% of the total exterior wall area shall be stone or brick. Logs which were hewn prior to 1900 shall be considered masonry for purposes of satisfying the minimum requirements of masonry or masonry veneer.

c) All structural Improvements, other than Single Family Dwellings, shall have exterior walls, exclusive of doors and windows, constructed entirely of masonary, masonary veneer or wood.

The amendment herein shall be effective from and after the date that it is duly filed in the Official Public Records of Gillespie County, Texas.

The amendment herein shall be a burden running with the land and be enforceable by and against the undersigned, its heirs, successors and assigns, and all Owners of Tracts in the Cool Water Ranch Subdivision.

In all other respects, the provisions of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH shall continue in full force and effect as written without change.

EXECUTED this the 14th day of JULY, 2008.

Signature Pages Follow

COOL WATER RANCH, LTD.

By COOL WATER RANCH ONE, LLC, its
General Partner

By: _____
CHARLES E. ITZ, Member and Manager

By: _____
RICHARD STEHLING, JR., Member and Manager

By: _____
SHERMAN D. DURST, Member and Manager

By: _____
CARROLL J. BRYLA, Member and Manager

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 14th day of July, 2008, by CHARLES E. ITZ, RICHARD STEHLING, JR., SHERMAN D. DURST, and CARROLL J. BRYLA, Members and Managers of COOL WATER RANCH ONE, LLC, the General Partner of COOL WATER RANCH, LTD, a Texas Limited Partnership.

_____
Notary Public, State of Texas

ELGINIA HOHMANN
Notary Public, State of Texas
My Commission Expires
July 24, 2010

Theodore B. Lee

Printed
Name: THEODORE B. LEE
Owner of Tract No. 1 (ONE)

Theodore B. Lee

Printed
Name: THEODORE B. LEE
Owner of Tract No. 2 (TWO)

STATE OF NEVADA §

COUNTY OF CLARK §

This instrument was acknowledged before me on this the 23 day of July, 2008, by THEODORE B. LEE.

DONALD J. TREMEL
Notary Public State of Nevada
No. 93-1383-1
My appt. exp. Dec. 26, 2008

Notary Public, State of NEVADA

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on this the _____ day of _____, 2008, by _____.

Notary Public, State of _____

Billy R Wiginton
Printed
Name: B.R. Wig
Owner of Tract No. 8 & 9

DEBORAH M. WIGINTON
Printed
Name: Deborah M. Wiginton
Owner of Tract No. 8 & 9

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 14 day of July, 2008, by Billy R. Wiginton.

CAROLYN WEIDENFELLER
Notary Public, State of Texas
My Commission Expires
March 12, 2012

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 14 day of July, 2008, by Deborah M. Wiginton.

CAROLYN WEIDENFELLER
Notary Public, State of Texas
My Commission Expires
March 12, 2012

Notary Public, State of Texas

ROBERT W. RUFF, JR
Printed
Name: Robert W. Ruff, Jr.
Owner of Tract No. 11

ELISA TIZIANA RUFF
Printed
Name: Elisa Tiziana Ruff
Owner of Tract No. 11

STATE OF ARIZONA §
COUNTY OF PINAL §

DEBORAH L. HAYES
Notary Public - Arizona
PINAL COUNTY
My Comm. Exp. June 14, 2011

This instrument was acknowledged before me on this the 30th day of July, 2008, by DEBORAH L. HAYES.

Deborah L. Hayes
Notary Public, State of ARIZONA

STATE OF ARIZONA §
COUNTY OF PINAL §

DEBORAH L. HAYES
Notary Public - Arizona
PINAL COUNTY
My Comm. Exp. June 14, 2011

This instrument was acknowledged before me on this the 30th day of July, 2008, by DEBORAH L. HAYES.

Deborah L. Hayes
Notary Public, State of ARIZONA

GEORGE H. KOLB

Printed Name: G H Kolb

Owner of Tract No. 12

Alice L Kolb

Printed Name: ALICE L. KOLB

Owner of Tract No. 12

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 21 day of July, 2008, by Alice L. Kolb.

CHARLES C. KIEHNE
Notary Public, State of Texas
My Commission Expires
April 20, 2011

Charles C Kiehne

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 21 day of July, 2008, by George H. Kolb.

CHARLES C. KIEHNE
Notary Public, State of Texas
My Commission Expires
April 20, 2011

Charles C Kiehne

Notary Public, State of Texas

Printed
Name: Stephen Franks
Owner of Tract No. 13

Donna Hugly Franks

Printed
Name: Donna Hugly Franks
Owner of Tract No. 13

STATE OF TEXAS §

COUNTY OF Dallas §

This instrument was acknowledged before me on this the 17 day of July, 2008, by Stephen Franks.

NIKKI SPITZER
Notary Public, State of Texas
My Commission Expires
March 12, 2012

Nikki Spitzer
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Dallas §

This instrument was acknowledged before me on this the 17 day of July, 2008, by Donna Hugly Franks.

NIKKI SPITZER
Notary Public, State of Texas
My Commission Expires
March 12, 2012

Nikki Spitzer
Notary Public, State of Texas

Printed
Name: Matthew L Clarke
Owner of Tract No. 14

Printed
Name: JANNA CLARKE
Owner of Tract No. 15

STATE OF TEXAS §

COUNTY OF Tarrant §

This instrument was acknowledged before me on this the 15 day of July, 2008, by MATTHEW L. CLARKE.

NATALIE NICHOLE SURRATT
MY COMMISSION EXPIRES
September 18, 2010

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Tarrant §

This instrument was acknowledged before me on this the 15 day of July, 2008, by JANNA CLARKE.

NATALIE NICHOLE SURRATT
MY COMMISSION EXPIRES
September 18, 2010

Notary Public, State of Texas

DONNA S. KIRKLAND
Notary Public
State of Texas
My Commission Expires
October 02, 2008

Printed
Name: John H Bowman
Owner of Tract No. 17 & 18

DONNA S. KIRKLAND
Notary Public
State of Texas
My Commission Expires
October 02, 2008

Printed
Name: Paula C Swenson
Owner of Tract No. 17 & 18

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 28th day of July, 2008, by Donna S. Kirkland for John Bowman

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 28th day of July, 2008, by Donna S Kirkland for Paula Swenson

Notary Public, State of Texas

Jean Johnson
Printed
Name: Jean Johnson
Owner of Tract No. 19 + 35

James L Bennight
Printed
Name: James L Bennight
Owner of Tract No. 19+35

STATE OF TEXAS §

COUNTY OF Collin §

This instrument was acknowledged before me on this the 9th day of August, 2008, by ~~Andrea Dyson~~ JEAN JOHNSON.

ANDREA DYSON
Notary Public
STATE OF TEXAS
My Comm. Exp. 10-15-11

Andrea Dyson
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Collin §

This instrument was acknowledged before me on this the 9th day of August, 2008, by ~~Andrea Dyson~~ JAMES L. BENNIGHT.

ANDREA DYSON
Notary Public
STATE OF TEXAS
My Comm. Exp. 10-15-11

Andrea Dyson
Notary Public, State of Texas

Richard D. Koone
Printed
Name: Richard D. Koone
Owner of Tract No. 20

Nan M Koone
Printed
Name: NAN M KOONE
Owner of Tract No. 20

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 18th day of July, 2008, by RICHARD D. KOONE.

Charles C. Kiehne
Notary Public, State of Texas

CHARLES C. KIEHNE
Notary Public, State of Texas
My Commission Expires
April 20, 2011

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 18th day of July, 2008, by NAN M. KOONE.

Charles C. Kiehne
Notary Public, State of Texas

CHARLES C. KIEHNE
Notary Public, State of Texas
My Commission Expires
April 20, 2011

Printed
Name: HARVEY FRYE
Owner of Tract No. 27

Printed
Name: Marcia D. Frye
Owner of Tract No. 27

STATE OF TEXAS §

COUNTY OF Travis §

This instrument was acknowledged before me on this the 22nd day of July, 2008, by Harvey J. Frye.

BONNIE L. CUMIFORD
My Commission Expires
May 3, 2011

Bonnie L. Cumiford
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Travis §

This instrument was acknowledged before me on this the 4 day of August, 2008, by Marcia Frye.

Thomas D. Elliott
Notary Public, State of Texas

THOMAS DEAN ELLIOTT
Notary Public
STATE OF TEXAS
My Comm. Exp. May 15, 2010

Lawrence Walker

Printed
Name: LAWRENCE WALKER
Owner of Tract No. 30

Beverly Walker

Printed
Name: BEVERLY WALKER
Owner of Tract No. 30

STATE OF TEXAS §

COUNTY OF Harris §

This instrument was acknowledged before me on this the 16th day of July, 2008, by Lawrence Walker.

ELAINE KOLB
Notary Public, State of Texas
Commission Expires 06-29-2009

Elaine Kolb
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Harris §

This instrument was acknowledged before me on this the 16th day of July, 2008, by Beverly Walker.

ELAINE KOLB
Notary Public, State of Texas
Commission Expires 06-29-2009

Elaine Kolb
Notary Public, State of Texas

David B Hendricks

Printed
Name: DAVID B. HENDRICKS
Owner of Tract No. 36

David B Hendricks

Printed
Name: DAVID B. HENDRICKS
Owner of Tract No. 37

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 14 day of JULY, 2008, by DAVID B. HENDRICKS.

Linda Brewer
Notary Public, State of Texas

LINDA L. BREWER
Notary Public, State of Texas
My Commission Expires 06-27-10

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 14 day of JULY, 2008, by DAVID B HENDRICKS.

Linda Brewer
Notary Public, State of Texas

LINDA L. BREWER
Notary Public, State of Texas
My Commission Expires 06-27-10

Printed
Name: Theodore A Brandner
Owner of Tract No. 45

Printed
Name: Danette L. Brandner
Owner of Tract No. 45

STATE OF ~~TEXAS~~ South Dakota §

COUNTY OF minnehaha §

This instrument was acknowledged before me on this the 16 day of July, 2008, by _____.

CHRISTINE L. JOHNSON
Notary Public
SEAL
South Dakota
My Commission Expires 1/22/10

Notary Public, State of ~~Texas~~ South Dakota

STATE OF ~~TEXAS~~ South Dakota §

COUNTY OF minnehaha §

This instrument was acknowledged before me on this the 14 day of July, 2008, by _____.

CHRISTINE L. JOHNSON
Notary Public
SEAL
South Dakota
My Commission Expires 1/22/13

Notary Public, State of ~~Texas~~ South Dakota

Raeann Reid

Printed Name: Raeann Reid

Owner of Tract No. 50

Printed Name: ALFRED BIEHLE

Owner of Tract No. 50

STATE OF TEXAS §

COUNTY OF Montgomery §

This instrument was acknowledged before me on this the 26 day of July, 2008, by Raeann Reid.

JESSICA ALAMAN
Notary Public, State of Texas
My Comm. Expires Feb. 09, 2009

Jessica Alaman
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Harris §

This instrument was acknowledged before me on this the 23 day of July, 2008, by Alfred Biehle.

DAWN ELLEN KOCEJA
Notary Public, State of Texas
My Commission Expires
December 12, 2011

Dawn Ellen Koceja
Notary Public, State of Texas

Michael J. Majors
Printed Name: Michael J. Majors
Owner of Tract No. 53-54-55

Sheri K Majors
Printed Name: Sheri K Majors
Owner of Tract No. 53-54-55

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 25 day of July, 2008, by Michael J. Majors.

CHARLES C. KIEHNE
Notary Public, State of Texas
My Commission Expires
April 20, 2011

Charles C Kiehne
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Gillespie §

This instrument was acknowledged before me on this the 25 day of July, 2008, by Sheri Majors.

CHARLES C. KIEHNE
Notary Public, State of Texas
My Commission Expires
April 20, 2011

Charles C. Kiehne
Notary Public, State of Texas

BS

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk

Gillespie County TEXAS

August 20, 2008 02:41:54 PM

FEE: $94.25 20084709

KC

CJB/emh/REAL ESTATE/restrictions

7 PGS 20134237
DCC

20130833 4

COOL WATER RANCH, LTD. TO THE PUBLIC

FOURTH AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH

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

WHEREAS, COOL WATER RANCH, LTD. has executed and filed that certain Declaration of Covenants, Conditions and Restrictions of The Cool Water Ranch (herein "Declaration") dated July 5, 2006, recorded under County Clerk's File No. 20064225 of the Official Public Records of Gillespie County, Texas; and

WHEREAS, COOL WATER RANCH, LTD. is the Declarant as defined in the Declaration; and

WHEREAS, pursuant to ARTICLE XIII., AMENDMENT of the Declaration, Declarant has reserved to itself, in Declarant's sole discretion without any joinder or consent of any other party, the right to amend the Declaration for the purpose of correcting any error, ambiguity, or inconsistency appearing therein, or for any other reason whatsoever deemed necessary for the benefit of the overall development as determined by the Declarant. Declarant determines that the Amendment contained herein, is necessary for the benefit of the overall development of the subdivision; and

WHEREAS, WILLIAM D. SCOTT and CAROL A. SCOTT have entered into a Contract for the purchase of Tract No. 22 and Tract No. 25 of The Cool Water Ranch, which tracts have a common boundary line which is depicted on the plat attached hereto as **Exhibit "A"**; and

WHEREAS, WILLIAM D. SCOTT and CAROL A. SCOTT desire to construct permanent improvements upon the common boundary line, which is permitted under ARTICLE VIII, Section 2. (7) Setback Lines, of the Declaration;

NOW, THEREFORE, the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH are amended as follows:

AMENDMENT NO. 1

ARTICLE IV., EASEMENTS – UTILITY AND DRAINAGE, Section 1. Reservation of Utility Easements and Section 2. Easements Shown on Plat are amended as follows:

The reservation, grant and dedication of an easement for the benefit of any public or private providers of utility services pertaining to Tract No. 22 and Tract No. 25 of The Cool Water Ranch Subdivision is modified to eliminate the ten foot (10') easement on the common boundary line of such tracts, with the result that there shall be no reservation or dedication of a utility easement along the common boundary line of Tracts No. 22 and 25 with the exception of that portion of the common boundary line which lies within ten feet (10') of Kruse Hill Drive.

The amendment herein shall be effective from and after the date that it is duly filed in the Official Public Records of Gillespie County, Texas.

The amendment herein shall be a burden running with the land and be enforceable by and against the undersigned, its heirs, successors and assigns, and all Owners of Tracts in the Cool Water Ranch Subdivision.

In all other respects, the provisions of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COOL WATER RANCH shall continue in full force and effect as written without change.

EXECUTED this the 11th day of September, 2013.

COOL WATER RANCH, LTD.

By COOL WATER RANCH ONE, LLC, its General Partner

By: _____
CHARLES E. ITZ, Member and Manager

By: _____
RICHARD STEHLING, JR., Member and Manager

By: _____
RHONDA DURST, Member and Manager

By: _____
CARROLL J. BRYLA, Member and Manager

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 11th day of September, 2013, by CHARLES E. ITZ, RICHARD STEHLING, JR., and CARROLL J. BRYLA, Members and Managers of COOL WATER RANCH ONE, LLC, the General Partner of COOL WATER RANCH, LTD, a Texas Limited Partnership.

CHASSITY JOST
MY COMMISSION EXPIRES
November 9, 2015

_____
Notary Public, State of Texas

CJB/emh/REAL ESTATE/restrictions

EXECUTED this the 11th day of September, 2013.

COOL WATER RANCH, LTD.

By COOL WATER RANCH ONE, LLC, its General Partner

By:_____
CHARLES E. ITZ, Member and Manager

By:_____
RICHARD STEHLING, JR., Member and Manager

By:_____
RHONDA DURST, Member and Manager

By:_____
CARROLL J. BRYLA, Member and Manager

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the _____ day of _____, 2013, by CHARLES E. ITZ, RICHARD STEHLING, JR., and CARROLL J. BRYLA, Members and Managers of COOL WATER RANCH ONE, LLC, the General Partner of COOL WATER RANCH, LTD, a Texas Limited Partnership.

_____
Notary Public, State of Texas

CJB/emh/REAL ESTATE/restrictions

THE STATE OF COLORADO §

COUNTY OF La Plata §

BEFORE ME, Michael A Fuentes, a Notary Public of the State of Colorado, on this day personally appeared RHONDA DURST, Member and Manager of COOL WATER RANCH ONE, LLC, the General Partner of COOL WATER RANCH, LTD., a Texas Limited Partnership, known to me (or proved to me on the oath of RHONDA DURST, or through Tx Drivers License (description of identity card or other document)) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 11th day of September, 2013.

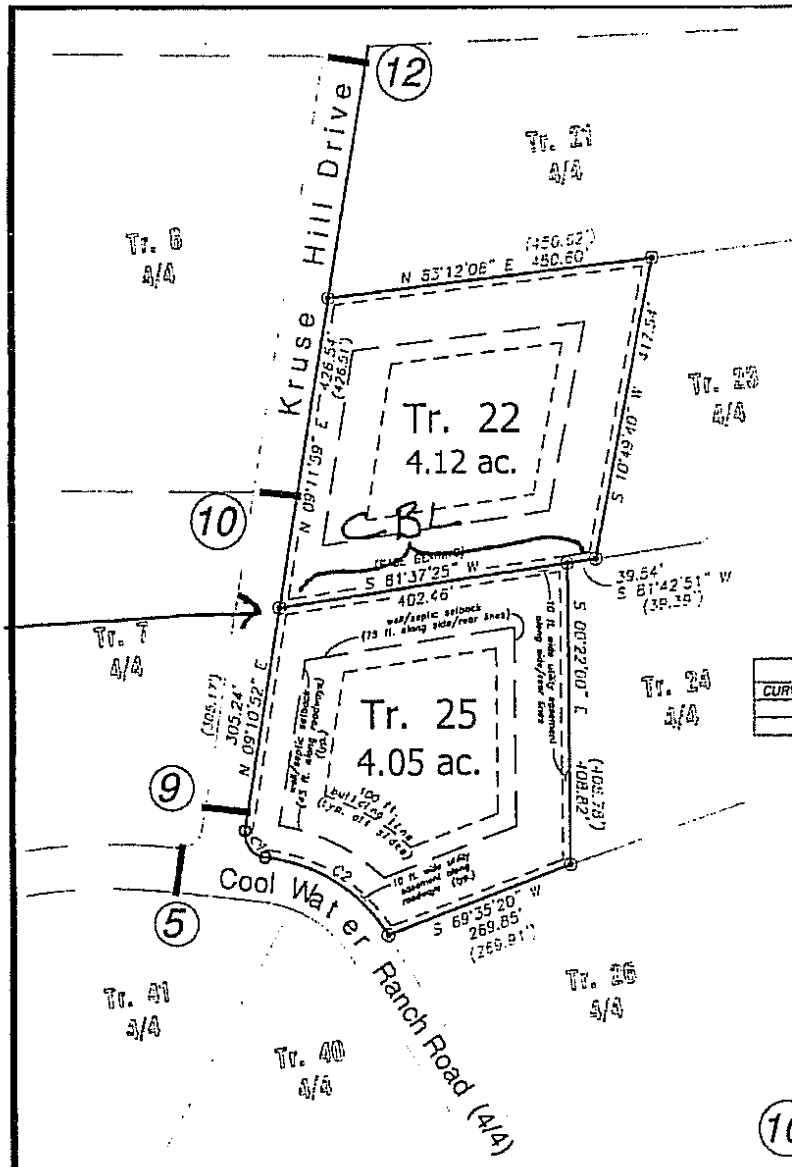
MICHAEL A FUENTES
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134013914
MY COMMISSION EXPIRES APRIL 17, 2017

Notary Public, State of Colorado

COMMON BOUNDARY LINE (CBL)

EXHIBIT "A"

DRAWN BY:	d.a.s.	DATE:	13
CHECKED BY:	d.a.s.	DRAWING NO:	S-13-5625
JOB NO:	S-13-5625	SHEET	1 OF 1



CURVE TABLE			
CURVE	LENGTH	RADIUS	BEARING
C1	50.50	31.21	S37°09'07"E
C2	207.30	230.00	N57°40'34"W

TITLE COMPANY:
Fredericksburg Titles, Inc.
203 West Austin Street
Fredericksburg, TX 78624

PREPARED FOR:
William & Carol Scott
Cool Water Ranch Road
Fredericksburg, TX 78624

LEGEND

- 3/8 inch dia. iron rod found
- 3/8 inch dia. iron rod set
- electric transformer pad
- Verizon riser box
- electric meter pad
- gas meter
- water meter
- air conditioning unit
- utility pole
- P.R. Plat Records
- (10) culvert no. (see final recorded plat)

This tract is subject to the following easements listed in Fredericksburg Titles, Inc. Commitment for Title Insurance, G. F. No. 201308334, issued August 20, 2013:

- Definitions, easements, restrictions, covenants, limitations, conditions rights ,privileges, obligations, liabilities, charges, liens, assessments and other terms and provisions set out in Register No. 20064225, Register No. 20071105, Register No. 20071677 and Register No. 20084709, Official Public Records of Gillespie County, Texas.
- Well/septic setback lines, drainage easements and utility easements on Plat recorded in Vol. 4, Pg. 4, Gillespie County Plat Records. SHOWN HEREON. Records of Gillespie County, Texas.
- Building setback lines in Register No. 20064225, Official Public Records of Gillespie County, Texas and Vol. 4, Pg. 4, Gill. Co. Plat Records.
- Any visible or apparent roadway or easement over or across the property, the existence of which does not appear of record.

The undersigned does hereby certify that a survey was made on the ground of the property shown hereon, that it is correct and that there are no obvious boundary line conflicts, encroachments, overlapping of improvements or roads in place except as shown hereon and that said property has access to and from a dedicated roadway except as shown.

August 28, 2013

Dale Allen Sultemeier
Registered Professional Land Surveyor
No. 4542 – State of Texas

1" = 200'

SULTEMEIER
SURVEYING & ENGINEERING
Boundary–Title–Topographic–Construction Surveys
Engineering – Land Development Services
805 North Llano Street
Fredericksburg, Texas 78624
(830) 990-1221 Fax (830) 990-1222
Copyright © 2013 All Rights Reserved
sultemeiersurveying.com

Tracts 22 & 25
Cool Water Ranch
Volume 4 - Page 4
Gillespie Co. Plat Records

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk
Gillespie County Texas
September 12, 2013 11:35:17 AM
FEE: $35.00 20134237
DCC

CJB/emh/GENERAL MISC

AF 20064325
24 PGS

COOL WATER RANCH, LTD. TO THE PUBLIC

DEDICATORY INSTRUMENTS

THE STATE OF TEXAS §
KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GILLESPIE §

In compliance with Section 202.006 of the Texas Property Code, attached hereto for filing are copies of the original Articles of Formation and the Bylaws of Cool Water Ranch Owners' Association, Inc., pertaining to Cool Water Ranch, situated in Gillespie County, Texas, as such Subdivision is shown, described and delineated on the map or plat thereof recorded in Volume 4, Pages 4-5, Plat Records of Gillespie County, Texas.

Cool Water Ranch, Ltd., the developer of the Subdivision, declares that the attached are true and correct copies of the same.

SIGNED this the 5th day of July, 2006.

COOL WATER RANCH, LTD.

By COOL WATER RANCH ONE, LLC, its General Partner

By: _____
CHARLES E. ITZ, Member and Manager

By: _____
RICHARD STEHLING, JR., Member and Manager

By: _____
SHERMAN D. DURST, Member and Manager

CJB/emh/GENERAL MISC

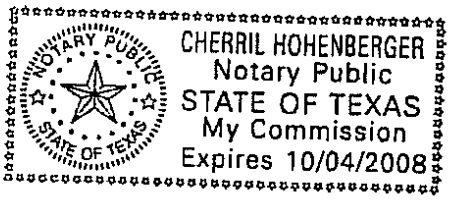
By: Carroll J. Bryla
CARROLL J. BRYLA, Member and Manager

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 5th day of July, 2006, by CHARLES E. ITZ, RICHARD STEHLING, JR., SHERMAN D. DURST, and CARROLL J. BRYLA, Members and Managers of COOL WATER RANCH ONE, LLC, the General Partner of COOL WATER RANCH, LTD, a Texas Limited Partnership.

Cherril Hohenberger
Notary Public, State of Texas



ARTICLES OF FORMATION

OF

COOL WATER RANCH OWNERS' ASSOCIATION, INC.

A Texas Nonprofit Corporation

I, the undersigned natural person over the age of eighteen years, acting as incorporator of a corporation under the Business Organizations Code (the "Code"), do hereby adopt the following Articles of Formation for the corporation:

1. PROPERTY OWNERS ASSOCIATION. The corporation is the "Association" as defined in the Declaration of Covenants, Conditions and Restrictions for Cool Water Ranch, a rural residential subdivision, recorded in the Official Public Records, Gillespie County, Texas, as such instrument may be amended from time to time (the "Declaration").

2. NAME. The name of the corporation is COOL WATER RANCH OWNERS' ASSOCIATION, INC. The corporation is hereinafter referred to as the "Association".

3. NONPROFIT. The Association is a corporation not for profit organized pursuant to the Code.

4. DURATION. The duration of the Association is perpetual.

5. PURPOSES. The general purposes for which the Association is formed are to exercise all of the rights and powers and to perform all of the duties and obligations of the Association, as set forth in and in accordance with the Declaration, the Bylaws of the Association, and State law, as each may be amended from time to time; including, without limitation (i) to provide for the acquisition, construction, management, maintenance, and care of properties of the Association, and to promote the recreation, health, safety, and welfare of the owners of the lots or tracts within the Cool Water Ranch, a subdivision situated in Gillespie County, Texas, as such subdivision is shown, designated and delineated by the map or plat recorded in Volume 4, Pages 4-5, Plat Records of Gillespie County, Texas (the "Subdivision"); (ii) to provide for the improvement and maintenance of the common areas of the Subdivision, which may include but not be limited to, construction and maintenance of roads, parkways, rights-of-way, easements, curbs, sidewalks, streetlights, landscaping, entrance signs, entry gates, walls, bridges, and similar facilities within the Subdivision; (iii) to fix, levy, collect, and enforce payment of any charges or assessments, as set forth in the Declaration, and (iv) to pay all expenses incurred by the Association in connection with the exercise of its rights, the performance of its duties, and/or the conduct of the business of the Association.

6. POWERS. In furtherance of its purposes, the Association shall have the following powers:

a. All rights and powers conferred upon non-profit corporations by State law in effect from time to time;

b. All rights and powers conferred upon property owners associations by State law, in effect from time to time; and

c. All powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in these Articles, the Bylaws, the Declaration, or State law.

7. RESTRICTIONS ON POWERS. The Association shall have no power to take any action that would be inconsistent with the requirements for tax exemption under Section 528 of the Internal Revenue Code of 1986, as amended from time to time, and related or successor regulation, ruling, and procedures.

8. MEMBERSHIP. The Association will have members. The Declaration and Bylaws will determine the number and qualifications of members of the Association; any classes of membership; the voting rights and other privileges of membership; and the obligations and liabilities of members. Cumulative voting is not allowed.

9. MANAGEMENT BY BOARD. The management and affairs of the Association are vested in the Board of Directors, except for those matters, if any, expressly reserved to others in the Declaration or the Bylaws. The Bylaws may determine the number and qualification of directors; the term of office of directors; the methods of electing, removing, and replacing directors; and the methods of holding a board meeting and obtaining consents.

10. LIMITATIONS ON LIABILITY. An officer or director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as an officer or director, except to the extent a person is found liable for (i) a breach of the officer or director's duty of loyalty to the Association or its members; (ii) an act or omission not in good faith that constitutes a breach of duty of the officer or director to the Association; (iii) an act or omission that involves intentional misconduct or a knowing violation of the law; (iv) a transaction from which the officer or director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (v) an act or omission for which the liability of an officer or director is expressly provided by an applicable statute. The liability of officers and directors of the Association may also be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

11. INDEMNIFICATION. To the extent permitted by the Code, as such Code may

be amended from time to time, and in accordance with the Bylaws of the Association, the Association shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding by reason of the fact that he, his testator, or intestate, is or was a director or officer of the Association or of any corporation which he served in such capacity at the request of the Association, and shall pay or reimburse the reasonable expenses incurred by such director or officer where permitted. The right to indemnification conferred by this Article shall not restrict the power of the Association to make any other type of indemnification permitted by law.

12. AMENDMENT OF ARTICLES. These Articles maybe amended as follows:

a. As long as the Declarant (as such term is defined in the Declaration) owns any interest in the Subdivision (as such term is defined in the Declaration), these Articles may be amended with the approval of the Declarant and the affirmative vote of more than eighty percent (80%) of all of the votes of the membership of the Association (excluding any votes of members whose voting rights have been suspended). Except as otherwise provided herein, from and after the date that Declarant no longer owns any interest in the Subdivision, these Articles may be amended by the affirmative vote of more than eighty percent (80%) of all of the votes of the membership of the Association (excluding any votes of Members whose voting rights have been suspended).

13. AMENDMENT OF BYLAWS. The Bylaws of the Association maybe amended or repealed according to the amendment provision of the Bylaws, which may reserve those powers to the members, exclusively.

14. DISSOLUTION. The Association may be dissolved only as provided in the Declaration, Bylaws, and by State law. On dissolution of the Association, other than incident to a merger or consolidation, title to the common areas and other assets owned by the Association shall vest in the members as tenants in common in proportion to their respective interests.

15. INITIAL BOARD OF DIRECTORS. The initial board consists of four (4) directors who will serve as directors until their successor or successors are elected and qualified, as provided in the Bylaws. The name and address of the initial directors are as follows:

Name	Address
Richard Stehling, Jr.	1204 Crenwelge Drive, Fredericksburg, Tx. 78624
Charles E. Itz	804 East Main Street, Fredericksburg, Tx. 78624
Sherman D. Durst	217 East Main, Fredericksburg, Tx. 78624
Carroll J. Bryla	105 West San Antonio Street, Fredericksburg, Tx. 78624

16. INITIAL REGISTERED AGENT. The name of the Association's initial

registered agent is Carroll J. Bryla. The address of its initial registered office is 105 West San Antonio Street, Fredericksburg, Texas 78624.

17. INCORPORATOR. The name of the incorporator is Carroll J. Bryla. The address of the incorporator is 105 West San Antonio Street, Fredericksburg, Texas 78624.

18. EFFECTIVENESS OF FILING. This document becomes effective when the document is filed by the secretary of state.

19. EXECUTION. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

SIGNED this 3RD day of JULY, 2006.

Carroll J Bryla

Carroll J. Bryla, Incorporator

Bylaws of
Cool Water Ranch Owners' Association, Inc.
A Non-Profit Corporation

Article 1.
General

1.1. Principal Office. The principal office of the Association in the State of Texas shall be located in the City of Fredericksburg, County of Gillespie. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

1.2. Registered Office and Registered Agent. The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Business Organizations Code. The registered office may be, but need not be, identical with the principal office of the Association in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

Article 2.
Definitions

"Articles" shall mean the Articles of Formation of the Association.

"Association" shall mean and refer to Cool Water Ranch Owners' Association, Inc. (a Texas non-profit corporation), its successors and assigns.

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

"Common Area" shall mean all real property (including the improvements thereto) leased, owned or maintained by the Association for the common use and enjoyment of the Owners. By way of illustration, Common Area may include, but not necessarily be limited to, the following: private streets, signs, street medians, entry gates, landscaping, lighting, entrance signs, walls, bridges, and other similar or appurtenant improvements.

"Declarant" shall mean and refer to COOL WATER RANCH, LTD., its successors and assigns, if such successors or assigns should acquire all of the undeveloped and unsold Tracts or acreage from the Declarant for the purpose of development.

"Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions of the Subdivision recorded in File No. 20064225 of the Official Public Records of Gillespie

County, Texas, as such instrument may be amended from time to time.

"Majority Vote" shall mean the vote of more than fifty percent (50%) of all of the votes of the membership of the Association (excluding any votes of Members whose voting rights have been suspended).

"Majority of the Members" shall mean those Members who are entitled to vote more than fifty percent (50%) of all of the votes of the membership of the Association (excluding any votes of Members whose voting rights have been suspended).

"Member" shall mean an Owner who is a Member of the Association as provided for below.

"Owner" shall mean the record owner (including Declarant), whether one or more persons or entities, of a fee simple title to any Tract, including contract Sellers, but excluding those having such interest merely as security for the performance of an obligation.

"Plat" shall mean the map or plat of the Subdivision recorded in Volume 4, Pages 4-5, of the Plat Records of Gillespie County, Texas, as such plat may be modified and amended from time to time.

"Subdivision" shall mean the Cool Water Ranch, according to the Plat, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

"Tract" shall mean and refer to any plot of land shown upon the Plat, with the exception of any plot designated as a Common Area.

"Turnover Date" shall mean the date that the Declarant turns the management of the Association over to the Owners in accordance with Article VII, Section 2 of the Declaration.

Article 3.
Members

3.1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Tract which is a part of the Subdivision shall be a Member of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Tract governed by the terms of the Declaration.

3.2. Class of Members/Voting Rights. The Association shall have two classes of membership.

Class A: Class A Members shall be all Owners of Tracts, with the exception of the Declarant, and shall be entitled to one (I) vote for each Tract owned. When more than one person owns an interest in any Tract, all such persons shall be Members. The vote for such Tract shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any one Tract hereunder.

Class B: Class B Members shall be the Declarant Declarant shall be entitled to three (3) votes for each Tract owned. Once a Tract is sold to person or persons who would be classified as Class A Members, the three (3) votes attached to that Tract shall be extinguished.

When more than one person owns an interest in any Tract, in order for the vote attributable to such Tract to be valid, the Owners of such Tract (or their representatives) shall deliver to the Board of Directors such instruments and documents (including, without limitation, resolutions, authorizations, approvals, and certifications) as the Board of the Directors may reasonably request to confirm that such vote was authorized; such instruments and documents to be delivered prior to the taking of the vote of the members. If such instruments and documents are not delivered, or if the Board of Directors determines, in its sole discretion, that such vote was not properly authorized, the vote submitted for such Tract shall be deemed to be an abstention.

3.3. Transfer of Membership. Membership in the Association is not transferable or assignable. Membership automatically terminates when an Member no longer owns a fee or undivided fee interest in a Tract.

3.4. Suspension of Voting Rights and Rights to Use Common Areas. A Member's voting rights and/or rights to use any Common Areas and facilities may be suspended by the Board of Directors during any period in which such Member shall be in default of the payment of any assessment levied by the Association, or in default of any provisions of the Declaration, or in default of any rules and regulations adopted by the Association.

Article 4.
Meeting of Members

4.1. Annual Meetings. The first annual meeting of the Members shall be held on or before March 31, 2007. Thereafter, an annual meeting of Members shall be held every twelve (12) months for the transaction of such business as may be properly brought before the meeting. The annual meeting shall be held within three (3) months following the end of the calendar year on a day and hour to be selected by the President, the Board of Directors, or a Majority of the Members.

4.2. Special Meeting. Unless otherwise prescribed by statute, special meetings of the Members may be called for any purpose or purposes. Special meetings may be called by the President, the Board of Directors, or by a Majority of Members. Only business within the purpose or purposes described in the notice required by Section 4.4. may be conducted at a special meeting of the Members.

4.3. Place of Meeting. The Board of Directors may designate any place in Gillespie County as the place of meeting for any annual meeting. The person or group that called a special meeting may designate any place in Gillespie County, Texas, as the place of meeting for any special meeting of the Members, unless otherwise prescribed by statute. If no designation is made, the place of meeting shall be the principal office of the Association in the State of Texas.

4.4. Notice of Meeting.

A. Except as otherwise provided in Subsection 4.4.B. below, written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than ninety (90) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the person calling the meeting, to each Member entitled to vote at such meeting.

B. With respect to any meeting of the Members called for the purpose of taking any action requiring a vote of Members under Article VII, Section 5 or Section 6 of the Declaration regarding annual assessments and special assessments, written or printed notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than twenty (20) nor more than ninety (90) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the person calling the meeting, to each Member entitled to vote at such meeting.

C. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at such Member's address as it appears on the records of the Association, with postage thereon prepaid.

4.5. Quorum of and Voting by Members.

A. With respect to a meeting of the Members called for the purpose of taking any action requiring a vote of Members under Article VII, Section 5 or Section 6 of the Declaration regarding annual assessments and special assessments, the presence of Members or proxies entitled to cast sixty percent (60%) of all the votes of the membership of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called

by the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 90 days following the preceding meeting.

B. With respect to any other matter, a quorum shall be present at a meeting of Members if a Majority of the Members are represented at the meeting in person or by proxy. Once a quorum is present at a meeting of Members, the Members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any Member or the refusal of any Member represented in person or by proxy to vote shall not effect the presence of a quorum at the meeting. The Members represented in person or by proxy at a meeting of the Members at which a quorum is not present may adjourn the meeting until such time and to such place as may be determined by the vote of more than fifty percent (50%) of the votes that may be cast by the Members represented at that meeting in person or by proxy.

C. With respect to any matter, other than a matter for which the affirmative vote of a specified number of Members is required by law, the Articles, the Declaration, or these Bylaws, the affirmative vote of more than fifty percent *(50%)* of the votes that may be cast by the Members represented in person or by proxy at a meeting of Members at which a quorum is present shall be the act of the Members.

4.6. Proxies. A Member may vote in person or by proxy executed in writing by the Member or such Member's duly authorized attorney in fact. The Board of Directors may designate the form of the proxy to be used. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

4.7. Method of Voting. With respect to the election of Directors, voting shall be by secret written ballot. Voting on any other matter may be by voice or show of hands unless the presiding officer shall order, or any Member shall demand, that voting be by written ballot.

4.8. Rules of Procedure. To the extent applicable, the most recent edition of Robert's Rules of Order in effect at the time of the Members' meeting may govern the conduct and procedure at all Members' meetings.

4.9. Action by Written Consent. Any action required by law to be taken or which may be taken at any annual or special meeting of Members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by all the Members entitled to vote with respect to the action that is the subject of the consent.

Article 5
Board of Directors

5.1. Management of Association. The affairs of the Association shall be managed by its Board of Directors. The Directors need not be residents of Texas.

5.2. Powers of the Board of Directors. The Board of Directors shall have the power to:

a. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

b. Suspend the voting rights of any Member and/or the right of any Member to use of any Common Area and facilities during any period in which such Member shall be in default of the payment of any assessment levied by the Association, or in default of any provisions of the Declaration, or in default of any rules and regulations adopted by the Association:

c. Hire such personnel as are in the opinion of the Board necessary for the efficient and effective operation of the Association and delegate to such personnel such of the rights, powers and privileges of the Board of Directors as the Board of Directors may deem to be necessary or advisable;

d. Exercise the rights, powers and privileges delegated to the Board of Directors herein, or in the Articles, the Declaration or by State law; and

e. Exercise for and on behalf of the Association all powers, duties, and authorities vested in or delegated to the Association and not otherwise reserved to the Members of the Association herein, in the Articles, the Declaration or by State law.

5.3. Duties. It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all its acts and corporate affairs and (i) to present an annual report thereof to the members at the annual meeting of the members, and (ii) to provide interim reports thereof to the Members if such interim report is requested in writing by Members who are entitled to vote at least one fourth (1/4) of all of the votes of the membership of the Association;

b. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

c. As more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Tract at least ten (10) days in advance of each annual assessment period;

(2) send written notice of each annual assessment to every Owner subject thereto; and

(3) cause collection action to be taken to secure and collect delinquent assessments as more particularly set out in the Declarations.

d. Procure and maintain adequate liability insurance, and hazard insurance on property owned by the Association;

e. Cause all officers or employees of the Association having fiscal responsibilities to be bonded, if the Board of Directors deems such bonding to be reasonable and appropriate; and

f. Cause the Common Area to be maintained.

5.4. Number. The number of Directors shall not be less than three *(3)* nor more than five (5).

5.5. Qualifications of Directors. Prior to the Turnover Date, a Director need not be a Member of the Association. From and after the Turnover Date, a Director shall be a Member of the Association in good standing as of the time of nomination.

5.6. Appointment/Election. Prior to the Turnover Date, the Declarant shall appoint the Directors of the Association. After the Turnover Date, Directors shall be elected by the Members in accordance with Article 4 above.

5.7. Term of Office. Prior to the Turnover Date, each member of the Board of Directors shall serve for a term of three (3) years, unless such Director resigns or is removed by the Declarant. At the meeting of the Members to elect Directors as a result of the Declarant's "turnover" of the management of the Association to the Owners in accordance with Article VII,

Section 2 of the Declaration, the Members shall elect not more than one-third (1/3) of the number of Directors to be elected for a term of one (1) year, not more than one-third (1/3) of the number of Directors to be elected for a term of two (2) years, and the rest of the Directors to be elected for a term of three (3) years. Thereafter, Directors shall be elected for a term of three (3) years.

5.8. Nominations.

A. Nominations for election to the Board of Directors shall be made in writing on a form approved by the Board of Directors for nominations. Nominations shall include the written undertaking of the nominee to serve if elected. Written nominations shall be accepted if delivered to the Secretary of the Board of Directors not less than fifteen (15) days prior to the date of the meeting at which such election is to be held. Nominations may also be made at the floor of the meeting at which an election is to be held.

B. The election officer shall check all nominations and shall disqualify from election any nominee not qualified for election or improperly nominated. In the event a nominee is disqualified, he or she shall be immediately notified in person, by telephone or in writing of such disqualification and shall be entitled to remedy such disqualification within twenty-four (24) hours of such notification, in which case his or her nomination shall be accepted notwithstanding the initial disqualification. The decision of the election officer regarding disqualification shall be final.

C. Notice of election shall be included with the notice of the meeting at which such election is to be held.

D. The Board of Directors shall, by resolution, designate one of its members not standing for re-election to serve as election officer for the election. The election officer shall administer the election. The election officer may appoint such assistants as are in his or her judgment required to conduct the election. An assistant shall not be a candidate for election to the Board of Directors in such election. Neither the election officer, nor any assistants shall receive any compensation for serving in such capacities.

E. At each election for Directors every Member entitled to vote at such election shall have the right to vote, in person or by proxy. for as many persons as there are directors to be elected and for whose election such Member has a right to vote. Cumulative voting shall not be permitted.

F. Election to the Board of Directors shall be by secret written ballot. Voting and the counting of ballots cast shall be conducted by the election officer and his or her assistants. The results of the balloting shall be announced before the close of the meeting. The nominee(s) receiving the highest number of votes shall be declared to have been elected.

5.8. Annual Meeting. An annual meeting of the Directors shall be held within sixty (60) days after the annual meeting of the Members, for the purpose of electing Officers and for the transaction of other business as may come before the meeting

5.9. Special Meeting. Special meetings of the Directors may be called by the President or by two (2) or more of the Directors.

5.10. Place of Meeting. The Board of Directors may designate any place in Gillespie County, Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, the place of meeting shall be the principal office of the Association in the State of Texas; but, if all of the Directors shall meet at any time and place, either within or without the State, and all consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such corporate meeting action may be taken.

5.11. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of Directors shall be delivered, either personally or by mail, to each Director not less than three (3) or more than ninety (90) days before the date of such meeting, by or at the direction of the President. or the Secretary, or the officers or persons calling the meeting. In case of a special meeting, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Director at such Director's address as it appears on the records of the Association, with postage thereon prepaid.

5.12. Informal Act By Directors. Any action required by law to be taken at a meeting of the Directors, or any action which may be taken at a meeting of the Directors, may be taken without a meeting, if consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof.

5.13. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business of any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice,

5.14. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles, the Declaration, or these Bylaws.

5.15. Vacancies. Prior to the Turnover Date, any vacancy occurring in the Board of Directors shall be filled by the Declarant. From and after the Turnover Date, any vacancy occurring in the Board of Directors shall be filled by the remaining Directors, and the person elected to fill such vacancy shall serve for the unexpired term of his or her predecessor.

5.16. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

5.17. Removal. Prior to the Turnover Date, any Director may be removed from the Board, with or without cause, by the Declarant. From and after the Turnover Date, any Director may be removed by a Majority Vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

5.18. Open Meetings Regular meetings of the Board of Directors shall be open to all Members, provided, however, that Members who are not members of the Board of Directors may not participate in any deliberation or discussion unless recognized by the President to so participate. The Board of Directors may, with the approval of a majority of a quorum of the Directors, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, property matters, orders of business relating to matters which are or maybe the subject of a claim or privilege, or for any purpose deemed appropriate in the discretion of the Board of Directors.

Article 6.
Officers

6.1. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable. The officers shall have such authority and shall perform such duties as maybe prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

6.2. Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

6.3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

6.4. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the members of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any contracts or other instruments which the Board of Directors have authorized to be executed (except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Association); and in general the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

6.5. Vice President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or Board of Directors.

6.6. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and in general perform all the duties as from time to time may be assigned by the President or by the Board of Directors.

6.7. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the Association records; keep a register of the post office address of each Director which shall be furnished to the Secretary by each Director, and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Article 7.
Committees

7.1. Committees of Directors. The Board of Directors by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in said resolution shall have and exercise the authority of the Board of Directors in the management

of the Association. The designation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law.

7.2. Other Committees. Other committees may be designated by a resolution adopted by a majority of the Directors present at a meeting of which a quorum is present.

Article 8.
Contracts, Checks, Deposits and Funds

8.1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association. Such authority may be general or confined to specific instances.

8.2. Checks and Drafts. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

8.3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors select.

Article 9.
Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Directors. All books and records of the Association may be inspected by any Director or his agent or attorney for any proper purpose at any reasonable time.

Article 10.
Fiscal Year

The fiscal year of the Association shall be determined by the filing of its first return with the Internal Revenue Service.

Article 11.
Waiver of Notice

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice. whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article 12.
Indemnification of Directors and Officers

12.1. Definitions. In this Article:

A. "Indemnitee" means (i) any present or former Director, advisory director or officer of the Association, (ii) any person who while serving in any of the capacities referred to in clause (i) hereof served at the Association's request as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, and (iii) any person nominated or designated by (or pursuant to authority granted by) the Board of Directors or any committee thereof to serve in any of the capacities referred to in clauses (i) or (ii) hereof.

B. "Official Capacity" means (i) when used with respect to a Director, the office of Director of the Association, and (ii) when used with respect to a person other than a Director, the elective or appointive office of the Association held by such person or the employment or agency relationship undertaken by such person on behalf of the Association, but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

C. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

12.2. Indemnification. The Association shall indemnify every Indemnitee against all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the Indemnitee in connection with any Proceeding to which he was, is or is threatened to be named defendant or respondent, or in which he was or is a witness without being named a defendant or respondent, by reason, in whole or in part, of his serving or

having served, or having been nominated or designated to serve, in any of the capacities referred to in Section 12.l.A., if it is determined in accordance with Section 12.4. that the Indemnitee (a) conducted himself in good faith, (b) reasonably believed, in the case of conduct in his Official Capacity, that his conduct was in the Association's best interests and, in all other cases, that his conduct was at least not opposed to the Association's best interests, and (c) in the case of any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful; provided, however, that in the event a determination is made that a person is entitled to indemnification pursuant to this Section 12.2. in connection with a Proceeding in which the Indemnitee is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the Indemnitee, whether or not the benefit resulted from an action taken in the Indemnitee's Official Capacity, such indemnification shall be limited to the reasonable expenses (including court costs and attorney's fees) actually incurred by the Indemnitee in connection with the Proceeding. No indemnification shall be made under this Section 12.2. in respect of any judgment, penalty, fine or amount paid in settlement in connection with any Proceeding in which such Indemnitee shall have been found liable for willful or intentional misconduct in the performance of his duty to the Association. The termination of any Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent, is not of itself determinative that the Indemnitee did not meet the requirements set forth in clauses (a), (b) or (c) in the first sentence of this Section 12.2. An Indemnitee shall be deemed to have been found liable in respect of any claim, issue or matter only after the Indemnitee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

12.3. Successful Defense. Without limitation of Section 12.2. and in addition to the indemnification provided for in Section 12.2., the Association shall indemnify every Indemnitee against reasonable expenses incurred by such person in connection with any Proceeding in which (i) he is a witness or other participant because he served in any of the capacities referred to in Section 12.1 .B.. at a time when he is not a named defendant or respondent in the Proceeding, or (ii) he is a named defendant or respondent because he served in any of the capacities referred to in Section 12.1 .B., if such person has been wholly successful, on the merits or otherwise, in defense of the Proceeding.

12.4. Determinations. Any indemnification under Section 12.2. (unless ordered by a court of competent jurisdiction) shall be made by the Association only upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct. The Association shall take all steps necessary to make such determination on its own initiative or upon the request of an Indemnitee. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who, at the time of such vote, are not named defendants or respondents in the Proceeding; (b) if such a quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors, duly designated to act in the matter by a majority vote of all Directors (in which designation Directors who are named defendants or respondents in the Proceeding may participate), such committee to consist solely of two or more Directors who, at the time of the

committee vote, are not named defendants or respondents in the Proceeding; (c) by special legal counsel selected by the Board of Directors or a committee thereof by vote as set forth in clauses (a) or (b) of this Section 12.4. or, if the requisite quorum of all of the Directors cannot be obtained therefor and such committee cannot be established, by a majority vote of all of the Directors (in which Directors who are named defendants or respondents in the Proceeding may participate); or (d) by the members in a vote that excludes the Directors that are named defendants or respondents in the Proceeding. Determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified in clause (c) of the preceding sentence for the selection of special legal counsel. In the event a determination is made under this Section 12.4. that the Director or officer has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably prorated.

12.5. Advancement of Expenses. Reasonable expenses (including court costs and attorney's fees) incurred by an Indemnitee who was or is a witness or was, is or is threatened to be made a named defendant or respondent in a Proceeding shall be paid by the Association at reasonable intervals in advance of the final disposition of such Proceeding and without the determination specified in Section 1 2.4. after the Association receives (a) a written affirmation by such Indemnitee of his good faith belief that he has met the standard of conduct necessary for indemnification by the Association under this Article and (b) a written undertaking by or on behalf of such Indemnitee to repay the amount paid or reimbursed by the Association if it shall ultimately be determined that he has not met that standard or if it shall ultimately be determined that indemnification of such Indemnitee against expenses incurred by him in connection with that proceeding is prohibited by Section 12.2. Such written undertaking shall be an unlimited obligation of the Indemnitee but need not be secured and it may be accepted without reference to financial ability to make repayment. Notwithstanding any other provision of this Article, the Association may pay or reimburse expenses incurred by an Indemnitee in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not named a defendant or respondent in the Proceeding.

12.6. Other Indemnification and Insurance. The indemnification provided by this Article shall not be deemed exclusive of, or to preclude, any other rights to which those seeking indemnification may at any time be entitled under the Association's Articles of Incorporation, any law, agreement or vote of members or disinterested Directors, or otherwise, or under any policy or policies of insurance or other arrangement, consistent with law, purchased and maintained by the Association on behalf of any Indemnitee, both as to action in his Official Capacity and as to action in any other capacity. The indemnification provided by this Article shall continue as to a person who has ceased to be in the capacity by reason of which he was an Indemnitee with respect to matters arising during the period he was in such capacity, and shall inure to the benefit of the heirs, executors and administrators of such a person.

12.7. Notice. Any indemnification or advance of expenses to a present or former Director of the Association in accordance with this Article shall be reported in writing to the Members of the Association with or before the notice or waiver of notice of the next Members' meeting and, in any case, within the twelve (12) month period immediately following the date of the indemnification or advance.

12.8. Construction. The indemnification provided by this Article shall be subject to all valid and applicable laws, including, without limitation, Article 2.22A of the Texas Non-Profit Corporation Act, and, in the event this Article or any of the provisions hereof or the indemnification contemplated hereby are found to be inconsistent with or contrary to any such valid laws, the latter shall be deemed to control and this Article shall be regarded as modified accordingly, and, as so modified, to continue in full force and effect.

12.9. Continuing Offer, Reliance, Etc. The provisions of this Article (i) are for the benefit of, and may be enforced by. each Director and officer of the Association, the same as if set forth in their entirety in a written instrument duly executed and delivered by the Association and such Director or officer and (ii) constitute a continuing offer to all present and future Directors and officers of the Association. The Association, by its adoption of these Bylaws, (i) acknowledges and agrees that each present and future Director and officer of the Association has relied upon and will continue to rely upon the provisions of this Article in accepting and serving in any of the capacities referred to in Section 12.1 .A. of this Article, (ii) waives reliance upon, and all notices of acceptance of, such provisions by such Directors and officers and (iii) acknowledges and agrees that no present or future Director or officer of the Association shall be prejudiced in his right to enforce the provisions of this Article in accordance with their terms by any act or failure to act on the part of the Association.

12.10 Effect of Amendment. No amendment, modification or repeal of this Article or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Director or officer of the Association to be indemnified by the Association, nor the obligation of the Association to indemnify any such Director or officer, under and in accordance with the provisions of this Article as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Article 13.
Amendment To Bylaws

Except as otherwise provided herein, as long as Declarant owns any interest in the Subdivision, these Bylaws may be amended with the approval of the Declarant and the affirmative vote of at least two thirds (2/3rds) of all of the votes of the membership of the Association. Except as otherwise provided herein, from and after the date that Declarant no

longer owns any interest in the Subdivision, these Bylaws may be amended by the affirmative vote of at least two thirds (2/3rds) of all of the votes of the membership of the Association.

Article 14.
Dissolution

The Association may be dissolved by the vote of not less than two thirds (2/3rds) of all of the votes of the membership of the Association (excluding any votes of members whose voting rights have been suspended). Upon dissolution of the Association, the Association's interest in the Common Areas and other assets owned by the Association shall be distributed in accordance with a plan of distribution adopted by the board of directors and approved by the vote of not less than two thirds (2/3rds) of all of the votes of the membership of the Association (excluding any votes of members whose voting rights have been suspended).

I, the undersigned, being the Secretary of Cool Water Ranch Owners' Association, Inc., do hereby certify the foregoing to be the Bylaws of the said Association, as adopted by the Board of Directors effective the 5th day of July, 2006.

Secretary

B 45

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk

Gillespie County TEXAS

July 11, 2006 09:42:47 AM

FEE: $103.00

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CJB/emh/REAL ESTATE

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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

COOL WATER RANCH, LTD. TO COOL WATER RANCH OWNERS' ASSOCIATION, INC.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GILLESPIE §

THAT COOL WATER RANCH, LTD., a Texas Limited Partnership, acting herein by and through its General Partner, of the County of Gillespie and State of Texas, (hereinafter referred to as "Grantor"), for and in consideration of the sum of TEN AND NO/100 ($10.00) DOLLARS and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged, have GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY unto COOL WATER RANCH OWNERS' ASSOCIATION, INC., (herein referred to as "Grantee"), all of the following described real property in Gillespie County, Texas, to-wit:

All common areas in Cool Water Ranch, a subdivision situated in Gillespie County, Texas, as said common areas are shown, designated and delineated on the plat of said subdivision, found of record in Volume 4, Pages 4-5, Plat Records, Gillespie County, Texas.

This conveyance is expressly made subject to all rights-of-way, easements, restrictions and mineral reservations as the same may be found of record in the Office of the County Clerk of Gillespie County, Texas.

The payment of ad valorem taxes on said property for the current year is assumed by Grantee.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantees, their heirs and assigns forever; and it does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantees, their heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty, when the claim is by, through or under Grantor, but not otherwise.

EXECUTED this the 27th day of OCTOBER, 2014.

COOL WATER RANCH, LTD.

By: COOL WATER RANCH ONE, LLC,
Its General Partner

By: _____
Printed
Name: Charles E Fitz
Title: Member

By: _____
Printed
Name: CARROLL J. BRYLA
Title: Member

Address of Grantee:

C/O DONNA J. HUGLY
4004 BELTLINE RD. SUITE 235
ADDISON, TX. 75001

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 27th day of October, 2014, by Charles E. Itz, Member of COOL WATER RANCH ONE, LLC, General Partner of COOL WATER RANCH, LTD., a Texas Limited Partnership, on behalf of said Partnership.

ELGINIA HOHMANN
Notary Public, State of Texas
My Commission Expires
July 24, 2018

Elginia Hohmann
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 27th day of October, 2014, by Carroll J. Bryla, Member of COOL WATER RANCH ONE, LLC, General Partner of COOL WATER RANCH, LTD., a Texas Limited Partnership, on behalf of said Partnership.

ELGINIA HOHMANN
Notary Public, State of Texas
My Commission Expires
July 24, 2018

Elginia Hohmann
Notary Public, State of Texas

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk
Gillespie County, Texas
October 28, 2014 03:03:13 PM
FEE: $28 00 CCHEESEMAN 20144433
SWD