

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
CAPSTONE RIDGE ON THE BRAZOS

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF PALO PINTO §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for CAPSTONE RIDGE ON THE BRAZOS (this “Declaration”), is made on the date hereinafter set forth by Capstone Ridge on the Brazos, LLC, a Texas limited liability company (“Declarant”), for the purpose of evidencing the covenants, conditions and restrictions contained herein.

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property that Declarant refers to as “CAPSTONE RIDGE ON THE BRAZOS” and which real property is more particularly described by metes and bounds on Exhibit “A,” attached hereto and incorporated herein by reference. Such real property is hereinafter referred to as the “Development” or the “Property.”

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. These easements, covenants, restrictions and conditions shall run with the Property and be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of Declarant and each owner thereof.

NOW, THEREFORE, Capstone Ridge on the Brazos Homeowners Association, Inc., a Texas nonprofit corporation, has also been formed in the State of Texas and has been granted power of administering and enforcing the covenants, restrictions, charges and liens and disbursing the assessments and charges hereinafter created.

ARTICLE I
ADDITIONAL DEFINITIONS

1.1 Association. “Association” shall mean and refer to the Capstone Ridge on the Brazos Homeowners Association, Inc.

1.2 Board of Directors. “Board of Directors” shall mean and refer to the directors of the Association.

1.3 Common Area(s). “Common Area” or “Common Areas” shall mean those portions of the Development designated on Exhibit “B,” attached hereto and incorporated herein by reference, as Common Areas and those additional properties which Declarant shall, from time-to-time, convey to the Association for purposes of their ownership, use and maintenance by the Association for the benefit of all of the Owners of a Lot.

1.4 County. “County” shall mean Palo Pinto County, Texas.

1.5 Declarant. The term “Declarant” shall mean Capstone Ridge on the Brazos, LLC, a Texas limited liability company, and any party to whom it shall expressly assign in writing, its rights, powers, privileges and prerogatives hereunder.

1.6 Home. “Home” shall mean a single-family residential unit constructed on a Lot being a part of the Property, including the parking garage utilized in connection therewith and the Lot upon which the Home is located.

1.7 Lienholder. “Lienholder” or “Mortgagee” shall mean the holder of a first mortgage lien, either on any Home and/or any Lot.

1.8 Lot. “Lot” or “Lots” shall mean and refer to any portion of the Property conveyed to an Owner or held by Declarant. Where the context requires or indicates, the term Lot shall include the Home and all other improvements, which are or will be constructed on the Lot.

1.9 Open Space. “Open Space” shall mean and refer to those areas designated by the Declarant within the Development for parks, greenbelts, landscaped areas, open spaces and the like, whether developed or remaining in a natural state, upon which no improvements are constructed.

1.10 Owner. “Owner” shall mean and refer to the record Owner, other than Declarant whether one or more persons or entities, of a fee simple title to any Lot and shall include any homebuilder, but shall exclude those having such interest merely as security for the performance of an obligation. However, the term “Owner” shall include any Lienholder or Mortgagee who acquires fee simple title to any Lot, which is a part of the Property, through deed in lieu of foreclosure or through judicial or nonjudicial foreclosure.

1.11 Roads. “Roads” shall mean and refer to all roadways, drainage and water control improvements or features associated therewith, means of access, ingress and egress shown on the map or plat attached hereto as Exhibit “C,” attached hereto and incorporated herein by reference.

ARTICLE II **HOMEOWNERS’ ASSOCIATION, VOTING AND DIRECTORS**

2.1 Membership. The Declarant and each Owner shall automatically be a member of the Association, PROVIDED that any person or entity who holds such an interest merely as security for the performance of any obligation shall not be a member.

2.2 Classes of Voting Members. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all those members described in Section 1 of this Article II with the exception of Declarant. Class A members shall be entitled to one vote for each Lot (as such Lot is identified on the date of filing of this Declaration or as later modified by the Palo Pinto County Commissioners). When two or more persons or entities hold undivided interests in a Lot, all such persons or entities shall be Class A members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Lot.

(b) Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to ten (10) votes for each Lot, PROVIDED, HOWEVER, that from and after December 31, 2022, notwithstanding any other provision of this Article, the Class B member shall be entitled to two (2) votes for each Lot.

2.3 Board of Directors. All of the Directors of the Association shall be selected by the Declarant until the earlier of (a) January 1, 2021, or (b) the date all Lots have been sold. Beginning January 1, 2021, the Directors of the Association shall be selected by the Class A and B Members in accordance with their respective number of votes as provided hereinabove.

ARTICLE III **ASSESSMENTS**

3.1 Covenants for Assessments. The Declarant, for each lot, tract or parcel of land owned by it within the Development, hereby covenants, and each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant to pay to the Association: (1) annual assessments or charges (as specified in Section 3.3 of this Article III), and (2) special assessments for capital improvements (as specified in Section 3.4 of this Article III), all of such assessments to be fixed, established and collected from time to time as hereinafter provided.

3.2 Purposes of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the comfort, health, safety and welfare of the Owners, the Declarant, and permitted guests,

invitees and users of the Development and the Common Areas, or any part thereof, and for carrying out the purposes of the Association as stated in its Articles of Incorporation.

3.3 Annual Assessments. Each Owner shall pay to the Association an annual assessment of Five Hundred Seventy-Five and No/100 Dollars (\$575.00). The Declarant shall pay to the Association an annual assessment of Fifty and No/100 Dollars (\$50.00) for each Lot it owns. The rate of annual assessment may be increased by vote of the membership of the Association, as provided in Section 3.5 of this Article III. The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a different amount. The Association may not accumulate a surplus at the end of the year which is more than two (2) times the maximum permissible annual assessment for that year, less and except contributions made by Declarant to the Association for future expenditures. The Board of Directors shall, should such excess surplus (as above defined) exist at the end of any year, reduce the next total annual assessment by an amount at least equal to such excess surplus.

3.4 Special Assessments. In addition to the annual assessments authorized by Section 3.3 of this Article III, the Association may, by vote of its members as specified in Section 3.6 of this Article III, levy in any assessment year or years a special assessment for the purposes of defraying, in whole or in part, the cost of any construction or reconstruction, the cost of any insurance, including property, casualty, and errors and omissions insurance, unexpected repair or replacement of a described improvement including the necessary fixtures and personal property related thereto, or for carrying out other purposes of the Association as stated in its Articles of Incorporation.

It is expressly understood by each Owner that assessments shall be made for the continued maintenance of the Road(s) and Common Area(s) throughout Development as reasonably determined and fixed by the Board of Directors beginning no earlier than one (1) year following the completion of the Road(s) and Common Area(s) and approved by the applicable governmental authorities, if any.

3.5 Vote Required For Increase in Rate of Annual Assessment. The increase in the rate of the annual assessment as authorized by Section 3.3 of this Article III must be approved at an Association meeting by a majority of the total eligible votes of the membership of the Association as defined in Article II hereof.

3.6 Vote Required for Special Assessment. The Special Assessments authorized by Section 3.4 of this Article III must be approved (i) by a majority of the Board of Directors and, (ii) at an Association meeting, by a majority of the total eligible votes of the membership of the Association as defined in Article II hereof.

3.7 Commencement Date of Annual Assessment. The first annual assessment provided for herein shall commence with the year 2018 (effective January 1st of that year) and shall continue thereafter from year to year.

3.8 Due Date of Assessments. The first annual assessment shall become due and payable on January 1, 2019, and shall be considered delinquent if not paid by January 31, 2019. The assessments for any year after 2019 shall become due and payable on January 1st of such year and delinquent if not paid by January 31st of such year. The due date and delinquent date of any special assessment under Section 3.4 of this Article III shall be fixed in the resolution authorizing such assessment.

3.9 Owner's Personal Obligation for Payment of Assessments. The annual and special assessments provided for herein shall be the personal and individual debt of each Owner of a Lot covered by any assessments. No Owner may exempt itself from liability for such assessments. In the event of default in the payment of any such assessment, the Owner of such Lot (hereinafter referred to as a "Delinquent Owner") shall be obligated to pay interest at the rate of twelve (12%) per annum on the amount of the assessment from the due date thereof, together with all costs and expenses, including attorney's fees.

3.10 Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid, shall, together with interest as provided in Section 3.9 of this Article III and the cost of collection, including attorney's fees as hereinafter provided, thereupon become a continuing lien and charge (hereinafter referred to as "Assessment Lien") on the Lot covered by such assessment, which shall bind such Lot in the hands of a Delinquent

Owner, its successors and assigns. An Assessment Lien shall be superior to all other liens and charges against a Lot, except only for tax liens and all sums unpaid on a first mortgage lien or first deed of trust lien of record, securing in either instance sums borrowed for the improvement of the Lot in question. The Association shall have the power to subordinate the Assessment Lien to any other lien. Such power shall be entirely discretionary with the Association. To evidence the Assessment Lien, the Association shall prepare a written notice of the Assessment Lien setting forth the amount of the unpaid indebtedness, the name of the Delinquent Owner of the Lot subject to the Assessment Lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Palo Pinto County, Texas. The Assessment Lien shall attach with the priority set forth above from the date that such payment becomes delinquent and may be enforced by a foreclosure action against the Delinquent Owner's Lot by the Association in like manner as a mortgage on real property subsequent to the recording of a notice of the Assessment Lien as provided above, or the Association may institute suit against the Delinquent Owner obligated to pay the assessment and/or for foreclosure of the Assessment Lien judicially. In a foreclosure proceeding, whether judicial or non-judicial, the Delinquent Owner shall be required to pay the costs, expenses and reasonable attorney's fees incurred. The Association shall have the power to bid on the Lot at foreclosure or other legal sale and acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any mortgagee holding a prior lien on any Lot, the Association shall report to such mortgagee any unpaid assessments remaining unpaid for longer than thirty (30) days after the same are due.

3.11 Common Areas Exempt. All Common Areas as defined herein shall be exempt from the assessments and liens created herein.

3.12 Combination of Lots. No replatting or other combination of multiple Lots into a single Lot shall result in the reduction of the obligation of the Owner to pay all annual and special assessments for each of the Lots as originally designated at the time of the filing of this Declaration.

3.13 Assessments. This Declaration does not create or establish any right in the Declarant, distinct from the right of the Association, to assess or collect any assessment, charge or fee with respect to the Property or the Development associated with the maintenance, oversight or management of the Development or the Property.

ARTICLE IV **ARCHITECTURAL REVIEW**

The Declarant shall have the authority of architectural review under this Declaration for all construction, alteration, change or modification. Plans and specifications shall be submitted to the Declarant in writing at least fourteen (14) days prior to the commencement of any construction, alteration, change or modification. The Declarant shall review the plans and specifications and notify the Owner in writing of its approval or disapproval. If the Declarant fails to approve or disapprove said plans and specifications within fourteen (14) days after the same has been submitted to it, they will be deemed to have been approved by the Declarant. Declarant shall not unreasonably withhold approval, and any disapproval shall set forth the elements disapproved and the reason or reasons thereof. No construction, alteration, change or modification shall commence until approval of the Declarant is obtained. The Declarant may approve any deviation from these covenants and restrictions as the Declarant, in its sole and absolute discretion, deems consistent with the purpose hereof. The Declarant shall not be liable to any Owner for any claims, causes of action or damages arising out of the denial of any submittal or grant of any deviation to an Owner.

ARTICLE V **CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS**

5.1 Residential Use. The Property shall be used for single-family residential purposes only, except as authorized under the terms and conditions of Section 5.3 below. No building shall be erected, altered, placed or permitted to remain on any Lot other than (a) one (1) detached single-family residence per Lot, which residence may not exceed two and one-half (2½) stories in height, and (b) additional or "out" buildings, including but not limited to a barn, guest house, or other similar buildings, constructed of quality materials approved by the Declarant, which approval shall not be unreasonably withheld. If such additional or "out" building(s) are constructed prior to the construction of the single-family residence, construction of the single-family residence upon the Lot must begin within twelve (12) months of the beginning of construction for such additional or "out" building(s).

5.2 Single Family Use. Each residence shall be limited to occupancy by only one family consisting of persons related by blood, adoption or marriage or no more than two (2) unrelated persons residing together as a single housekeeping unit, in addition to any household or personal servant staff.

5.3 Non-Conforming Use. Notwithstanding anything to the contrary contained in this Declaration, the Declarant reserves the right for itself and for the Association to approve and permit one or more “non-conforming use(s)” on any portion of the Property located within either the J.W. Cox Survey, Abstract No. 1013, Palo Pinto, County, Texas, or the J. Snow Survey, Abstract No. 1390, Palo Pinto County, Texas (the “Exempted Property”). The term “non-conforming use” shall mean and include any use which is not single-family residential, including but not limited to wedding and/or special event venues and equestrian event facilities. Such “non-conforming use” shall (a) not unreasonably interfere with the overall residential purposes of the Property and (b) be expressly approved by the Declarant or the Association in writing prior to commencement of any construction or other activity which would constitute a non-conforming use. The purpose and intent of this Section 5.3 is to allow the Declarant and/or the Association the discretion to permit certain improvements on and uses of limited portions of the Exempted Property in a way that enhances the overall value and character of the Property as well as the enjoyment thereof by the Owners.

5.4 Restrictions on Resubdivision. No Lot shall be subdivided into smaller Lots for a period of four (4) years from the effective date of these covenants, conditions and restrictions without the prior written consent of Developer. After the expiration of four (4) years from the effective date of these covenants, conditions and restrictions, no Lot shall be subdivided into a Lot less than ten (10) acres.

5.5 Uses Specifically Prohibited.

(a) No pre-fabricated, temporary dwelling shop, or mobile home of any kind or any improvement of a temporary character (except children’s playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts) shall be permitted on any Lot except for the following: (1) the builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a specifically permitted Lot during construction of the residence on that Lot, or (2) the Owner of a Lot may temporarily reside in an RV on that Owner’s Lot during construction of the residence on that Lot, provided that such living arrangement shall not exceed eighteen (18) months.

(b) No motorized vehicle or similar equipment or farm or ranch equipment shall be parked or stored in an area visible from any roadway except passenger automobiles, passenger vans, motorcycles, pick-up trucks (including those with attached bed campers), four-wheelers, all-terrain and off-road vehicles, living-quarter trailers, livestock trailers and a farm tractor with attached implement(s) and the like that are in good operating condition, have current license plates and inspection stickers and are in current use.

(c) Dogs, cats or other qualified animals may be kept as household pets. Livestock may be raised and kept on a Lot of a number equal to the sum of one head of livestock per one (1) acre within the boundary of a Lot. Poultry may be raised and kept on the Property but they must be confined in such a manner as to not roam freely beyond the boundaries of a Lot upon which they are raised. No person shall raise or keep on a Lot any animals that may interfere with the peace and quiet and health and safety of the community. This subsection and the stocking limitation herein shall not apply to either roping cattle maintained and kept within the confines of a roping arena or for livestock or equine animals maintained and kept within an enclosed stall barn.

(d) No Lot or other area of the Property shall be used as a dumping ground for rubbish or accumulation of unsightly materials of any kind. Trash, garbage or other waste shall not be kept except in sanitary containers. All containers for the storage or other disposal of such material shall be kept in clean and sanitary condition.

(e) No Lot or improvement thereon shall be used for a business, professional, commercial or manufacturing purposes of any kind for any length of time except for the sale of livestock or equine animals. No business activity shall be conducted on the Property that is not consistent with single-family residential purposes.

Nothing shall be undertaken on the Property that would either (1) be a noxious or offensive activity to a reasonable and ordinary person or (2) be an annoyance or nuisance to a reasonable and ordinary person.

5.6 Minimum Floor Area. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls (but exclusive of open porches, garages, patios and detached accessory buildings) shall be not less than one thousand eight hundred (1,800) square feet or the minimum floor area as specified by the County, whichever is greater. The Declarant shall have the authority to grant a variance of up to ten percent (10%) from the foregoing minimum floor area requirement upon the written request of any person constructing such structure and provided such approval shall be in writing.

5.7 Building Materials. The total exterior wall area (excluding windows, doors and gables) of each residence constructed on a Lot shall not be less than fifty percent (50%) brick, brick veneer, stone, stone veneer, or other masonry material approved by the Declarant.

5.8 Setback Requirements. No dwelling shall be located on any Lot nearer to the side lot line than the greater of (a) twenty-five (25) feet or (b) the minimum setback lines required by the County. No dwelling shall be located on any Lot nearer to the front lot line than the greater of (a) one hundred (100) feet or (b) as required by the County.

5.9 Use of Firearms and Reasonable Enjoyment. The reasonable, legal and safe use of firearms on the Property at reasonable times of the day is allowed, except, however, such use is strictly prohibited on the Common Areas. Such reasonable, legal and safe use of firearms on the Property includes, but is not limited to target practice into a berm or adequate bullet stop and normal hunting activities conducted within safe shooting lanes. All parties shall comply with applicable firearm/weapon discharge rules, regulations and/or ordinances of Palo Pinto County, Texas. No Owner or resident of any Lot shall discharge any firearm or weapon so as to endanger the health and safety of or disturb the reasonable enjoyment of any other Owner or resident of another Lot.

ARTICLE VI **RIGHTS OF ENJOYMENT IN THE COMMON AREAS**

6.1 Easement(s). Subject to the provisions of this Article VI, each and every Owner in good standing with the Association shall have a non-exclusive right and easement of enjoyment in and to all Common Areas, and such easement shall be appurtenant to and shall pass with every Lot, provided the conveyance and transfer is accomplished in accordance with this Declaration. All Owners in good standing with the Association and abiding by the rules of the Board of Directors shall have a non-transferable, non-exclusive privilege to use and enjoy all Common Areas for so long as they are members in good standing with the Association.

6.2 Extent of Owners' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

(a) The right of the Board of Directors to prescribe reasonable rules, regulations and/or policies governing the use, operation and maintenance of the Common Areas;

(b) The right of the Board of Directors to enter into and execute contracts with any party (including, without limitation, the Declarant or its affiliates) for the purpose of providing management, maintenance or such other materials or services consistent with the purposes of the Association and this Declaration; and

(c) The right of the Board of Directors to suspend the voting rights of any Owner to use or enjoy any of the Common Areas for any period of time during which any assessment (including but not limited to general assessments, special assessments, and fines) against a Lot remains unpaid or during which non-compliance with this Declaration exists, and otherwise for any period deemed reasonable by the Association for any infraction of the then-existing rules, regulation and/or policies of the Board of Directors, as authorized below.

6.3 Restricted Actions by Owner. No Owner shall permit anything to be done on or in the Common Areas which would violate any applicable public law or zoning ordinance or which would result in the cancellation

of or the increase of premiums for any insurance carried by the Association, or which would be in violation of any law or any rule or regulation promulgated by the Board of Directors.

6.4 Rules of the Board of Directors. All Owners shall abide by any rules, regulations and/or policies adopted by the Board of Directors. The Board of Directors shall have the power to enforce compliance with said rules, regulations and/or policies by all appropriate legal and equitable remedies, and an Owner determined to have violated such rules, regulations and/or policies shall be liable to the Association for all damages and costs, including reasonable attorneys' fees, for such violation.

6.5 Use of Common Areas. The Board of Directors shall have the power and authority to prescribe rules and regulations, which extend to and cover matters such as, but not limited to, the possession and consumption of alcoholic beverages, loud and obnoxious noises and behavior, and the supervision of children by attending adults. The Board of Directors may permit and allow reasonable activities to occur on the Common Areas in accordance with the rules and regulations deemed reasonable and appropriate by the Board of Directors.

ARTICLE VII GENERAL PROVISIONS

7.1 Easements. Easements for the installation and maintenance of utilities and drainage facilities are expressly reserved herein, and the location of which may be more specifically described in later instruments which will be filed of record in the Official Public Records of Palo Pinto County, Texas. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the property lines to the residences. Declarant reserves the right to make changes in and additions to the above-referenced easements for the purpose of most efficiently and economically installing improvements to the Lots. The foregoing reservation of easements shall also be for the benefit of and assignable to Palo Pinto County in the event the Roads should be dedicated to and maintained by Palo Pinto County. Such easements reserved herein shall be (1) a minimum width of twenty (20) feet and a maximum width of thirty (30) feet, (2) will to the extent possible run along the boundary lines of the Property, and (3) shall not require removal of any existing structure.

7.2 Enforcement. The Declarant, Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, charges, rules, regulations and/or policies now or hereafter imposed by the provisions of this Declaration or imposed by the Board of Directors as authorized above. Failure by the Declarant, Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorney's fees from the non-prevailing party.

7.3 Assessment of Fines for Violation. If an Owner is in violation of any of the restrictions, conditions, covenants, reservations, liens, charges, rules, regulations and/or policies now or hereafter imposed by the provisions of this Declaration or imposed by the Board of Directors as authorized above, the Association will provide such Owner written notification setting forth the description of the deed restriction violation(s), the action required to correct the violation(s), the proposed suspension action, and the proposed charge or fine and any amount due the Association and requesting that the Owner cure the violation within a stated time period (the "Cure Period"), which may vary depending on the severity of the violation(s). After such written notice has been sent and if the Owner fails to remedy the violation(s) within the Cure Period, the Association is herein authorized to impose fines according to the schedule set forth below.

Fine Schedule for Violation of Restrictions, Conditions, Covenants, Reservations, Liens and Charges

First Violation	\$50.00 per day
Second Violation	\$100.00 per day
Third Violation	\$150.00 per day

Such fines shall be assessed commencing on the first day following the Cure Period until such violation(s) are remedied as directed within the written notification. Each fine shall increase an additional \$50.00 per violation (for

example: if an Owner commits a Fourth Violation, such Owner shall be assessed a \$200.00 fine per day; if an Owner commits a Fifth Violation, such Owner shall be assessed a \$250.00 fine per day, and so on and so forth).

7.4 Severability. If any condition, covenant or restriction herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the final judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other condition, covenant or restriction, each of which shall remain in full force and effect.

7.5 Term. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant (during the time it owns any Lots) or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time these covenants shall be automatically extended for successive periods of ten (10) years, unless by vote, of the then Owners of sixty-six and two-thirds percent (66-2/3%) of the Lots (and the County, if then a party hereto) agree in writing to terminate or change this Declaration in whole or in part and such writing is recorded in the Real Property Records of Palo Pinto County, Texas.

7.6 Amendment. This Declaration may be amended or modified upon the express written consent of at least sixty-six and two-thirds percent (66-2/3%) of the Owners. Any and all amendments, if any, shall be recorded in the office of the County Clerk of Palo Pinto County, Texas. Notwithstanding the foregoing, Declarant shall have the right at any time to execute and record amendments to this Declaration without the consent or approval of any other party if the sole purpose of the amendment is for the purpose of correcting technical errors or for purposes of clarification.

7.7 Remedies. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity, including, without limitation, an action for injunctive relief, it being acknowledged and agreed that a violation of the covenants, conditions and restrictions contained herein could cause irreparable injury to Declarant and/or the other Owners and that the Declarant's and/or the other Owner's remedies at law for any breach of the Owners' obligations contained herein would be inadequate. Enforcement may be commenced by the Declarant, the County, or any Owner against any person or persons violating or attempting to violate them, and failure by the Declarant or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The rights created herein are unique and enforceable by specific performance.

7.8 Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Property, it being understood that such conditions, covenants, restrictions and agreements are not for the benefit of the owner of any land except land in the Development. This Declaration, when executed, shall be filed of record in the Real Property Records of Palo Pinto County so that each and every owner or purchaser of any portion of the Development is on notice of the conditions, covenants, restrictions and agreements herein contained.

7.9 No Warranty of Enforceability. While the Declarant has no reason to believe that any of the restrictive covenants or other terms or provisions contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants. Any Owner acquiring a Lot in the Development in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom. The Declarant shall not be responsible for the acts or omissions of any individual, entity or other Owners.

7.10 Right of Enforcement. The failure by Declarant to enforce any provision of this Declaration shall in no event subject Declarant to any claims, liability, costs or expense; it being the express intent of this Declaration to provide Declarant with the right (such right to be exercised at its sole and absolute discretion), but not the obligation to enforce the terms of this Declaration for the benefit of any Owner(s) of any Lot(s) in the Development.

7.11 Mediation. All claims, disputes, and controversies arising out of or in relation to the performance, interpretation, application, or enforcement of this agreement, including but not limited to breach thereof, shall be referred to mediation before, and as a condition precedent to, the initiation of any adjudicative action or proceeding.

DECLARANT:

Capstone Ridge on the Brazos, LLC,
a Texas limited liability company

By: _____
Clay Wheat, Manager

By: _____
Buck Wheat, Manager

By: _____
Gary Wheat, Manager

STATE OF TEXAS §
 §
COUNTY OF _____ §

Subscribed and sworn to before me by Clay Wheat, Manager of Capstone Ridge on the Brazos, LLC, a Texas limited liability company, as the act and deed of such company on September ____, 2017.

Notary Public, State of Texas

[Seal]

STATE OF TEXAS §
 §
COUNTY OF _____ §

Subscribed and sworn to before me by Gary Wheat, Manager of Capstone Ridge on the Brazos, LLC, a Texas limited liability company, as the act and deed of such company on September ____, 2017.

Notary Public, State of Texas

[Seal]

STATE OF TEXAS §
 §
COUNTY OF _____ §

Subscribed and sworn to before me by Buck Wheat, Manager of Capstone Ridge on the Brazos, LLC, a Texas limited liability company, as the act and deed of such company on September ____, 2017.

[Seal]

Notary Public, State of Texas

Exhibit "A"

Legal Description of Capstone Ridge on the Brazos

TRACT NO. ONE:

Tract of land containing 514.90 Acres in the Andrew Klenke Survey, Abstract No. 2040, the G.W. Taylor Survey, Abstract No. 1661, the J.W. Cox Survey, Abstract No. 1013, the W.T. Pratt Survey, Abstract No. 1438, the J. Snow Survey, Abstract No. 1390 and the S.H. Evans Survey, Abstract No. 172. Palo Pinto County, Texas, being part of the tract conveyed to Robert and Roxanna Maddox recorded in Volume 2131, Page 313, Official Public Records of Palo Pinto County, being all of a 515.50 Acre Tract save and except a 0.60 Acre Tract conveyed to Nadine Thomason recorded in Volume 553, Page 22, Deed Records of Palo Pinto County. Said 515.50 Acre Tract being more particularly described as follows:

BEGINNING at 3/8" iron rod found being the northwest corner of the R.E. Stark Survey, Abstract No. 970, Palo Pinto County, an ell corner of the said Maddox Tract and a northwest corner of the R.C. and Phyllis Popplewell Tract recorded in Volume 668, Page 166, Deed Records of Palo Pinto County, from which a 4 inch steel pipe fence corner bears South 58 degrees 31 minutes 42 seconds West a distance of 2.65 feet.

THENCE South 00 degrees 23 minutes 05 seconds West a distance of 1797.04 feet to a 2 inch cap on a 5/8 inch iron rod set being a southeast corner of the said Maddox Tract, the northeast corner of the Betty Sloan Tract recorded in Volume 466, Page 259, Deed Records of Palo Pinto County and on the west line of the said Popplewell Tract, from which a 4 inch steel pipe fence corner bears North 37 degrees 20 minutes 41 seconds West a distance of 6.6 feet.

THENCE South 70 degrees 21 minutes 11 seconds West a distance of 695.45 feet to an unmarked corner that fell in a 4 inch steel pipe fence corner being a corner of the said Maddox Tract and a corner of the Wesley Williams Tract recorded in Volume 625, Page 233, Deed Records of Palo Pinto County.

THENCE South 30 degrees 56 minutes 41 seconds West a distance of 129.97 feet to a 1/2 inch iron rod found being a corner of the said Maddox Tract and a corner of the said Williams Tract.

THENCE South 70 degrees 09 minutes 56 seconds West a distance of 103.20 feet to a 1/2 inch iron rod found being an ell corner of the said Maddox Tract and a northwest corner of the said Williams Tract.

THENCE South 17 degrees 59 minutes 21 seconds East a distance of 336.03 feet to a 2 inch cap on a 5/8 inch iron rod set being a southeast corner of the said Maddox Tract, the northeast corner of the Wesley Williams Tract recorded in Volume 1581, Page 303, Official Records of Palo Pinto County and on the west line of the said Williams Tract recorded in Volume 625, Page 233.

THENCE South 71 degrees 59 minutes 45 seconds West a distance of 41.14 feet to a 1/2 inch iron rod found being an ell corner of the said Maddox Tract and the northwest corner of the said Williams Tract recorded in Volume 1581, Page 303.

THENCE South 18 degrees 00 minutes 15 seconds East a distance of 304.85 feet to a 1/2 inch iron rod found being an ell corner of the said Maddox Tract and the southwest corner of the said Williams Tract recorded in Volume 1581, Page 303.

THENCE North 71 degrees 59 minutes 45 seconds East a distance of 41.14 feet to an unmarked corner being a northeast corner of the said Maddox Tract, the southeast corner of the said Williams Tract recorded in Volume 1581, Page 303 and on the west line of the said Williams Tract recorded in Volume 625, Page 233, from which a 1/2 inch iron rod found bears South 71 degrees 59 minutes 45 seconds East a distance of 41.14 feet.

THENCE South 18 degrees 00 minutes 15 seconds East a distance of 30.01 feet to an unmarked corner that fell in a 4 inch steel pipe fence corner on the north line of Interstate Highway No. 20 being the most southern southeast corner of the said Maddox Tract and the southwest corner of the said Williams Tract recorded in Volume 625, Page 233.

THENCE South 57 degrees 45 minutes 02 seconds West a distance of 939.28 feet to a 2 inch cap on a 5/8 inch iron rod set on the north line of Interstate Highway No. 20 and the east side of New Salem Road being the most southern southwest corner of the said Maddox Tract.

THENCE North 01 degrees 25 minutes 59 seconds West a distance of 384.13 feet to a corner that fell in a 4 inch steel pipe fence corner on the east side of New Salem Road being a corner of the said Maddox Tract.

THENCE North 59 degrees 56 minutes 39 seconds West a distance of 113.75 feet to a 2 inch cap on a 5/8 inch iron rod set on the north side of New Salem Road being a southwest corner of the said Maddox Tract and on the east line of the Michael and Winnie Kelly Tract recorded in Volume 2140, Page 241, Official Records of Palo Pinto County.

THENCE North 00 degrees 28 minutes 14 seconds East a distance of 2523.36 feet to a 2 inch cap on a 5/8 inch iron rod found at the north base of a 4 inch steel pipe fence corner being an ell corner of this tract and the northeast corner of the said Kelly Tract.

THENCE South 89 degrees 33 minutes 33 seconds West a distance of 502.29 feet to a 2 inch cap on a 5/8 inch iron rod found being a corner of this tract and the said Kelly Tract.

THENCE North 84 degrees 06 minutes 40 seconds West a distance of 207.27 feet to a 2 inch cap on a 5/8 inch iron rod found being a corner of this tract and the said Kelly Tract.

THENCE North 73 degrees 58 minutes 03 seconds West a distance of 148.80 feet to a 2 inch cap on a 5/8 inch iron rod found being a corner of this tract and the said Kelly Tract.

THENCE South 87 degrees 52 minutes 25 seconds West a distance of 543.78 feet to a 2 inch cap on a 5/8 inch iron rod found being a corner of this tract and the said Kelly Tract.

THENCE North 89 degrees 32 minutes 57 seconds West a distance of 1821.45 feet to a 3/8 inch iron rod found at the northwest base of a 4 inch steel pipe fence corner on the east line of U.S. Highway No. 281, being the most western southwest corner of this tract, a corner of the said Maddox Tract and the northwest corner of the said Kelly Tract.

THENCE North 15 degrees 41 minutes 06 seconds East a distance of 119.66 feet to a concrete highway monument found on the east line of U.S. Highway No. 281 being a corner of the said Maddox Tract.

THENCE North 03 degrees 41 minutes 36 seconds East a distance of 490.54 feet to an unmarked corner being a point of curvature on the east line of U.S. Highway No. 281, also being a corner of the said Maddox Tract, from which a concrete highway monument found bears South 88 degrees 21 minutes 53 seconds East a distance of 0.87 feet.

THENCE along a curve to the right having a radius of 2789.79 feet and an arc length of 31.65 feet, being subtended by a chord of North 04 degrees 00 minutes 36 seconds East for a distance of 31.65 feet to a 2 inch cap on a 5/8 inch iron rod set on the east line of U.S. Highway No. 281, being the most western northwest corner of the said Maddox Tract and the southwest corner of the Anthony Cooper Tract recorded in Volume 2119, Page 211, Official Records of Palo Pinto County.

THENCE South 89 degrees 15 minutes 07 seconds East a distance of 403.20 feet to a 2 inch cap on a 5/8 inch iron rod set being an ell corner of the said Maddox Tract.

THENCE North 04 degrees 52 minutes 24 seconds East a distance of 621.00 feet to a 2 inch cap on a 5/8 inch iron rod set being an ell corner of the said Maddox Tract.

THENCE North 71 degrees 08 minutes 36 seconds West a distance of 322.25 feet to a 2 inch cap on a 5/8 inch iron rod set in a curve on the east line of U.S. Highway No. 281 being a southwest corner of the said Maddox Tract and

the northwest corner of the Monte Laster Tract recorded in Volume 2102, Page 446, Official Records of Palo Pinto County.

THENCE along a curve to the right having a radius of 2789.89 feet and an arc length of 93.10 feet, being subtended by a chord of North 20 degrees 23 minutes 44 seconds East for a distance of 93.10 feet to a concrete highway monument found being a point of tangency on the east line of U.S. Highway No. 281, also being a corner of the said Maddox Tract.

THENCE North 14 degrees 29 minutes 53 seconds East a distance of 125.70 feet to a 2 inch cap on a 5/8 inch iron rod set on the east line of U.S. Highway No. 281 being a corner of the said Maddox Tract.

THENCE North 21 degrees 21 minutes 06 seconds East a distance of 378.66 feet to an unmarked corner on the east line of U.S. Highway No. 281 being the most western northwest corner of the said Maddox Tract and the southwest corner of the Reba Crawford Tract recorded in Volume 1848, Page 290, Official Records of Palo Pinto County, from which a 1/2 inch iron rod found bears South 89 degrees 33 minutes 38 seconds West a distance of 0.74 feet.

THENCE North 89 degrees 33 minutes 38 seconds East a distance of 456.80 feet to a 3/8 inch iron rod found being an ell corner of the said Maddox Tract and the southeast corner of the said Crawford Tract, from which a 3 inch steel pipe fence corner bears South 51 degrees 23 minutes 13 seconds East a distance of 16.83 feet.

THENCE North 09 degrees 47 minutes 06 seconds East a distance of 293.98 feet to a 3/8 inch iron rod found being a northwest corner of the said Maddox Tract, the northeast corner of the said Crawford Tract and on the south line of the Danny and Donna Irwin Tract recorded in Volume 1206, Page 499, Official Records of Palo Pinto County, from which a 3 inch steel pipe fence corner bears North 01 degrees 14 minutes 34 seconds West a distance of 10.10 feet.

THENCE North 89 degrees 24 minutes 47 seconds East a distance of 2005.06 feet to a 3/8 inch iron rod found at the east base of a crosstie fence corner being an ell corner of the said Maddox Tract and the southeast corner of the said Irwin Tract.

THENCE North 00 degrees 07 minutes 38 seconds East a distance of 2642.35 feet to an unmarked corner in Coffee Creek being the most northern northwest corner of the said Maddox Tract and a corner of the Richard and Loretta Guerra Tract recorded in Volume 1425, Page 798, Official Records of Palo Pinto County, from which a 4 inch steel pipe fence corner bears South 02 degrees 44 minutes 20 seconds East a distance of 165.86 feet.

THENCE along Coffee Creek North 72 degrees 51 minutes 18 seconds East a distance of 258.84 feet to an unmarked corner in Coffee Creek and the Brazos River being the most northern corner of the said Maddox Tract, from which a 4 inch steel pipe fence corner bears South 02 degrees 33 minutes 45 seconds West a distance of 52.22 feet.

THENCE along the said Brazos River;

South 66 degrees 25 minutes 20 seconds East a distance of 74.38 feet,

South 54 degrees 49 minutes 47 seconds East a distance of 107.78 feet,

South 46 degrees 40 minutes 31 seconds East a distance of 88.46 feet.

South 57 degrees 29 minutes 32 seconds East a distance of 255.93 feet.

South 54 degrees 41 minutes 54 seconds East a distance of 334.27 feet,

South 53 degrees 44 minutes 39 seconds East a distance of 302.89 feet,

South 52 degrees 59 minutes 01 seconds East a distance of 256.45 feet,

South 53 degrees 18 minutes 26 seconds East a distance of 241.59 feet,

South 59 degrees 33 minutes 25 seconds East a distance of 188.45 feet,

South 65 degrees 05 minutes 46 seconds East a distance of 267.01 feet,

South 70 degrees 02 minutes 30 seconds East a distance of 272.25 feet,

South 60 degrees 48 minutes 01 seconds East a distance of 220.82 feet,

South 57 degrees 34 minutes 29 seconds East a distance of 593.17 feet,

South 44 degrees 25 minutes 51 seconds East a distance of 325.16 feet and

South 66 degrees 20 minutes 14 seconds East a distance of 348.53 feet to an unmarked corner on the said river being the northeast corner of the said Maddox Tract and a northwest corner of the David Hull Tract recorded in Volume

1562, Page 473, Official Records of Palo Pinto County, from which a 4 inch steel pipe fence corner bears South 00 degrees 21 minutes 02 seconds West a distance of 60.61 feet.

THENCE South 00 degrees 21 minutes 02 seconds West a distance of 2601.92 feet to a 3/4 inch iron pipe found at the southeast base of an old cedar fence corner being the most eastern southeast corner of the said Maddox Tract and an ell corner of the said Hull Tract.

THENCE North 89 degrees 34 minutes 36 seconds West a distance of 1 143.59 feet to a 2 inch cap on a 5/8 inch iron rod set being a corner of the said Maddox Tract and on the north line of the said Hull Tract.

THENCE North 89 degrees 29 minutes 20 seconds West a distance of 555.55 feet to the place of beginning.

TRACT NO. TWO:

Tract of land containing 0.23 Acres in the R.E. Stark Survey, Abstract No. 970, Palo Pinto County, Texas, being part of the tract conveyed to Robert and Roxanna Maddox recorded in Volume 2131, Page 313, Official Public Records of Palo Pinto County and being more particularly described as follows:

BEGINNING at 4 inch steel pipe flush with the ground found on the north line of Interstate Highway No. 20 being a southeast corner of the said Maddox Tract and the southwest corner of the Karen Joy Tract recorded in Volume 1164, Page 346, Official Records of Palo Pinto County, also being South 00 degrees 23 minutes 05 seconds West a distance of 2408.02 feet and South 89 degrees 36 minutes 55 seconds East a distance of 37.62 feet from a 3/8 inch iron rod found being the northwest corner of the said Stark Survey.

THENCE South 57 degrees 46 minutes 02 seconds West a distance of 35.63 feet to a 2 inch cap on a 5/8 inch iron rod set at the southwest base of a 4 inch steel pipe fence corner on the north line of the said highway being a southwest corner of the said Maddox Tract and the southeast corner of the Betty Sloan Tract recorded in Volume 466, Page 259, Deed Records of Palo Pinto County.

THENCE North 00 degrees 23 minutes 05 seconds East a distance of 334. 17 feet to a 2 inch cap on a 5/8 inch iron rod set being a northwest corner of the said Maddox Tract and on the east line of the said Sloan Tract, from which a 4 inch steel pipe fence corner bears North 07 degrees 53 minutes 31 seconds West a distance of 3.40 feet.

THENCE North 57 degrees 46 minutes 05 seconds East a distance of 35.63 feet to a 4 inch steel pipe flush with the ground found being a northeast corner of the said Maddox Tract and the northwest corner of the said Joy Tract.

THENCE South 00 degrees 23 minutes 05 seconds West a distance of 334.17 feet to the place of beginning.

TRACT NO. THREE:

All of the following described real property in Palo Pinto County, Texas, to-wit; The surface only of a tract of approximately .6 acres out of the Northeast corner of the W. T. Pratt Survey, Abstract No. 1438, Palo Pinto County, Texas, described by metes and bounds as follows:

BEGINNING at a iron pin at the original Northeast corner of the W. T. Pratt Survey;

THENCE West with the original North boundary line of the W. T. Pratt Survey, 85,5 feet to a boundary line fence corner;

THENCE Southeasterly and South with said fence to its intersection with the original East boundary line of the W. T. Pratt Survey;

THENCE North with the original East boundary line of the W. T. Pratt Survey to the point of beginning.

TOGETHER WITH that Easement for ingress and egress as shown in Warranty Deed with Vendor's Lien dated May 27, 1986 from Dudley F. Mooney to R. C. Popplewell and Phyllis Popplewell, recorded in Volume 668, Page 166, Official Public Records, Palo Pinto County, Texas.

Said Easement being over and across the following described tract of land:

BEING a parcel of land out of the R. F. Stark Survey, Abstract No. 970, Palo Pinto County, Texas; and further described by metes and bounds as follows:

BEGINNING at a 3/8" iron rod set at the northwest corner of the R. F. Stark Survey for the northwest and beginning corner of this tract;

THENCE East with the north line of the Stark Survey and along fence at 555.55 feet set spike at the most easterly southeast corner of the W. T. Pratt Survey, Abstract No. 1438, and in all 605.55 feet set 3/8" iron rod for the northeast corner of this tract;

THENCE Southwesterly around the arc of a curve to the right with a radius of 30.0 feet, a central angle of 90 deg. no min., a distance of 47.12 feet, set 3/8" iron rod for a corner of this tract;

THENCE West 495.55 feet parallel to and 30 feet south of the north line of said Stark Survey, set 3/8" iron rod at P.C. of curve for a corner of this tract.

THENCE Southwesterly around the arc of a curve to the left with a radius of 50.0 feet, a central angle of 90 deg. No min., a distance of 78.54 feet set 3/8" iron rod at P.T. of curve for corner.

THENCE South 2001.24 feet parallel to and 30 feet east of the west line of the Stark Survey set 3/8" iron rod in the north line of a certain 4.0 acres tract of land for the southeast corner of this tract and continuing South 334.17 feet set 3/8" iron rod in the North line of Interstate Highway No. 20 for the southeast corner of this tract, being in all 2335.41 feet.

THENCE S. 57 deg. 21 min. W, 35.63 feet with the north line of said Highway.

THENCE North 334.17 feet with the east line of an old lane and parallel to and 8.0 feet east of the west line of the Stark Survey, set 3/8" iron rod for the northwest corner of this tract and continuing North with the west line of the Stark Survey and along old lane at 1 808.8 feet set 3/8" iron rod at the most southerly-southeast corner of said Pratt Survey, and in all 2434.63 feet to the PLACE OF BEGINNING.

Exhibit "B"

Common Areas

Exhibit "C"

Roads