

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

DECLARATION OF COVENANT

This Declaration of Covenant was designed to comply with Tex. Prop. Code §5.017.

NOTICE TO CLOSING AGENT, GRANTOR AND GRANTEE

THIS DECLARATION OF COVENANT MAY REQUIRE COLLECTION OF A FEE, CHARGE OR ASSESSMENT IN CONNECTION WITH CONVEYANCE OF TITLE. THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES.

Instructions to Closing Agent: Check the official public records for subsequent amendments to this Declaration. See ¶6 of this Declaration for exempt sales. For non-exempt sales made before termination of this Declaration (see ¶2), collect from Grantor one percent (1%) of the Consideration paid by the Grantee (see ¶5), retain Closing Agent fee (see ¶13d) and remit balance to Trustee (see ¶9, ¶14). Contact Trustee with inquiries related to this Declaration and for assistance with closing. See also ¶13.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF PARKER

This Declaration of Covenant (this "Declaration") is made by **PARKER OAKS AIRPORT, LP., A TEXAS LIMITED PARTNERSHIP**, whose mailing address is P.O. Box 150855, White Settlement, TX 76108 (hereinafter "Declarant") for the purposes herein set forth as follows:

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property ("Property") located in Parker County, State of Texas, described as follows:

The real property described in Exhibit "A" attached hereto and incorporated herein for all purposes.

NOW THEREFORE, Declarant hereby declares that the Property shall be transferred, held, sold and conveyed subject to this Declaration and all matters set forth in this Declaration, which shall be deemed covenants running with the land and the title to the Property and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof.

1. **DEFINITIONS.** In addition to words and phrases defined elsewhere in this Declaration, the following words when used in this Declaration shall have the following meanings:

- a. "Beneficiary" and "Beneficiaries" shall refer to each party listed in Paragraph 17 of this Declaration, including all successors and assigns thereof.
- b. "Closing Agent" or "Settlement Agent" shall have its customary meaning within the real estate industry, and generally shall refer to the party responsible for conducting and/or facilitating a closing of a conveyance of all or any portion of the Property; usually either a title company, attorney or escrow agent who prepares paperwork and conducts a closing related to the Conveyance.

c. "Consideration" means the price actually paid or required to be paid for the real property or interest therein, including payment for an option or contract to purchase real property, whether or not expressed in the Conveyance Instrument and whether paid or required to be paid by money, property, or any other thing of value. It shall include the cancellation or discharge of an indebtedness or obligation. It shall also include the amount of any mortgage, purchase money mortgage, lien or other encumbrance, whether or not the underlying indebtedness is assumed or taken subject to.

(i) In the case of a creation of a leasehold interest or the granting of an option with use and occupancy of real property, Consideration shall include (without limitation) the value of the rental and other payments attributable to the use and occupancy of the real property or interest therein, the value of any amount paid for an option to purchase or renew and the value of rental or other payments attributable to the exercise of any option to renew.

(ii) In the case of a creation of a subleasehold interest, Consideration shall include (without limitation) the value of the sublease rental payments attributable to the use and occupancy of the real property, the value of any amount paid for an option to renew and the value of rental or other payments attributable to the exercise of any option to renew less the value of the remaining prime lease rental payments required to be made.

(iii) In the case of a Controlling Interest in any entity that owns real property, Consideration shall mean the fair market value of the real property or interest therein, apportioned based on the percentage of the ownership interest transferred or acquired in the entity.

(iv) In the case of an assignment or surrender of a leasehold interest or the assignment or surrender of an option or contract to purchase real property, Consideration shall not include the value of the remaining rental payments required to be made pursuant to the terms of such lease or the amount to be paid for the real property pursuant to the terms of the option or contract being assigned or surrendered.

(v) In the case of (i) the original conveyance of shares of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold by the cooperative corporation or cooperative plan sponsor and (ii) the subsequent conveyance by the owner thereof of such stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold for a cooperative unit other than an individual residential unit, Consideration shall include a proportionate share of the unpaid principal of any mortgage on the real property of the cooperative housing corporation comprising the cooperative dwelling or dwellings. Such share shall be determined by multiplying the total unpaid principal of the mortgage by a fraction, the numerator of which shall be the number of shares of stock being conveyed in the cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold and the denominator of which shall be the total number of shares of stock in the cooperative housing corporation.

d. "Controlling Interest" means (i) in the case of a corporation, either fifty percent or more of the total combined voting power of all classes of stock of such corporation, or fifty percent or more of the capital, profits or beneficial interest in such voting stock of such corporation, and (ii) in the case of a partnership, association, trust or other entity, fifty percent or more of the capital, profits or beneficial interest in such partnership, association, trust or other entity.

e. "Conveyance" means the transfer or transfers of any Real Property Interest by any method, including but not limited to sale, exchange, assignment, surrender, mortgage foreclosure, transfer in lieu of foreclosure, option, trust indenture, taking by eminent domain, conveyance upon liquidation or by a receiver, or transfer or acquisition of a Controlling Interest in any entity with a Real Property Interest. Transfer of a Real Property Interest shall include the creation of a leasehold or sublease only where (i) the sum of the term of the lease or sublease and any options for renewal exceeds forty-nine years, (ii) substantial capital improvements are or may be made by or for the benefit of the lessee or sublessee, and (iii) the lease or sublease is for substantially all of the premises constituting the portion of the Property that is the subject of the conveyance. Notwithstanding the foregoing, Conveyance shall not include a conveyance pursuant to devise, bequest or inheritance; the creation, modification, extension, spreading, severance, consolidation, assignment, transfer, release or satisfaction of a mortgage; a mortgage subordination agreement, a mortgage severance agreement, an instrument given to perfect or correct a recorded mortgage; or a release of lien of tax.

f. "Conveyance Instrument" shall mean the instrument of Conveyance, which shall include (without limitation): warranty deed; trustee deed; quit claim deed; executor's deed; administrator's deed; court order; lease; assignment; or other instrument of Conveyance.

g. "Estoppel Certificate" shall mean a document, in recordable form, signed by the Trustee, that sets forth whether or not there exists, at the time of issuance of the Estoppel Certificate, any amount due under, or defaults in connection with, this Declaration, as the same relates to the Property that is the subject of the Estoppel Certificate.

- h. "Grantor" means the Person making the Conveyance. Where the Conveyance consists of a transfer or an acquisition of a Controlling Interest in an entity with a Real Property Interest, "Grantor" means the entity with a Real Property Interest or a shareholder or partner transferring stock or partnership interest, respectively.
- i. "Grantee" means the Person who obtains the Real Property Interest as a result of a Conveyance.
- j. "Of Record" shall mean filed in the OPR.
- k. "OPR" shall mean the Office of Public Records (also known as, and also referred to herein as, "official public records", "real property records", "deed records", "county recorder's office", "county clerk's office" and "public records") of the county, municipality, parish, township, town or similar political subdivision in which the Property is located; the recorder's office for recording of deeds, liens and similar real property records. All documents required under this Declaration to be filed in the OPR shall be filed in recordable form, with all filing fees paid, and with a copy to the Trustee by certified mail.
- l. "Owner" shall mean the record owner(s) holding fee simple title to all or any part of the Property that is subject to this Declaration.
- m. "Parties to this Declaration" shall mean persons, firms and entities then holding rights or having obligations under this Declaration and their successors and assigns.
- n. "Person" means an individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons.
- p. "Property" shall mean the real property described on page one of this Declaration, together with (i) any and all buildings, structures, improvements, alterations or appurtenances now or hereafter situated or to be situated on the real property (collectively the "Improvements"); and (ii) all right, title and interest of Owner, now owned or hereafter acquired, in and to (1) all streets, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, existing or proposed, abutting, adjacent, used in connection with or pertaining to the real property or the Improvements; and (2) all water and water rights, timber, and mineral interests on or pertaining to the real property. and SAVE AND EXCEPT any portion of the Property that is owned by a governmental entity (whether state, local, federal, or otherwise, hereinafter "Public Property"). This Covenant shall not apply to Public Property. Where the context requires it, the term Property shall refer to that portion of the Property that is sold or acquired in connection with a Conveyance.
- q. "Real Property Interest" includes title in fee, a leasehold interest, a beneficial interest, an encumbrance, development rights, air space and air rights, or any other interest with the right to use or occupancy of all or any portion of the Property or the right to receive rents, profits or other income derived from all or any portion of the Property. It shall also include an option or contract to purchase all or any portion of the Property, to the extent that such option or contract gives the Grantee use and occupancy rights of the real property. It shall not include a right of first refusal to purchase all or any portion of the Property.
- r. "Reconveyance Fee" shall mean the fee described in paragraph 5 of this Declaration, together with interest, costs and fees associated with an Unpaid Reconveyance Fee as otherwise described in this Declaration.
2. **TERM.** Except as otherwise provided herein, this Declaration and the covenants contained herein shall become binding upon the Property and the Parties to this Declaration upon filing of this Declaration in the OPR and shall expire at midnight ninety nine (99) years following the date referenced in paragraph 6(j) of this Declaration.
3. **CONSENT.** By acceptance of the Conveyance Instrument or Conveyance, each Owner of such Real Property Interest covenants, acknowledges, consents and agrees to the terms, conditions, promises, stipulations, grant of rights and authority, covenants, charges, liens, obligations, duties and restrictions contained in this Declaration, intending to be legally bound by same to the maximum extent allowed by law, and to the same extent as if expressed in the Conveyance Instrument, and takes and conveys such Real Property Interest subject to the provisions of this Declaration. Each Owner acquiring the Real Property Interest, whether expressed in the Conveyance Instrument or not, covenants and agrees to payment of the Reconveyance Fee upon a Conveyance by such Owner of such Real Property Interest, in whole or in part.
4. **CONSIDERATION FOR BENEFITS AND BURDENS.** By acceptance of a Conveyance Instrument or Conveyance, whether expressed therein or not, each Owner consents and agrees (a) that Declarant has caused one or more tangible and intangible improvements to, impressed benefits upon, or created common areas and easements appurtenant to, the Property; and/or (b) this Declaration is an essential component to the future viability of the community and the Property and will allow the Property to be used for other purposes by initial and subsequent owners;

(c) the Consideration paid by Owner was based in whole or in part upon the existence of this Declaration; (d) that this Declaration benefits the land within the community in which the Property is located, and, by extension, the Property itself and (e) that the foregoing and this Declaration benefit the Property and the Owner, (said benefits and consideration in "a-e" jointly and singularly "Property Benefits"). In addition, each Owner expressly covenants, acknowledges and agrees (i) that the Property Benefits all and singularly, jointly and severally, are appurtenant to the Property; (ii) the Reconveyance Fee is, in whole or in part, compensation for the Property Benefits, the Consideration paid for the Property, and for the rights granted herein and the benefits flowing therefrom, and (iii) that in consideration therefore, and for other good, valuable, independent and adequate consideration, the receipt and sufficiency of which is intended, acknowledged, stipulated and accepted by Owner's acceptance of a Conveyance Instrument, and as a covenant running with the Property and any portion thereof, the Owner shall be bound by the terms and conditions of this Declaration.

5. **AMOUNT DUE.** Except as otherwise provided herein, contemporaneous with, and as an encumbrance in connection with a Conveyance, the Grantor shall pay to Trustee, as trustee for Beneficiaries, a fee (the "Reconveyance Fee") equal to one percent (1%) of the Consideration (as defined in section 1(c)) paid by or on behalf of the Grantee in connection with the Conveyance.

6. **EXEMPTIONS.** The Reconveyance Fee shall not be assessed or payable in connection with a Conveyance (a) by the Declarant; (b) made by the Owner in connection with a mortgage where the conveyance is for the sole purpose of securing the mortgage or similar indebtedness of the Owner; (c) resulting from death or legal disability of an Owner, including transfers by will or probate; (d) by or to an Institutional Lender or trustee under a deed of trust made in connection with a judicial or non-judicial foreclosure of a mortgage; (e) by or to a governmental entity or agency (whether local, state, federal or otherwise) or a 501(c)(3) entity; (f) made by a Grantor with a Controlling Interest in the Grantee, or where the Grantor owns a Controlling Interest in the Grantor (an "Affiliate Transaction"); (g) made by order of a court (whether in connection with bankruptcy, divorce or otherwise); (h) where the Trustee cannot be identified by reference to the OPR; (i) where imposition of the Reconveyance Fee is prohibited by applicable law or (j) occurring prior to 01/01/2014. "Institutional Lender" shall mean any bank, government sponsored entity, savings and loan association or other lender that is licensed by state or federal government to engage in the business of owning, servicing or providing mortgage financing on real property.

7. **RESERVATION:** This Declaration and the premises and promises contained herein are intended to be a covenant running with the land and title to the real property and as a deed restriction (whether stated in the deed or not) and be binding upon each Owner and its successors and assigns. Whether expressed therein or not, a Conveyance Instrument conveying a Real Property Interest shall be deemed to contain therein a reservation providing that the Conveyance is expressly subject to this Declaration. Parties acquiring any portion of the Real Property Interest take title subject to this Declaration and the reservation heretofore provided. In the event of any conflict between the provisions of this Declaration and any Conveyance Instrument, this Declaration shall control.

8. **LIEN AND PRIORITY; LIABILITY; COLLECTION.** To the extent permitted by law, a Reconveyance Fee that is not paid when due ("Unpaid Reconveyance Fee") shall thereupon become a continuing lien and charge ("Lien") upon the portion of the Property that was the subject of the Conveyance giving rise to the Unpaid Reconveyance Fee ("Lien Property"), which Lien shall thereafter be binding upon such Lien Property and a personal obligation of such Lien Property's Owner, and:

a. The Lien is effective from and shall relate back to the most recent of the date of recording in the OPR of (1) this Declaration, (2) an Estoppel Certificate or (3) a Substitute Estoppel Certificate.

b. The Lien shall secure the Unpaid Reconveyance Fee as well as interest and all reasonable costs and attorney's fees incurred incident to the collection process.

c. The liability of an Institutional Lender mortgage (including its successor or assignees) for any Unpaid Reconveyance Fee is limited to one percent (1%) of the original first lien mortgage debt.

d. With the prior written consent of the Beneficiaries then holding a majority interest in this Declaration (which consent shall include instructions pertaining to payment of enforcement costs and disposition of Property ultimately acquired at any foreclosure) the Trustee may bring an action, in its name or on behalf of one or more Beneficiaries, to foreclose the Lien for Unpaid Reconveyance Fees, together with such other sums incident thereto, in the manner a mortgage of real property is foreclosed in the jurisdiction where the property is located (including a power of sale and non-judicial foreclosure if applicable) and may also bring an action to recover a money judgment for such unpaid amounts. The Trustee is entitled to recover from the Owner of the Lien Property (including from the proceeds of the sale, if any) reasonable attorney's fees incurred in either a foreclosure action or an action to recover a money

judgment for Unpaid Reconveyance Fees.

c. For the benefit of the Beneficiaries, the Trustee has the power to purchase the Lien Property at the foreclosure sale and to then hold, lease, mortgage, or convey it.

f. Except as otherwise set forth herein, the Lien Property shall remain subject to Unpaid Reconveyance Fees and any party acquiring title to Lien Property is liable for, and shall promptly pay to the Trustee, all Unpaid Reconveyance Fees accrued prior to the acquisition of the Lien Property by such party. This liability is without prejudice to any right that such party may have to seek contribution or indemnity from prior Grantor(s) or owner(s) of the Lien Property.

g. An Institutional Lender (or its successor or assignees) who acquires title to Lien Property by foreclosure (including by an instrument of conveyance in lieu of foreclosure) shall have no liability for Unpaid Reconveyance Fees that became due prior to the mortgagee's acquisition of title to such Lien Property.

h. For purposes of this subsection, the term "successor or assignee" as used with respect to an Institutional Lender includes only a subsequent holder of the first mortgage.

i. The Trustee shall be a proper party to intervene in any foreclosure proceeding related to Lien Property.

j. A foreclosure by the Trustee shall not extinguish this Declaration with respect to the Lien Property.

k. Any proceeding under one remedy shall not constitute an election of remedies. Failure to proceed under any remedy shall not be deemed a waiver of that remedy.

l. Unpaid sums due under this Declaration shall bear interest at the lesser of the maximum non-usurious lawful rate allowed by law or 18 percent per year. Interest shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. This provision overrides other provisions, demands or actions to the contrary.

m. Payment received by the Trustee in connection with exercising its rights against the Lien Property shall be applied first to any permissible accrued interest, then to any costs and reasonable attorney's fees incurred in collection, and then to the Unpaid Reconveyance Fee. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

n. Within 10 business days after Trustee's receipt of a written request ("Estoppel Request") from an Owner or their designated representative, including any mortgagee or closing agent (the "Requesting Party"), the Trustee shall furnish to such Requesting Party an Estoppel Certificate. All Estoppel Requests shall include a copy of this Declaration and shall describe with reasonable particularity (i) the Owner; (ii) the approximate date of and Consideration for the Conveyance; and (iii) the Requesting Party's name, address and contact information. An Estoppel Certificate delivered by the Trustee shall be conclusive and binding upon the Trustee and Beneficiaries, and the Property described in the Estoppel Certificate shall not be subject to liens or claims arising out of this Declaration for any amounts or defaults (including, without limitation, Unpaid Reconveyance Fees) that may have accrued prior to the date of the Estoppel Certificate and which are not otherwise described within the Estoppel Certificate. If the Trustee fails to timely respond to a written request made pursuant to this provision, then after an additional five (5) days notice of intent to file a Substitute Estoppel Certificate ("Substitute Estoppel Notice") with a copy of said Substitute Estoppel Certificate contained therein, delivered to Trustee by certified mail, return receipt requested, it shall be conclusively deemed that there are no unpaid amounts or defaults as of the date of the request, and the Requesting Party shall have the right to record an affidavit (attaching all prior requests for an Estoppel Certificate) to such effect (a "Substitute Estoppel Certificate") in the OPR, provided that same is recorded within fourteen (14) days from date of mailing of the Substitute Estoppel Notice.

p. Within ten (10) business days from date of receipt of a written request from Trustee, an Owner or Closing Agent shall promptly provide information reasonably requested by the Trustee related to a Conveyance to or from an Owner, including date of Conveyance, the Grantor and Grantee, the Consideration, and a copy of any closing statement prepared in connection therewith (redacted as to each social security number, tax identification number, date of birth and financial account information appearing therein). By acceptance of a Conveyance Instrument, each Owner does thereby irrevocably authorize and instruct each Closing Agent involved in closing a Conveyance to comply with the foregoing, and does release said Closing Agent(s) from liability of whatever kind and of whatever nature arising out of or related to a Closing Agent's compliance with this provision.

q. The Trustee shall be entitled to charge a reasonable fee for Estoppel Certificates.

r. To the extent the foregoing conflicts with any applicable statute, the statute shall apply.

9. **TRUSTEE AND SUCCESSORS.** The following shall serve as Trustee:

National Covenant Clearinghouse, Attn: Rjon Robins, Esq., 6300 NW 5th Way, Ft. Lauderdale, FL 33309 (including any successor trustee, the "Trustee"). The Trustee shall serve as a neutral third party acting as a fiduciary to the Beneficiaries. Licensors and Trustee, and their successors and assigns, jointly or severally, shall be entitled to appoint a successor Trustee, succeeding to all rights and responsibilities of Trustee. In the event neither Licensor nor Trustee should be in existence, Beneficiaries holding a majority interest in this Declaration, acting jointly, or upon application of any Beneficiary a court of competent jurisdiction in Parker County, Texas, shall appoint a Trustee. Upon Trustee's request, parties to this Declaration shall promptly join in execution of any appointment made pursuant to this provision together with any documents necessary to effectuate same. However, failure of one or more party to provide written consent shall not invalidate an appointment. Appointment of a substitute Trustee shall be in writing and filed Of Record. To the extent permitted by law, all Parties to this Declaration jointly and severally waive any and all claims against Licensor and Trustee which arise out of or which are related to acts undertaken pursuant to this section.

10. **NON-JUDICIAL FORECLOSURE.** To the extent permitted by law, each Owner, by acceptance of the Conveyance Instrument, whether expressed therein or not, hereby expressly vests in the Trustee the power to bring all actions against such Owner personally for the collection of unpaid amounts due hereunder and the power to enforce any Liens by all methods available for enforcement of such Liens, including judicial and non-judicial foreclosure of Lien Property by an action or proceeding brought in the name of the Trustee or Beneficiaries in the manner provided for in the laws of the jurisdiction where the Lien Property is located for mortgage or deed of trust liens on real property, and Owner expressly grants the Trustee a power of sale of the Lien Property. In connection with a non-judicial foreclosure, and subject to any requirements imposed by applicable law, the Trustee shall:

- a. give notice of default, and notice of the foreclosure sale, to the Owner of the Lien Property;
- b. sell and convey the Lien Property to the highest bidder for cash, with conveyance subject to valid prior liens, and other valid and prior exceptions to conveyance and warranty, and to this Declaration; and
- c. from the proceeds of the sale, pay, in this order:
 - i. expenses of foreclosure, including a commission to the Trustee of 3% of the bid;
 - ii. five percent of the sums remaining after deducting 10(c)(i-iii) to a non-profit made pursuant to 12(b)
 - iii. to Beneficiaries, all sums due and unpaid, in accordance with their respective interest;
 - iii. any amounts required by law to be paid before payment to Owner; and
 - iv. to the Owner of the Lien Property prior to foreclosure, any balance.

Recitals in any Trustee's deed conveying the Lien Property will be presumed true. Foreclosure of sums due and secured by the Lien shall not discharge this Declaration. Trustee is authorized to undertake any lawful action necessary to effectuate this provision.

11. **TRUSTEE RIGHTS.** To the maximum extent permitted by law, Beneficiaries jointly and severally grant unto Trustee the right to undertake on behalf of Beneficiaries, as agent thereof, any action Trustee deems reasonably necessary or appropriate to prosecute, defend and exercise rights and obligations arising out of or related to this Declaration, including, but not limited to, the right to:

- a. collect and disburse sums in connection with this Declaration;
- b. undertake or defend, including retaining others to undertake and defend, legal, arbitration and administrative proceedings;
- c. execute Estoppel Certificates and similar documents;
- d. re-file this Declaration (or a document containing the terms and conditions thereof, including any abstract or similar document) if necessary to comply with any statutes (including recording statutes) that limit the duration or validity of, or liability for, this Declaration, provided, however, that the re-filed Declaration shall not extend the original Term. Any Lien arising under the re-filed instrument shall relate back to the most recent of date of recordation in the OPR of (i) this Declaration, (ii) an Estoppel Certificate or (iii) a Substitute Estoppel Certificate.
- e. with respect to each Conveyance retain, as its fee, three percent (3%) of any and all gross Reconveyance Fees and other sums collected and disbursed by the Trustee pursuant to the terms of this Declaration;
- f. retain from any sums due Beneficiaries, on a prorata basis in accordance with each Beneficiaries respective ownership interest in this Declaration, such amounts necessary to reimburse Trustee for reasonable and necessary expenses incurred in initiating or defending legal proceedings in connection with this Declaration;
- g. decline to undertake action under subsection b of this paragraph 11 until such time as the Beneficiaries have made suitable financial arrangements with Trustee for costs and expenses related to same.

12. **TRUSTEE DUTIES.** The Trustee shall, to the maximum extent allowed by law, and as agent for Beneficiaries:

- a. hold in trust for, and not more than ninety days from date of receipt pay to, the Beneficiaries, in proportion to

their respective ownership interest, all Reconveyance Fees (after permitted deductions and distributions otherwise described herein), arising out of or related to this Declaration;

b. retain in a separate escrow account five percent (5%) from all Reconveyance Fees received and within ninety days from date of receipt of same pay said funds to one or more non-profit or not-for-profit entities ('non-profit' or 'charity') engaged in non-political, non-religious activities for the direct or indirect benefit of the community within which the Property is located, it being the intention of this Declaration, the Beneficiaries and each owner that a portion of the Reconveyance Fee arising from the Property be reinvested in the community for the direct or indirect betterment of the Property and land within the community. The Parties to this Declaration, including each Owner (by acceptance of a Conveyance Instrument) acknowledge, agree and stipulate that (i) charities build better communities and enhance property values; (ii) the foregoing charitable allocation is good, independent and sufficient consideration for this Declaration and the Reconveyance Fee due hereunder and (iii) the foregoing touches and concerns the land. In no event shall a non-profit, as a condition of acceptance of funds, be required to segregate or trace the funds to the Property or the community. The Trustee's discretion and determination as to the interpretation and application of this subparagraph "b" shall be conclusive and no Beneficiary shall have a right or claim to the aforementioned funds or authority as to the disbursement of same, provided however that Licensor shall have the superior right (but not the obligation) to designate the non-profit(s) for receipt of funds pursuant to, and for the purposes stated in this subparagraph "b";

c. exercise the rights and duties assigned hereunder;

d. maintain records of Trustee's receipts and disbursements related to this Declaration;

e. execute Estoppel Certificates and similar documents reasonably requested by Requesting Parties;

f. exercise the Trustee Rights when reasonable or necessary to do so;

g. comply with any other written agreements between Trustee and Beneficiaries;

h. accept as agent for each Beneficiary service of process and other notices related to this Declaration; and

i. have (and is hereby granted) authority to undertake the foregoing as agent for the Beneficiaries.

Notwithstanding the foregoing, Trustee shall have no obligation to (i) issue payment to a non-profit or Beneficiary until the gross sum due and unpaid thereto exceeds One Hundred Dollars \$100.00 or (ii) pay or distribute interest accrued or collected on funds held by Trustee in accordance with this Declaration.

13. CLOSING AGENT ADMINISTRATION. In connection with any Conveyance:

a. a Closing Agent shall have no obligation to investigate or ascertain the location of a Trustee or any other information related to this Declaration by means other than by reference to the OPR.

b. if for any reason the Trustee cannot be located by reference to the OPR, a Closing Agent shall (1) remit to each Beneficiary that can be located through reference to the OPR each Beneficiary's prorata portion of the Reconveyance Fee, as determined by reference to the OPR, and (2) administer the balance of the Reconveyance Fee applying applicable state escheatment rules.

c. upon tender of payment to Trustee of sums due under this Declaration, or upon Closing Agent's written agreement to hold the Estoppel Certificate in trust and unrecorded until tender of payment of such sums to the Trustee, a Closing Agent shall be entitled to and Trustee shall issue an Estoppel Certificate;

d. where permitted by law a Closing Agent shall be and hereby is entitled to withhold from each Reconveyance Fee paid in connection with a Conveyance, and retain as a fee, the greater of \$100.00 or two percent (2%) of the Reconveyance Fee collected;

e. when in doubt as to duties or liabilities related to disbursement of funds, a Closing Agent shall (i) deposit said funds with the clerk of any court of competent jurisdiction in Parker County, and (ii) provide written notice of same to Trustee, and shall thereafter have no liability with respect to the deposited sums;

f. a Closing Agent shall be entitled to rely solely upon information contained in the OPR and is hereby released as to claims resulting from information not contained in the OPR; and

g. it is understood that Closing Agent shall be under no obligation to invest any funds deposited with it, nor shall it be accountable for any incidental benefit attributable to the funds which may be received by Closing Agent while it holds such funds.

14. PAYMENT AND NOTICE. Payment shall be deemed made when tendered to the Trustee in good and collected funds. In order to insure proper credit, payment transmittal must reference the recording information of this Declaration. Except as otherwise provided herein, notices, requests and communications of any kind required under or made in connection with this Declaration shall be deemed made when (1) sent by certified mail, return receipt requested to the Trustee or (2) acknowledged in writing by the Trustee. An Estoppel Certificate or similar written

acknowledgment of payment shall not be required in order to satisfy the then-existing indebtedness but Trustee shall be authorized to provide same, and in accordance with this Declaration shall do so upon request of a Closing Agent.

15. **ADDITIONAL RECONVEYANCE FEES PROHIBITED.** During the term of this Declaration no additional Reconveyance Fee or similar fee payable in connection with a Conveyance shall be imposed upon the Property as a covenant running with the land; provided, however, that the foregoing shall not prohibit fees, charges or assessments of whatever kind or of whatever nature payable to and for the benefit of a homeowner's association, governmental entity or non-profit organization.

16. **MODIFICATIONS.** Trustee shall be entitled to (and upon request of Licensor shall) make technical modifications to this Declaration for the purpose of securing or clarifying rights and obligations intended or contemplated in this Declaration, to correct clerical errors, to clarify ambiguity, to remove any contradiction in the terms hereof, or to make such other changes deemed necessary to comply with applicable law; provided, however, that no such modification shall (i) result in an increase in the total consideration contemplated in paragraph 5 of this Declaration, (ii) affect Owner's rights or obligations under this Declaration, (iii) extend the term of this Declaration nor (iv) make any modifications to substantive terms that change the general intent of this Declaration. Any modification shall be made by recorded instrument. Upon Trustee's request, all parties to this Declaration shall promptly join in execution of any document necessary to effectuate this provision, but failure to do so shall not impair any action taken pursuant to this provision. All parties to this Declaration jointly and severally waive any and all claims against Licensor and Trustee which arise out of or which are related to any modification undertaken in good faith by Trustee or Licensor pursuant to this section. In the event neither Licensor nor any heir, successor or assign thereof should be in existence then the foregoing rights shall automatically vest in the Beneficiaries, acting jointly by the holders of a majority interest in this Declaration. In the event the Declarant listed on page one is a beneficial owner at the time of any modification made pursuant to this paragraph 16, said Declarant's consent thereto shall be required.

17. **BENEFICIARIES.** All rights, interest, ownership and privileges in and to this Declaration, **SAVE AND EXCEPT "Declarant's Right to Terminate"** under paragraph 25, belong to and are hereby vested in the following Beneficiaries, who/which are each hereby declared the owner(s) of an undivided interest in this Declaration in the percentages shown below:

- a. Parker Oaks Airport, LP., a Texas limited partnership, P.O. Box 150855, White Settlement, TX 76108 (50%)
- b. XFER Holdings, LP., a Texas limited partnership, c/o William White, Esq., 505 N. 20th St., Ste. 825, Birmingham, AL 35203 (33%)
- c. OLT Properties, Ltd., a Texas limited partnership, by PDC Properties, Inc., a Texas corporation, its sole general partner, 5225 Village Creek Dr., ste. 300, Plano, TX 75093 (10%)
- d. DTF Holdings Company, LLC., a Texas limited liability company, 600 Congress Avenue, Suite 1300, Austin, TX 78701 (5%)
- e. Robert Tablak, 1548 Robsheal Dr., San Jose, CA 95125 (2%)

18. **BENEFICIARY SALE/ASSIGNMENT.** Each Beneficiary is entitled to sell, convey, assign, pledge, subordinate and hypothecate, in whole or in part, their beneficial interest in this Declaration, provided however, that any offer to acquire the beneficial interest described in 17(a), made within five years from the date this Declaration was recorded in the OPR, shall include an equal offer per one percent interest for the remaining beneficial interests described under paragraph 17.

19. **BENEFICIARY DUTIES.** Each Beneficiary shall:

- a. provide notice of a purchase, sale, pledge, assignment or similar conveyance of all or part of Beneficiary's interest in this Declaration by filing notice of same in the OPR, with a copy to Trustee. The foregoing notice shall generally meet the content requirements of a Conveyance Instrument, containing therein a complete description of the parties, the interest conveyed and reference to the recording information of the document by which the grantor/assignor obtained title. Any person, firm or entity who acquires (by sale, assignment or otherwise), in whole or in part, rights in and to this Declaration shall, by taking such assignment, have consented and agreed to the terms of this Declaration.
- b. notify Trustee, in a method and manner reasonably required by Trustee, of any change in Beneficiary's mailing address or other material information and, failing to do, shall be subject to forfeiture to the state of Texas, applying state escheatment rules, all unpaid sums.

20. **LICENSE.** This Declaration was prepared under license from Freehold Capital Partners, Ltd., a Texas limited partnership, a Nevada corporation, (jointly and severally together with it's heirs, successors and assigns "Freehold" and "Licensor").

21. **LICENSOR'S AUTHORITY.** If Licensor should at any time hold less than a 5% beneficial interest in this Declaration, authority vested in Licensor by this Declaration shall then vest in Beneficiaries (whether one or more) holding a majority beneficial interest in this Declaration.

22. **IMPAIRMENT OF CONSIDERATION.** To the extent that Improvements or Property Benefits form, in whole or in part, the basis for consideration for the benefits and burdens imposed by this Declaration, the parties, by acceptance of a Conveyance Instrument, stipulate and agree to the adequacy of said Improvements and Property Benefits, and further stipulate and agree, by acceptance of a Conveyance Instrument, whether expressed therein or not, that neither destruction nor obsolescence of, nor defect in, said Improvements or Property Benefits shall directly or indirectly diminish, impair or invalidate this Declaration in any way. No party holding rights in and to this Declaration, as a beneficiary thereof, shall have an obligation to construct, maintain, warranty, modify, add to, or transfer additional improvements to the Property beyond the date of recordation of this Declaration, in order for this Declaration to be in full force and effect.

23. **BENEFIT AND BURDEN.** It is the intent of the Parties to this Declaration that this Declaration and the benefits, burdens, premises and promises contained herein run with the land and shall be binding upon and shall inure to the burden and benefit of each Owner and the Beneficiaries, together with their respective successors, heirs and assigns. All burdens and benefits are stipulated to be appurtenant to the land.

24. **SAVINGS CLAUSE.** In the event any provision in this Declaration, including any modification thereto, is adjudicated impermissible or unenforceable, then the offending provision shall be deemed modified to the extent possible and necessary to comply with applicable law and to preserve each Beneficiary's right to compensation equal to compensation originally contemplated under this Declaration.

25. **DECLARANT'S RIGHT TO TERMINATE.** Notwithstanding any provision or term to the contrary herein, this Declaration shall terminate and be rendered null, void and of no force and effect in its entirety with respect to any portion of the Property that is the subject of a Termination (hereinafter defined). As used herein, a "Termination" shall refer to a written document that (i) describes the portion of the Property to be released and exonerated from this Declaration ("Released Property"); (ii) is recorded in the OPR and (iii) is executed SOLELY by Declarant in Declarant's sole and absolute discretion without necessity of joinder of the Beneficiary(ies), the Trustee, an Owner, any non-profit designated in this Declaration or any other party affected by this Declaration (jointly and severally the "Affected Parties"). Declarant shall be free to record a Termination notwithstanding any duty or obligation to the Affected Parties and regardless of any financial or legal effect such Termination may or will have on Affected Parties. Notwithstanding the foregoing, Declarant shall have no right to record a Termination and no Termination shall be valid or effective after the earlier of the sale, conveyance, transfer or assignment of (x) Declarant's interest in the Released Property or (y) Declarant's beneficial interest in this declaration, whether in whole or in part. Within ten (10) days from date of filing a Termination, Declarant shall provide a copy to Trustee, by certified mail. If a Termination is recorded as provided above, the legal description of the Property, for purposes of this Declaration, shall be deemed amended to exclude the Released Property. Upon Declarant's written request, the Trustee and Affected Parties shall execute any document(s) necessary to effectuate this provision. This right to terminate is personal to the Declarant and cannot be conveyed or assigned.

26. **NO GENERAL ASSIGNMENT.** Any purported assignment of rights under this Declaration shall be invalid and of no force and effect unless said assignment specifically references this Declaration and is filed Of Record. In particular, but not by way of limitation, a general assignment by Declarant (whether by Conveyance Instrument, contract for sale, or otherwise), executed in connection with a sale of the Property or otherwise, shall not constitute a valid sale or assignment of Declarant's rights under this Declaration, or invalidate or modify this Declaration in any way.

27. **LOAN REQUIREMENT.** To the extent that any of the provisions of this Declaration shall be found to be contrary to the promulgated rules and regulations of the Federal Housing Administration, the Veterans Administration or any other recognized governmental or quasi-governmental lending institution or agency (public or private) primarily engaged in granting or insuring loans, to such an extent that same unreasonably interferes with a Grantee's or Owner's ability to obtain financing for the Property, Trustee shall have the right and authority to waive or subordinate such provision for purposes of a given loan and, upon request of the Beneficiaries holding a majority interest, shall do so.

28. **CONSTRUCTION.** This Declaration shall be liberally construed in and for the interest, benefit and protection of Beneficiaries.

29. **LIMITATION ON DAMAGES.** Except as otherwise provided herein no party to this Declaration shall be entitled to recover from another party to the Declaration, costs, including attorney fees, incurred in connection with

legal proceedings arising out of or related to this Declaration. Each party to this Declaration, including Owner, Trustee and Beneficiaries, hereby jointly and severally waive all claims against each other for exemplary, punitive, consequential, and emotional damages arising out of or related to this Declaration.

30. **APPLICABLE LAW.** This Declaration shall be construed according to the laws of the State of Texas as they exist at the time of filing of this Declaration. If any provision of this Declaration is found to be in violation or conflict with applicable law then said provision shall be amended only to the extent necessary to comply with the applicable law, but shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, this Declaration is executed on the date indicated below.

DECLARANT

Parker Oaks Airport, LP., a Texas limited partnership

By: Parker Oaks Airport GP,

L.L.C.

Member


K. Wayne Lee

STATE OF TEXAS §

ACKNOWLEDGMENT

COUNTY OF TARRANT §

Before me, the Undersigned Notary, on the 6 day of August, 2009, personally appeared K. WAYNE LEE, Member of Parker Oaks Airport GP, LLC, signer of the foregoing instrument, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that s/he executed the same in the aforementioned capacity for the purposes therein contained.


Notary Public, State of Texas

When Recorded
Return To:
Freehold Capital Partners
P.O. Box 6193
Round Rock, TX 78683
Prepared By:
Robert Wilson, Esq.

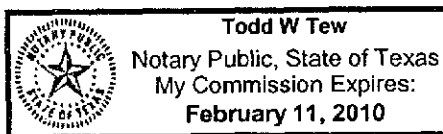


Exhibit A Parker Oaks Airport, LP
41.441 acres situated in the
J.C. RIDER SURVEY, Abst. No. 2503;
I.&G.N.R.R. CO. SURVEY, Abst. No. 2006
and the
I.&G.N.R.R. CO. SURVEY, Abst. No. 1998
Parker County, Texas

Legal Description

41.441 acres situated in the J.C. RIDER SURVEY, Abst. No. 2503; I.&G.N.R.R. CO. SURVEY, Abst. No. 2006 and the I. & G.N.R.R. CO. SURVEY, Abst. No. 1998, Parker County, Texas being that certain tract of land conveyed to Parker County Airport, L.C. by deed recorded in Volume 1555, Page 1336, Real Records, Parker County, Texas, said 41.441 acres being more particularly described, as follows:

Beginning at a capped 5/8" iron found at the southeast corner of said Parker County Airport, L.C. tract in the north line of Lot 9, Block 1, NORTH OAKS ADDITION, an addition in Parker County, Texas according to the plat recorded in Plat Cabinet B, Slide 281, Parker County, Texas and the southwest corner of that certain tract of land conveyed to Kelley J. Barnett by deed recorded in Volume 1489, Page 539, Real Records, Parker County, Texas;

THENCE South 89 degrees 51 minutes 33 seconds West, along the common line of said Parker County Airport, L.C. tract and said Lot 9 passing the northeast corner of Lot 8 said NORTH OAKS ADDITION, in all, 524.49 feet to a 1/2" iron found at the southwest corner of said Parker County Airport, L.C. tract and the southeast corner of that certain tract of land conveyed to Parker Oaks LP by deed recorded in Volume 2231, Page 777, Real Records, Parker County, Texas;

THENCE North 00 degrees 27 minutes 00 seconds East, along the common line of said Parker County Airport, L.C. and Parker Oaks LP tracts passing the southeast corner Lot D, Block 3, PARKER OAKS, an addition to the City of Hudson Oaks, Parker County, Texas according to the plat recorded in Plat Cabinet C, Slide 257, Plat Records, Parker County, Texas, in all, 3736.22 feet to a concrete highway monument with brass cap found in the south line of Interstate Highway No. 20;

THENCE South 66 degrees 35 minutes 50 seconds East, along the south line of said Interstate Highway No. 20, 258.00 feet to a concrete highway monument with brass cap found;

THENCE South 71 degrees 54 minutes 05 seconds East, continuing along the south line of said Interstate Highway No. 20, 242.33 feet to a concrete highway monument with brass cap found at the northeast corner of said Parker County Airport, L.C. tract and the northwest corner of that certain tract of land conveyed to C. Calvin Allen, Jr. and wife Brenda L. Allen by deed recorded in Volume 1627, Page 889, Real Records, Parker County, Texas;

THENCE South 00 degrees 27 minutes 05 seconds East, along the east line of said Parker County Airport, L.C. tract and the west line of the following tracts of land conveyed to: Allen, Jr.; Dennis Eugene Sherman and wife Carolyn Sherman by deed recorded in Volume 1755, Page 87, Real Records, Parker County, Texas; Roy C. Brooks by deed recorded in Volume 2118, Page 1538, Real Records, Parker County, Texas; Avondale Land Company, LLC by deed recorded in Volume 2438, Page 1158, Real Records, Parker County, Texas; The Stovall Family Trust by deed recorded in Volume 1857, Page 1292, Real Records, Parker County, Texas; Donnie Lasater and Sharon Lasater by deed recorded in Volume 1941, Page 1466, Real Records, Parker County, Texas; Perry J. Davis and wife Dorothy Elder Davis by deed recorded in Volume 1501, Page 566, Real Records, Parker County, Texas; Edgar D. Cupp by deed recorded in Volume 440, Page 350, Deed Records, Parker County, Texas and said Barnett tract, in all, 3557.17 feet to the POINT OF BEGINNING and containing 41.441 acres of land.

THE STATE OF TEXAS §

COUNTY OF PARKER §

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR PARKER COUNTY AIRPORT

This Declaration of Covenants, Conditions and Restrictions ("Declaration") is made this 28 day of February, 2011, by PARKER OAKS AIRPORT L.P., a Texas limited partnership (hereinafter referred to as "Declarant").

WITNESSETH:

Declarant is owner of that certain real property referred to in Article II and described on Exhibit "A" of this Declaration. Declarant desires to impose these restrictions on the subject property and yet retain reasonable flexibility to respond to changing unforeseen circumstances so as to control and maintain the quality and distinction of the Parker County Airport community project.

NOW, THEREFORE, Declarant hereby declares that the real property referred to in Article II and described on Exhibit "A" and such additions thereto as may hereafter be made pursuant to Article II hereof is, and shall be, held transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens (sometimes collectively referred to as "Covenants and Restrictions") hereinafter set forth.

A R T I C L E I

DEFINITIONS

The following words when used in this Declaration, or any amendment or supplement thereto (unless context shall otherwise clearly indicate or prohibit), shall have the following meanings:

(a) "Association" shall mean and refer to Parker County Airport Hangarowners Association, Inc., a Texas non-profit corporation, which has the power, duty and responsibility of maintaining and administering the Common Property and collectively the assessments and charges hereafter prescribed and has the right of administering and enforcing the Covenants and Restrictions.

(b) "Common Property" shall mean and refer to any and all areas of land within the property which are known, described or designated as common areas, open spaces, private streets, or access easements on any recorded subdivision plat of the Property or intended for or devoted to the common use and enjoyment of the members of the Association, together with any and all improvements that are now or may hereafter be constructed or installed thereon of any such Common Property and any additions to or replacements of such Common Property. The common areas now within the Parker County Airport generally consist of private streets, access easements, open spaces, and taxiways. Declarant proposes to hold record title to the Common Property consistent with the

objectives envisioned herein and subject to the easement rights herein of the Members to use and enjoy the Common Property for the indefinite period of time and a point in time deemed appropriate and reasonable by Declarant record title to some or all of the Common Property may be formally transferred from the Declarant to the Association. Declarant reserves the right to effect redesigns or reconfigurations of the Common Property and execute any open space declarations applicable to the Common Property which may be permitted by law in order to reduce property taxes.

(c) "Declarant" shall mean and refer to Parker Oaks Airport, L.P. and the successors and assigns (if any) of Parker Oaks Airport, L.P. with respect to the voluntary disposition of all (or substantially all) of the assets of Parker Oaks Airport, L.P. and/or voluntary disposition of all (or substantially all) of the right, title and interest of Parker Oaks Airport, L.P. in and to the Property prior to the completion of the development thereon. No person or entity purchasing one or more Lots from Parker Oaks Airport, L.P. in the ordinary course of business shall be considered as "Declarant."

(d) "Existing Property" shall mean and refer to the real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration pursuant to Section 2.01 of Article II hereof.

(e) "Lot" shall mean and refer to any plot or tract of land shown on any recorded subdivision map(s) or plat(s) of the Property as amended from time to time which is designated as a lot therein in which is or will be improved with a hangar in conformity with the building restrictions herein set forth, although some portions of the Common Property may be platted as a "Lot." On the subdivision plat these lots will be excluded from the definition of "Lot," as used herein. "Adjoining Lot" shall mean and refer to a Lot which is adjacent to any other Lot as shown on any recorded plat of the property.

(f) "Member" shall mean and refer to each owner of a Lot.

(g) "Owner" shall mean and refer to every person or business entity who or is a record owner of a fee or undivided fee interest in any Lot subject to this Declaration. However, the word "Owner" shall not include person(s) or entity(ies) who hold a bona fide lien or interest in a Lot as security for the performance of an obligation.

(h) "Property" shall mean and refer to all such existing properties and any additions thereto as are subject to this Declaration or any amendment or supplement thereto prepared and filed of record pursuant to the provisions of Article II hereof.

(i) "Runway" shall mean and refer to the real property owned by the Declarant described on Exhibit B attached hereto and incorporated herein by this reference on which a runway is located adjacent to the Existing Property.

A R T I C L E I I

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

2.01 Existing Property. The Existing Property is located in Hudson Oaks, Parker County, State of Texas. The Existing Property is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

2.02 Additions to Existing Property. Additional land(s) may be subject to this Declaration in any of the following manners:

- (a) Declarant may add or annex additional real property to the scheme of this Declaration by filing of record a supplementary declaration of covenants, conditions and restrictions, which will extend the scheme of the covenants, conditions and restrictions of this Declaration to such property provided, however, that such supplementary declaration shall contain such complimentary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and are not inconsistent with the concept of this Declaration.
- (b) In the event any person or entity other than Declarant desires to add or annex additional residual and/or common areas to the scheme of this Declaration, such proposed annexation must have the prior written consent and approval of the majority of the outstanding votes within each voting class of the Association.
- (c) Any additions made pursuant to paragraphs (a) and (b) of this Section 2.02 when made, shall automatically extend the jurisdiction functions, duties and membership of the Association to the properties added.

2.03 Removal of Property. At any time during which Declarant owns a Lot, Declarant may remove portions of the Existing Property from the scheme of this Declaration by filing of record a release of restrictions describing a portion of the Existing Property which has been released.

A R T I C L E I I I

MEMBERSHIP AND VOTING RIGHTS

3.01 Membership. Every Owner of a Lot shall automatically be and must remain a Member of the Association in good standing. The Board of Directors may declare that an Owner is not a Member in good standing because of past unpaid dues, fines, late charges, interest, legal fees, and/or other assessments of any nature. The Board of Directors may temporarily suspend the voting rights of any Member who is not in good standing until such past, unpaid amounts are paid in full.

3.02 Voting Rights. The Association shall have three classes of voting membership.

Class A - Class A members shall be all members other than Class B members. Class A members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interests or interest in any Lot, all such persons shall be deemed Members and the vote for such lots shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B - Class B members shall be Declarant. The Class B members shall be entitled to five (5) votes for each Lot which it owns.

Notwithstanding the foregoing voting rights within the Association and consistent with the provisions Section 12.02 hereafter until Declarant no longer owns:

- i. record title to any Lot, or
- ii. a lien interest in a Lot, or
- iii. title to any adjoining acreage intended to be developed as an additional section or phase of Parker Oaks Airport.

Neither the Association or the members shall take any action or inaction with respect to any matter whatsoever without the consent and approval of the Declarant, which shall not be unreasonably withheld or delayed.

3.03 Quorum Notice and Voting Requirements. The quorum notice and voting requirements pertaining to the Association are set forth in the Articles of Incorporation and Bylaws of the Association as the same may be amended from time to time. Subject to the provisions of Section 3.02 above, any action by or on behalf of the Association may be taken with the assent given in writing and signed by Members who collectively hold or control more than one hundred percent (100%) of the outstanding votes of the Association.

A R T I C L E I V

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS

4.01 Powers and Duties. The affairs of the Association shall be conducted by its Board of Directors (hereinafter referred to as the "Board"). The Board shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Common Property and Owners shall provide and pay for out of the maintenance fund(s) provided for in Article VI below, the following:

- (a) Care and preservation of the Common Property and the furnishing and upkeep of any desired personal property for use in the Common Property;
- (b) Any private trash and garbage collection services and security arrangements;
- (c) Taxes, insurance and utilities (including without limitation electricity, gas, water and sewage charges) which pertain to the Common Property only;
- (d) Services of a person or firm (including Declarant and any affiliates of Declarant) to manage the Association or any separate portion thereof to the extent being divisible by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designated by the Board;
- (e) Legal and accounting services; and

- (f) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes, assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration, or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

The Board shall have the following additional rights, powers and duties:

- (g) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Property owned by the Association;
- (h) To enter into agreements or contracts with insurance companies, taxing authorities, and holders of first mortgage liens on the individual Lots with respect to:
 - i. taxes on the Common Property;
 - ii. insurance coverage (if any) on Common Property as they relate to the assessment, collection and disbursement process envisioned by Article V hereof; and
 - iii. utility installation, consumption and service matters.
- (i) To borrow funds to pay costs of operations secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit or secured by such assets of the Association as deemed appropriate by the lender and the Association;
- (j) To enter into contracts, maintain one or more bank accounts and generally they have all the powers necessary and incidental to the operation and management of the Association;
- (k) To protect or defend the Common Property from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;
- (l) To make reasonable rules and regulations for the operation of the Common Property and to amend them from time to time;
- (m) To make available to each Owner within ninety (90) days after the end of each year an annual report;
- (n) Pursuant to Article VII herein, to adjust the amount, collect and use any insurance proceeds for repair damage or replace lost property and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;

- (o) To enforce the provisions of this Declaration and any rules made hereunder and to find, enjoin and/or seek damages from any Owner for violation of such provisions or rules.

4.02 Board Powers Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. In the event or if for any reason the Board is not deemed authorized to act for or on behalf of the Association and the Members, then Declarant may exercise its power and authority under Section 12.02 hereof to act for and on behalf of the Association and the Members and the Association shall reimburse Declarant for any and all reasonable expenses incurred in so acting.

4.03 Contracts with Owners. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner (including without limitation Declarant) for the performance, on behalf of the Association of services which the Board is otherwise required to perform pursuant to the terms hereof, such contracts to be on such terms and conditions and for such consideration as the Board may deem proper, available and in the best interest of the Association.

4.04 Liability Limitation. Neither any Member, the Board, any director or any officer of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Declarant, the Association, its directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect premises, improvements or any portion thereof, or for failure to repair or maintain the same.

Declarant, the Association or any other person, firm or corporation liable to make such repairs or replacements shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.

4.05 Reserve Funds. The Board may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

A R T I C L E V

PROPERTY RIGHTS IN THE COMMON PROPERTY

5.01 Members' Easements of Enjoyment. Subject to the provisions of Section 5.03 of this Article, every Member and every tenant of every Member shall have the right and easement of use and enjoyment in the Common Property and Runway and such easement shall be appurtenant to and shall pass with the title of every Lot provided, however, such easement shall not give such persons the right to make alterations, additions or improvements to the Common Property or Runway.

5.02 Title to the Common Property. Declarant will hold record title to the Common Property for an indefinite period of time subject to the easements set forth in Section 5.01 hereof. Declarant shall have the right and option (without the joinder and consent of any person or entity) to sell or transfer title to the property, to encumber, mortgage, design, redesign, reconfigure, alter, improve, landscape, and maintain the Common Property. At some point in time (deemed reasonable and appropriate by the Declarant), the Declarant may convey title to the Common Property to the Association or to any governmental body for the purposes herein envisioned. Declarant reserves the right to execute any open space declarations applicable to the Common Property which may be permitted by law in order to reduce property taxes. The Runway shall not be Common Property and title shall remain in Declarant. The Runway being critical to the use of the Property for this intended purpose, the Association and Declarant shall have the right to assess for its maintenance and improvement as provided herein.

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

- (a) The right of Declarant or the Association to prescribe reasonable regulations and policies governing, and to charge fees and deposits related to the use, operation and maintenance of the Common Property and Runway;
- (b) Liens on mortgages placed against all or any portion of the Common Property with respect to monies borrowed by the Declarant to develop and improve the Property or by the Association to improve or maintain the Common Property and Runway;
- (c) The right of the Association to enter into and execute contracts with any party (including without limitation Declarant) for the purposes of providing maintenance or such other materials or services consistent with the purposes of the Association;
- (d) The right of the Declarant or the Association to take such steps as are reasonably necessary to protect the Common Property and Runway against foreclosure;
- (e) The right of Declarant or the Association to suspend the voting rights of any Member and to suspend the right of any individual to use or enjoy any of the Common Property and Runway for any period during which any assessment (including without limitation "fines") against a Lot owned by such individual remains unpaid, and for any period of time deemed reasonable by the Association for the infraction of the then existing rules and regulations;
- (f) The right of Declarant and/or the Association to dedicate and transfer all or part of the Common Property or Runway to any municipal corporation, public agency, authority or utility company for such purposes and upon such conditions as may be agreed upon by Declarant;
- (g) The right of Declarant and/or Association to convey, sell or lease all or part of the Common Property upon such terms and conditions that may be agreed upon by Declarant and the Members having a majority of the outstanding eligible votes of the Association;
- (h) The right of Declarant to convey, sell, or lease all or part of the Runway.

A R T I C L E V I
COVENANTS FOR ASSESSMENT

6.01 Personal Obligation of Assessments. Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed is deemed, as a part of the purchase money consideration for such deed and conveyance, to covenant and agree to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):

- (a) Regular assessments or charges for maintenance, taxes and insurance on portions of the Properties and the Common Property and Runway (including without limitation those matters described in Section 4.01 hereof);
- (b) Special group assessments for capital improvements or unusual or emergency matters such assessments to be fixed, established and collected from time to time as hereinafter provided;
- (c) Special individual assessments levied against individual Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear; and
- (d) Individual assessments and fines levied against individual Owners for violations of rules and regulations pertaining to the Association and/or the Common Property;

Such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular, special group and special individual assessments, together with such late charges, interest and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each such Lot against which such assessment made and shall also be the continuing personal obligation of the then existing Owner of such Lot at the time which the assessment fell due.

6.02 Creation of Liens. Declarant hereby reserves a vendor's lien against each Lot to secure the payment of any assessment which may be levied pursuant to the terms and provisions of Sections 6.05, 6.06, 9.13, and/or 12.06 hereof, and the expense occurred in the connection with the enforcement thereof, including without limitation, interest at the maximum rate permitted by law, costs and reasonable attorneys' fees. Such lien may be enforced by appropriate judicial proceedings and the amount secured thereby shall be the obligation of and chargeable to the Owner. Such liens shall be insubordinate and inferior only to the following:

- i. Assessment liens and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on the Lot; and
- ii. Amounts due under first lien deed of trust duly recorded prior to the recordation of any lien assessment as provided in 6.03 of this Article VI.

6.03 Assessment Lien.

- (a) All sums assessed but unpaid, including interest thereon, at the maximum rate permitted by law from the date such assessments are due until such assessments are paid (subject to the provisions hereof limiting the interest contracted for, charged or received to the maximum permitted by applicable law), shall constitute a lien on the Lot superior to all other liens and encumbrances except as provided in Section 6.02 of this Article VI. Declarant or the Board or its duly appointed agent may (but shall not be required to) prepare written notice setting forth the amount of such unpaid indebtedness, the name of Owner and a description of the Lot. Such notice shall be signed by the Declarant or the Board or its duly appointed agent and may be recorded in the office of the County Clerk of Parker County, Texas. Such lien may be enforced by the foreclosure of it upon the Lot by the Declarant or the Board or its duly authorized agent. In any such proceeding, the Owner shall be required to pay the costs, expenses and attorneys' fees incurred in connection with filing the lien and in the event of any foreclosure proceeding, all additional costs, expenses and attorneys' fees incurred in connection with any such foreclosure proceeding. Declarant or the Board or its duly appointed agent shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. Any mortgagee holding a lien on the Lot may pay but shall not be required to pay any unpaid assessment owing with respect to the Lot, but such payment shall not be deemed a waiver of the Owner's default by either Declarant, the Board or such mortgagee;
- (b) The amount of the assessments assessed against the Lot shall also be a personal obligation or indebtedness of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the liens securing the same;
- (c) Owner, by acceptance of the deed to the Property hereby expressly vests in Declarant, unto the Board or its agents the right and power to bring all actions against the Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessment provided herein by non-use of the Common Property or by abandonment of his Lot;
- (d) If any assessment remains unpaid at the expiration of fifteen (15) calendar days from and after the due date established by the Board, a late charge shall be assessed against the non-paying Owner for each month that any portion of the assessment remains unpaid. The late charge shall be in the amount of \$25.00 for all Class A and B members. A reasonable service charge in an amount established by the Board shall be charged for each check that is returned because of insufficient funds. The amount of late charges and service charges may be adjusted from time to time by the Board consistent with any change in the amount of the regular or special assessment; provided, however, that the amount of late charges assessed against Class B members shall be fifty percent (50%) of the amount a late charge is assessed against Class A members.

6.04 Purpose of the Assessments. The assessments levied by the Association will be used exclusively for the purpose of:

- (i) promoting health, recreation, safety and welfare of the owners of the property;
- (ii) approving and maintaining streets, access easements, taxiways, or other properties, services and facilities directly related to the use and enjoyment of the Common Property and Runway;
- (iii) the payment of taxes on the Common Property and insurance (if any) in connection with the Common Property and Runway and the repair, replacement and additions thereto;
- (iv) the payment for electricity for street lights and exterior lights and the repair, replacement and additions of various items within the Common Property and Runway;
- (v) trash and garbage collection and security arrangements as may be determined necessary and appropriate by the Association from time to time;
- (vi) paying the costs of labor, equipment (including the expense of leasing any equipment) and materials required for and the management and supervision of, the Common Property and Runway;
- (vii) carrying out the duties of the Board as set forth in Article IV hereof envisioned or any amendment or supplement hereto; in any manner or thing in connection with any zoning, subdivision, platting, building or development requirements.

6.05 Base and the Amount of Regular Maintenance Assessments.

- (a) Until and otherwise determined by the Board, maximum regular assessments shall be \$25.00 per Lot per month;
- (b) The Board may establish the maximum annual assessment for each lot not to exceed 20% increase in any calendar year above the previous year assessment, unless such increase is approved by a majority of those members of the Association present at a meeting, in person or by proxy, where a quorum exists;
- (c) After consideration of current maintenance costs and future needs of the Association, the Board may fix the actual annual assessments at an amount equal to or less than the then existing maximum annual assessment;
- (d) The Board may establish a time price differential schedule for the payment of the regular assessment in which the lowest amount is the actual regular base assessment.

6.06 Special Assessments for Capital Improvements. In addition to the regular assessments authorized by Section 6.03 hereof, the Association may levy in any fiscal year a special assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Property or Runway including any necessary fixtures and personal property related thereto provided that any such assessment shall have the affirmative approval of the Members of the Association as provided in Section 3.03 of Article III. Such special assessment shall not exceed 1/60th of the total cost of the expense per each Type A lot owner in any case.

6.07 Uniform Rate of Annual and Special Assessments. Both regular and special capital assessments must be fixed at a uniform rate for all lots owned by Members.

6.08 Date of Commencement of Assessments and Due Dates. The Board may prescribe from time to time that the regular base assessments are to be collected on an annual, semi-annual, quarterly, or monthly basis and accordingly to the Board shall prescribe the appropriate due dates and, if applicable, the time price differential rates and due dates. All regular base assessments shall be collected in advance. The due date or dates (if it is to be paid in installments) of any other assessment or special assessment under Section 6.05 and Section 6.06 hereof shall be fixed in the respective resolution authorizing such assessment.

6.09 Duties of the Board with Respect to Assessments.

- (a) In the event of a revision to the amount or rate of the regular base assessment or establishment of a special group or special individual assessment, the Board shall fix the amount of the base assessment against each Lot and applicable due dates for each assessment at least sixty (60) days in advance of such date or period and the Board shall at that time prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association;
- (b) Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto;
- (c) The Board shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificate.

6.10 Exempt Property. The following property otherwise subject to this Declaration shall be exempted from the assessments, charges and liens created herein.

- (a) All properties dedicated and accepted by a local public authority and devoted to public use;
- (b) All Common Property and Runway as defined in Article I hereof; and
- (c) Any and all areas which may be reserved by the Declarant on a recorded plat(s) of the Property.

ARTICLE VII

INSURANCE, REPAIR AND RESTORATION

7.01 Right to Purchase Insurance. The Association shall have the right and option to purchase and carry and maintain in force insurance covering any or all portions of the Common Property, any improvements thereon, or appurtenant thereto, for the interest of the Association and all Members thereof in such amounts and with such endorsements and coverage as shall be considered good, sound insurance coverage for property similar in construction, location and use to the subject property. Such insurance may include, but need not be limited to:

- (a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in the amount which shall be equal to the maximum insurable replacement value excluding foundation and excavation costs as determined by the insurance carrier;
- (b) Public liability and property damage insurance on a broad form basis;
- (c) Fidelity bond for all officers and employees of the Association having control over the receipt and disbursements of funds; and
- (d) Officers and directors liability insurance.

7.02 Insurance Proceeds. The Association members shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance shall be paid to the Association as required in this Article VII remaining after satisfactory completion of repair and replacement shall be retained by the Association as part of the general reserve fund for repair and replacement of the Common Property.

7.03 Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special assessment as provided for in Article VI of this Declaration to cover the deficiency.

ARTICLE VIII

USE OF COMMON PROPERTY

The Common Property may be used and enjoyed as follows:

8.01 Restrictive Actions by Members. No member shall permit anything to be done on or in the Common Property or Runway which would violate any applicable public law or zoning ordinance or which will result in the cancellation or increase of any insurance carried by the Association or which would be in violation of any law or any rule or regulation promulgated by the Board. No member shall block or hinder the use of the Common Property.

8.02 Damage to the Common Property. Each member shall be liable to the Association for any damage to any portion of the Common Property or Runway caused by the negligence or willful misconduct of the member or his family and guests.

8.03 Rules of the Board. All members shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies and a member determined to have violated said rules and regulations shall be liable to the Association for all damages and costs including reasonable attorneys' fees.

8.04 Use of Common Property. Use of the Common Property shall be limited to Members, their families, guests and such other persons as may first be approved by the Association, except to the extent that certain portions of the Common Property must be available for public use under applicable law. With the exception of regular business activities of Class B Members of the Association, no person or entity shall use any portion of the Common Property to:

- (a) solicit, promote or conduct business, religious, political, or propaganda matters;
- (b) distribute handbills, newsletters, flyers, circulars, or other printed materials;

without the prior written consent of the Association (which consent may be withheld and if so, with absolute discretion).

A R T I C L E I X

CONSTRUCTION AND IMPROVEMENTS AND USE OF LOTS

The Property (and each Lot situated therein) shall be occupied and used as follows:

9.01 Hangar Use. All Lots (excluding however those platted Lots on which certain Common Property will located) shall be used for airplane hangars only. No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than an airplane hangar, and airplane hangars shall not include residential quarters of any kind. No owner may reside on any Lot. No building shall be constructed within any portion of the property designated as flood plain on the recorded plat of the Property.

9.02 Height of Structures. No building or structure on any Lot shall exceed 25 feet (25') in height. For those Lots nearest the runway, these Lots are further restricted to a plate height of sixteen feet (16').

9.03 Minimum Floor Space. The main structure of each Lot shall contain a minimum square footage as established by the City of Hudson Oaks zoning ordinance.

9.04 All hangars shall be fully trimmed and guttered.

9.05 Omitted.

9.06 Building Lines. All buildings erected or placed on any Lot shall face the ramp adjacent to the Lot as shown in the recorded plat of the Property.

9.07 Omitted.

9.08 Signs. No sign or signs shall be displayed to the public view on any Lot except that:

- i. Any builder during the applicable initial construction and sales period may utilize one professional sign (not more than nine (9) square feet in size) per Lot for advertising and sales purposes;
- ii. Thereafter, a dignified "For Sale" or "For Rent" sign or building name (of not more than nine (9) square feet in size) may be utilized by the Owner of the respective Lot for the applicable sale or rental of the hangar.

9.09 Easements; Utilities. All streets, ramps, taxiways, and easements shown on the recorded plat of the Property have been reserved for the purposes indicated. No Owner may erect any structure of any type whatsoever in these easement areas nor may the Owner use the surface of the easement area for any private use. No Owner may plant or cultivate any tree, shrubbery or other vegetation or maintain any other vertical obstruction within any easement area. With respect to these easement areas as well as any other areas described within recorded easement documents in the Common Property, any and all bona fide public utility service companies shall have the right of access, ingress, egress, regress and the use of the surface estate for the installation and maintenance of the utility facilities.

9.10 Temporary Structures. No temporary structure of any kind will be erected or placed upon any Lot. Temporary structures will include but not limited to any garage, aircraft hangar, or other improvement.

9.11 Vehicles. Any truck, bus, boat, boat trailer, trailer, motor home, camp mobile, camper, motorcycle, or any motorized vehicle shall be stored, placed or parked within the hangar on any Lot.

9.12 Parking. Vehicles may only be parked in areas designated for parking by the Declarant/Association or inside the hangar.

9.13 Garbage and Weeds. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. All garbage shall be kept in containers approved by the Association. The Association shall determine the appropriate location for such garbage containers for collection.

If after ten (10) days prior written notice an Owner shall fail to:

- i. control weeds, grass and/or unsightly growth;
- ii remove trash, rubble, building and construction debris; or
- iii. exercise reasonable care or conduct to prevent or remedy an unclean, untidy or unsightly condition then the Declarant or the Board shall have the authority and right to go on to said Lot for the purpose of mowing and cleaning said Lot and shall have the authority and right to assess and collect from the Owner of such Lot a sum sufficient to cover the cost for mowing and cleaning of said Lot on each respective occasion of such mowing or cleaning. The assessments, together with interest (at the highest permitted lawful rate per annum) thereon and any costs of collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon and the costs of collection thereof shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment occurred. The lien securing any such assessment shall be subordinate and inferior to the lien of any mortgage and any renewals and extensions thereof existing prior to the assessment date.

9.14 Gliding Aircraft. All of the following are prohibited from any operation or flight at the airport: hot air balloons, parachutes, powered parachutes, hang gliders or glider aircraft.

9.15 Offensive/Noxious Activities and Animals. No noxious or offensive activities including but not limited to, odors, vibrations, noise/sound or light shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or a nuisance within the Property or any portion thereof. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot.

9.16 Exterior Surface. The exterior surface of all buildings shall be constructed in accordance with the requirements of applicable city ordinance. All exterior surfaces, especially any painted or stained and wood surfaces (including without limitation garage or hangar doors) must be maintained in good condition. Installation of all types of exterior items and surfaces such as address numbers or external ornamental lights, mail chutes, exterior paint or stain shall be subject to the prior written approval of the Committee.

9.17 Aerials. No towers of any kind shall be permitted on any hangar or lot. Satellite dishes are permitted not to exceed 4 feet above the highest point of the hangar roof.

9.18 Landscaping. Declarant shall install landscaping and irrigation between the taxiway and the hanger and maintenance is the responsibility of the Association.

9.19 – 9.23 Omitted.

9.24 Utility Meters and Air Conditioning Compressors. All utility meters, equipment, air conditioning compressors, evaporated coolers and similar items must be located in areas designated by the Committee.

9.25 Firearms. There shall be no discharging of firearms on the Property.

9.26 Wells. The drilling of water, oil, and gas wells or extracting minerals by any means from any portion of any platted lot is prohibited.

9.27 Vehicles. Use of any motorized vehicle, other than aircraft or airport maintenance equipment, is strictly prohibited on the runway.

9.28 Fuel Storage. Storage of gasoline or other motor fuels in excess of 20 gallons or as restricted by City ordinance on any Lot is expressly prohibited.

9.29 Use of Runway. Vehicles other than aircraft may not use aircraft runways at any time.

9.30 Commercial Aircraft Activity. No business or commercial enterprise shall be allowed or conducted on or from any Lots, in Blocks F, G, H, I, J, K, L, and M.

9.31 Omitted.

9.32 Drainage. The owner of each Lot shall design the improvements to be erected on such Lot to accommodate the owner's drainage requirements and not to the detriment of any other Lot. No damming of water, redirection of runoff or draining design which will create a drainage problem for any other Lot will be allowed. The owner of each lot shall adhere to the declarant's drainage plan.

9.33 Runway. Declarant hereby covenants for itself and its assigns that the Runway shall be used only as a runway and associated taxiways and for no other purpose unless and until a governmental agency with jurisdiction decrees that it may no longer be used for that purpose, in which case this covenant shall automatically terminate .

A R T I C L E X

ARCHITECTURAL CONTROL

Architectural controls shall be supervised by an architectural control committee, hereinafter called the "Committee" consisting of either the Construction Group as hereinafter described or the Board in the following manner:

- (a) The Construction Group shall consider and may act as the Committee only with respect to requests for approvals or variances made by or on behalf of Class A Members. The Construction Group shall be composed of three (3) or more individuals selected and appointed by the Declarant. The Construction Group shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property.

- i. The Construction Group shall be composed of three (3) or less individuals selected and appointed by the Declarant. The Construction Group shall use its best efforts to promote and ensure a high level of quality, harmony, and conformity throughout the Property.

A majority of the Construction Group's members may act on behalf of the entire Construction Group. In the event of the death or resignation of any member of the Construction Group, the remaining members shall have full authority to designate and appoint a successor. No member of the Construction Group shall be entitled to any compensation for services performed hereunder and neither the Construction Group nor any of its members shall be liable to any Owner for any claims, causes of action or damages of whatever kind (except where occasioned by gross negligence) arising out of services performed, actions taken, or enaction in connection with any undertaking, responsibility or activity hereunder or request for same.

- ii. The Board shall function as a representative of the Owners of the Lots for purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first class airport. The Board shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property.

A majority of the members of the Board may act on behalf of the entire Board or the Board may appoint an advisory committee to act on behalf of the Board. No member of the Board or any advisory committee shall be entitled to any compensation for services performed hereunder and neither the Board, any of its members nor the members of any advisory committee shall be liable to any Owner for any claims, causes of action or damages of whatever kind (except where occasioned by gross negligence) arising out of services performed, action taken, or enaction in connection with any undertaking, responsibility or activity hereunder or request for same.

- (b) No building, structure fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications and/or a plot plan have been submitted to and approved in writing by the Committee as to;

- i. Quality of workmanship and materials;
- ii. Adequacy of site dimensions; adequacy of constructural design; proper facing of main elevation with respect to nearby streets; conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;
- iii. Location with respect to topography and finish grade elevation and effect of location and use on neighboring Lots and improvements situated thereon and any drainage arrangement;

- iv. The other standards set forth within the Declaration (and any amendments thereto, or as may be set forth within bulletins promulgated by the Committee on matters in which the Committee has been vested with authority to render a final interpretation and decision.
- (c) Final plans and specifications shall be submitted in duplicate to the Committee for approval or disapproval. At such time as the plans and specifications meet the approval of the Committee, one completed set of plans and specifications will be retained by the Committee and the other complete set of plans will be marked "Approved" and returned to the Owner or his designated representative marked "Approved," and accompanied by a statement of complete approval or approval based upon certain conditions and specification. If found not to be in compliance with these Covenants and Restrictions, one set of plans and specifications shall be returned marked "Disapproved," accompanied by a reasonable statement of the items found not to comply with these Covenants and Restrictions. Any modification or change to the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval. The approval or disapproval of the Committee as required herein shall be narrative and in writing. If the Committee, or its respective designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, then approval shall be presumed; provided, however, that no such approval shall be presumed if the request is submitted by or on behalf of a Class A Member to the Board as the Committee. Further provided, however, that nothing in this paragraph shall affect in any way the method for seeking or granting variances as described in the following paragraph, nor shall any failure of the Committee to act on a variance request with any particular period constituting the granting or approval of any such variance request.
- (d) On submission of a written narrative request for same, the Committee may, from time to time in its sole discretion, permit Owners to construct, erect or install improvements which are in variance from the Covenants of the Restrictions which are provided in this Declaration or which may be promulgated in the future. In any case, however, such variance shall be in basic conformity with and shall blend effectively with the general architectural style and design of Parker Oaks Airport. No member of the Committee shall be liable to any Owner or other person claiming by, through or on behalf of the Owner, for any claims, causes of action or damages arising out of the granting or denial of, or other action or failure to act upon any variance request by any Owner or any person acting for or on behalf of any Owner. Each request for variance submitted hereunder shall be reviewed separately and apart from any other request and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce these Covenants and Restrictions against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Committee must be in writing and must identify in narrative detail both the standard from which the variance is being sought and the specific variance being granted. Any variance granted by the Committee shall be considered a rule made under this Declaration.

- (e) The Committee may from time to time publish and promulgate architectural standards, bulletins which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of these Covenants and Restrictions; provided, however, that the Construction Group may publish such bulletins only with respect to Class A Members. Such bulletins shall supplement these Covenants and Restrictions that are incorporated herein by reference. Although the Committee shall not have unbridled discretion with respect to taste, design and any absolute standard specified herein, the Committee shall be responsive to technological advances or general changes in architectural designs and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand).

ARTICLE XI

EASEMENTS

11.01 Utilities. Easements for installation, maintenance repair and removal of utilities and drainage facilities over, under and across the Property are reserved as set forth in Section 9.09 above. Full rights of ingress and egress shall be had by Declarant and any bona fide utility company at all times over the easement areas for the installation, operation, maintenance, repair and removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement or with the use, maintenance, operation or installation of such utility.

11.02 Ingress, Egress and Maintenance by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the Common Property and Runway and for the purpose of maintaining the Common Property and Runway as set forth herein.

11.03 Police Power Easement. With respect to the Common Property and streets, easements and rights of way within the Property, all governmental agencies and authorities shall have full rights of ingress, egress, regress and access for personnel and emergency vehicles for maintenance, police and fire protection, drainage and other lawful police powers designed to promote the health, safety and general welfare of the owners within the Property.

11.04 Omitted.

A R T I C L E X I I

GENERAL PROVISIONS

12.01 Registration With the Association. In order that the Declarant and the Association can properly acquaint every Lot purchaser and every Owner with these Covenants and Restrictions and the day to day matters within the Association's jurisdiction, each and every Owner shall have an affirmative duty and obligation to originally provide and thereafter revise and update within fifteen (15) days after a material change has occurred in various matters of information to the Association such as:

- (a) The full name and address of the Owner;
- (b) The full name of each individual family member who shall use the hangar of the Owner;
- (c) The business address, occupation and telephone numbers of each Owner;
- (d) The name, address and telephone number of other local individuals who can be contacted (in the event the Owners cannot be located) in case of an emergency; and
- (e) Such other information as may be reasonably requested from time to time by the Association.

12.02 Power of Attorney. Each and every Owner hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact coupled with an interest and irrevocable, for him/her and in him/her name, place and stead for him/her use and benefit to do the following:

- (a) To exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Property;
- (b) To sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part thereof, with such clause(s), recital(s), covenant(s), agreement(s), and restriction(s) as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and
- (c) To sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the subdivision plat(s) of the Property, or any part thereof, with any easements and rights of way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.
- (d) The rights, powers and authorities of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force and effect upon recordation of this Declaration in the Parker County Clerk's Office and shall remain in full force and effect thereafter until the tenth (10th) anniversary after the recording of this Declaration.

12.03 Duration. The Covenants and Restrictions of this Declaration shall run with and bind the land subject to this Declaration and shall inure to the benefit of and be enforceable by the Association and/or the Owners subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term ending January 1, 2030, after which time said covenants shall be automatically extended for two (2) successive periods of ten (10) years each unless an instrument signed by not less than seventy-five percent (75%) of the then Owners has been recorded agreeing to abolish the Covenants and Restrictions in whole or in part; provided, however, that no such agreement to abolish shall be effective unless made and recorded thirty (30) days in advance of the effective date of such change; and unless written notice of the proposal agreement to abolish is sent to every Owner at least ninety (90) days in advance of any action taken.

12.04 Amendments. Except as provided in Section 12.03, the Covenants and Restrictions of this Declaration may be amended and/or changed in whole or in part only with the consent of Declarant and one hundred percent (100%) of the other Owners evidenced by a document in writing bearing each of their signatures and duly recorded in the Real Property Records of Parker County, Texas; or by a resolution passed by the majority of the Board evidencing the consent of seventy-five percent (75%) of the Owners and authorizing the president of the Association to execute such document.

12.05 Enforcement. Enforcement of these Covenants and Restrictions shall be by proceeding initiated by any Owner, any Member of the Construction Group, or by the Board against any person or persons violating or attempting to violate any Covenant or Restriction contained herein, either to restrain or enjoin violation or to recover damages for the violation, or both, or to enforce any lien created by this instrument. The Construction Group and each of its appointed members shall have an election and right, but not an obligation or duty to enforce the Covenants and Restrictions by a proceeding or proceeding at law or in equity. Notwithstanding any provision to the contrary in this Declaration, Declarant shall not have any duty, obligation or responsibility to enforce any of these Covenants and Restrictions. Failure by any party 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 attorneys' fees from the non-prevailing party. Further, with respect to any litigation brought against the Construction Group, the Board, or any of their Members or representatives arising out of any action, failure to act or performance or non-performance of duties imposed hereby by the Construction Group, the Board or their Members or representatives, the Construction Group, the Board and/or their Members or representatives, so sued shall be entitled to recover their reasonable attorneys' fees from the person or entity bringing such action against it or them unless the Construction Group, the Board or their Members or representatives shall specifically be adjudicated liable to any such claimant.

12.06 Imposition of Violation Fines. In the event that any person fails to cure or fails to commence and proceed with diligence to completion, the work necessary to cure any violation of the Covenants and Restrictions contained herein within ten (10) days after receipt of written notice from the Board designating the particular violation, the Board shall have the power and authority to impose upon that person a fine for such violation (the "Violation Fine") not to exceed five hundred dollars (\$500.00). If after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Board shall have the power and authority upon ten (10) days written notice to impose another Violation Fine which shall also not exceed five hundred dollars (\$500.00). There shall be no limit to the number or the aggregate amount of Violation Fines which may be levied against a person for the same violation. The Violation Fines together with interest at the highest lawful rate per annum and any costs of collection including attorneys' fees, shall be a continuing lien upon the Lot against which such Violation Fine is made.

12.07 Severability. If any one of these Covenants and Restrictions is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining Covenants and Restrictions shall not be affected thereby.

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

12.09 Notices to Owners. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered and deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the last known address of the person who appears as the Owner on the records of the Association at the time of such mailing.

12.10 Proposals of Declarant. The proposals of Declarant as set forth in the various provisions hereinabove to develop additional parcels of property and/or expand the Common Property (not only geographically but also in the terms and types of amenities available for use) and items of related nature are mere proposals and expressions of existing good faith, intentions and plans of Declarant and shall not be deemed or construed as promises, solicitations, inducements, contractual commitments, or material representations by Declarant upon which any person or entity can or should rely.

12.11 Disputes. Matters of dispute or disagreement between Owners with respect to the interpretation or application of the provisions excluding Article IX and the issues concerning "Substantial Completion" of this Declaration, or the Association Bylaws shall be determined by the Board. Matters pertaining to Article IX and issues concerning "Substantial Completion" shall be determined by the Committee. These respective determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners.

12.12 Ordinance. The terms of this Declaration and supplement to the terms and provisions of Ordinance No. 2010-02 (the "Ordinance") issued by the City of Hudson Oaks, Texas, as it may be amended, supplemented, restated, or replaced from time to time. The terms of the Ordinance are hereby reference. To the extent that the Ordinance conflicts with any term of this Declaration, then the Ordinance shall control.

IN WITNESS WHEREOF, Parker Oaks Airport, L.P., being the Declarant herein, has caused this instrument to be executed this 28 day of February, 2011.

PARKER OAKS AIRPORT, L.P.

By:

Meari McBee
[Signature]

State of TX §
County of Parker §

After Recording, Return To:
Parker Oaks Airport, L.P.
1951 Fort Worth Hwy., # 100
Weatherford, TX 76086

This instrument was acknowledged before me on the 28th day of February, 2011, by Meari McBee & K. Wayne Lee, partners of Parker Oaks Airport, L.P., who are personally known by me.

Kelby B. Pope
NOTARY PUBLIC, STATE OF TX

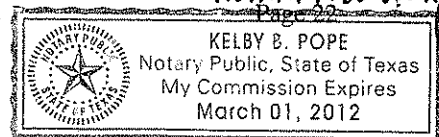


EXHIBIT "A"

Lot 1, 2, 3, 4, 5 & 6, Block J; Lots 1, 2, 3, 4, 5, 6, 7 & 8, Block K; Lots 1, 2, 3, 4, 5 & 6, Block L; Lots 1, 2, 3, 4, 5 & 6, Block M; Lot 1, Block N; and Lot 1, Block O, AIRPORT ADDITION, an Addition to Parker County, Texas, according to the Plat thereof recorded in Cabinet D, Slide 88, Plat Records, Parker County, Texas.

Received On:
03/17/2011 14:20:00 PM
Doc#: 763000
Total: 104.00
JEANE BRUNSON, COUNTY CLERK
PARKER COUNTY



Jeane Brunson