

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

FOR

CALLAN VILLAGE

A RESIDENTIAL SUBDIVISION IN

MCLENNAN COUNTY, TEXAS

NOTICE: THIS DOCUMENT SUBSTANTIALLY AFFECTS YOUR RIGHTS AND OBLIGATIONS AS AN OWNER OF PROPERTY IN THIS SUBDIVISION. **READ IT CAREFULLY.** WITHOUT LIMITATION, YOU ARE SPECIFICALLY ADVISED AS FOLLOWS: (i) ARTICLE III PROVIDES FOR MANDATORY MEMBERSHIP IN A PROPERTY OWNERS' ASSOCIATION, AND ARTICLE V PROVIDES FOR MANDATORY PAYMENT OF ASSESSMENTS TO THE ASSOCIATION AND A CONTINUING LIEN AGAINST YOUR PROPERTY TO SECURE PAYMENT OF ASSESSMENTS WHICH MAY BE FORECLOSED EVEN IF THE PROPERTY IS YOUR HOMESTEAD, (ii) ALL OWNERS AND TENANTS ARE REQUIRED TO MAINTAIN CAPABILITIES FOR RECEIPT OF NOTICES AND OTHER COMMUNICATIONS AND FOR PARTICIPATION IN MEETINGS BY "ELECTRONIC MEANS" (SEE SECTIONS 2.08 & 8.05), (iii) STREET AND OTHER PARKING BY OWNERS, OCCUPANTS AND GUESTS IS LIMITED AND HIGHLY REGULATED (SEE ARTICLE 7), AND GARAGE MAY NOT PERMIT PARKING THEREIN OF LARGE VEHICLES, (iv) AS MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" HERETO, THERE MAY BE CONDITIONS WITHIN OR WITHIN THE VICINITY OF THE SUBDIVISION AND/OR OTHER MATTERS WHICH ARE NOT SUITABLE FOR PARTICULAR PERSONS WHICH MUST BE INDEPENDENTLY INVESTIGATED, AND (v) DECLARANT RETAINS SUBSTANTIAL RIGHTS UNDER THE DECLARATION, INCLUDING AS PROVIDED IN EXHIBIT "B" TO THIS DECLARATION AND ESPECIALLY DURING THE DEVELOPMENT PERIOD, THE UNILATERAL RIGHT TO SET RATES FOR REGULAR ASSESSMENTS AND IMPOSE SPECIAL ASSESSMENTS, AND, WITHOUT NOTICE TO OR CONSENT OF ANY OWNER, TO ANNEX ADDITIONAL PROPERTIES INTO THE SUBDIVISION, TO AMEND ANY PLAT AND TO AMEND THIS DOCUMENT AND ANY OTHER "GOVERNING DOCUMENTS".

AFTER RECORDING RETURN TO:
SRO Development LLC
8225 Central Park Dr. #150
Waco, Texas 76712

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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
CALLAN VILLAGE**

A RESIDENTIAL SUBDIVISION IN MCLENNAN COUNTY, TEXAS

STATE OF TEXAS §
 § **KNOW ALL BY THESE PRESENTS THAT:**
COUNTY OF MCLENNAN §

WHEREAS, the undersigned SRO DEVELOPMENT LLC, a Texas limited liability company (herein referred to as "Declarant") is the current owner of all that certain real property located in McLennan County, Texas, as more particularly described in Section 1.01 hereof, and said Declarant desires to create and carry out a general and uniform plan for the improvement, development, maintenance, use and continuation of a residential community on the property as set forth in Article I hereof for the mutual benefit of the Owners and their successors in title which property will be conveyed subject to the covenants, conditions, restrictions, liens, charges and easements as herein set forth.

NOW, THEREFORE, in order to carry out a uniform plan for the improvement, development, maintenance, sale and use of the properties within the Subdivision as herein defined, it is hereby declared that all of the properties within the Subdivision will be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements, charges and liens (sometimes herein collectively referred to as "covenants and restrictions"), all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of the Subdivision. These covenants and restrictions run with the said real property, and are binding upon all parties having or acquiring any right, title, or interest in the Subdivision or any part thereof, and their heirs, predecessors, successors and assigns, and inure to the benefit of each Owner thereof.

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION

NOTICE: THERE MAY BE CONDITIONS WITHIN OR WITHIN THE VICINITY OF THE SUBDIVISION AND/OR OTHER MATTERS OF RECORD WHICH ARE NOT SUITABLE FOR PARTICULAR PERSONS. IT IS THE SOLE RESPONSIBILITY OF EACH PROSPECTIVE PURCHASER, OWNER, TENANT OCCUPANT AND OTHER AFFECTED PERSONS TO INDEPENDENTLY INVESTIGATE AND VERIFY THE PRESENCE OR ABSENCE OF ANY SUCH CONDITIONS AND TO OTHERWISE CONFIRM SUITABILITY (SEE EXHIBIT "A" TO THIS DECLARATION).

SECTION 1.01 Property Subject to Declaration. The real property which, by the recording of this Declaration, will be held, transferred, sold, conveyed, used, occupied, and mortgaged or

otherwise encumbered subject to this Declaration is that certain real property located in McLennan County, Texas, more particularly described on Schedule 1 attached hereto and incorporated herein by reference.

SECTION 1.02 Annexation; Deannexation. Without limitation of Section B9.01 of Exhibit "B" to this Declaration as attached hereto, during the Development Period, Declarant and only Declarant, without notice of, or consent to any party, including, but not limited to the Owners (i) may annex and add any real property, including any Lot, in to and make the same a part of the Subdivision, (ii) may deannex and remove any real property, including any Lot, from the Subdivision, and (iii) may change or reconfigure any real property, including any Lot, currently or hereafter made subject to the Declaration. Subject to Exhibit "B" hereto, after the Development Period the Owners may, by amendment of the Declaration, and with the consent of the applicable owner or owners thereof, annex additional real property in to and make the same a part of the Subdivision, or deannex and remove any real property, including any Lot, from the Subdivision. Any such annexation or deannexation must be evidenced by filing of, and is effective from the date of filing of, an amendment of the Declaration evidencing the annexation or deannexation in the Official Public Records of Real Property of McLennan County, Texas, or such later date as stated in the amendment.

ARTICLE II

DEFINITIONS

Unless the context otherwise prohibits and in addition to other defined terms set forth herein, the following words and substantive provisions regarding same when used in this Declaration will apply, mean and refer to the following:

SECTION 2.01 "Architectural Control Committee" or "ACC" means the committee established pursuant to Article IV of this Declaration.

SECTION 2.02 "Architectural Guidelines" means (i) minimum construction standards, including acceptable exterior materials, colors, finishes and similar standards, requirements or limitations, (ii) landscaping, appearance and/or maintenance standards, requirements or limitations, (iii) protected property use policies, including as provided in Section 7.17 hereof and/or as otherwise regarding or as permitted by Chapters 202 or 209 of the Texas Property Code, and (iv) any other procedural, aesthetic, environmental or architectural guidelines, rules, standards, requirements, limitations, policies or procedures as from time to time adopted or amended in accordance with this Declaration, including Article IV of this Declaration, regardless of nomenclature or manner of designation, and which may include Rules and Regulations.

SECTION 2.03 "Association" means CALLAN VILLAGE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, and its successors (by merger, consolidation or otherwise) and assigns.

SECTION 2.04 "Board" or "Board of Directors" means the Board of Directors of the Association which is the governing authority of the Association authorized to manager, administer and direct the affairs of the Association in accordance with this Declaration.

SECTION 2.05 "Declarant" means SRO DEVELOPMENT LLC, a Texas limited liability company, and its successors and assigns, if such successors or assigns (i) acquire all of the then remaining undeveloped or developed but previously unoccupied or unsold Lots within the Subdivision from Declarant for purposes of development and resale, or (ii) are expressly designated in writings by Declarant as a successor or assign of Declarant hereunder, in whole or in part.

SECTION 2.06 "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements for Callan Village, and all lawful amendments thereto.

SECTION 2.07 "Development Period" means the period of time beginning on the date of recordation of this Declaration in the Official Public Records of Real Property of McLennan County, Texas, during which Declarant retains and reserves, as provided herein, rights to facilitate the development, construction, and marketing of the Subdivision, and rights to direct the size, shape, and composition of the Subdivision, and ending on the earlier occurrence of either of the following events:

2.07.1 December 1, 2030; or

2.07.2 180 days after completion of the initial sale (as defined in Section B2.01 of Exhibit "B" to this Declaration) of the last Lot in the Subdivision; or

2.07.3 upon the date of filing in the Official Public Records of Real Property of McLennan County, Texas of Declarant's notice of termination of the Development Period, provided that at any time prior to complete termination of the Development Period Declarant may file one or more statements of limited termination of the Development Period to apply only to the specific functions, rights and/or responsibilities as stated therein.

2.07.4 Notwithstanding the foregoing, Declarant retains and reserves the right, without notice to or consent of any party, to amend the Development Period to extend the date of the Development Period, in conformance with a change in Texas law relating to the enlarging of the date that a Declarant may retain the right to facilitate the development, construction, and marketing of the Subdivision, and/or the right to direct the size, shape, and composition of the Subdivision.

SECTION 2.08 "Electronic Means."

2.08.1 Defined. "Electronic Means" means, refers to and applies to (i) any method of notices or other communications by email, by facsimile, or by posting on or other method of communication via an Internet website, or any combination thereof, as permitted by this Declaration or other applicable Governing Documents, or by applicable law, whereby the identity of the sender and receipt by the recipient can be confirmed, or (ii) holding of any meetings as permitted by this Declaration or other applicable Governing Documents, or by applicable law, by using a conference telephone or similar communications equipment, or another suitable electronic communications systems, including videoconferencing technology or the Internet, or any combination thereof, whereby each participant may hear and be heard by every other participant.

2.08.2 "Owner Obligations". IT IS THE OBLIGATION OF EACH OWNER AND THEIR TENANT(S) TO OBTAIN AND MAINTAIN CONFIRMATIONS OF RECEIPT OF ALL NOTICES AND OTHER COMMUNICATIONS FROM THE ASSOCIATION OR DECLARANT BY ELECTRONIC MEANS, AND TO PROVIDE THE SAME TO THE ASSOCIATION OR DECLARANT UPON REQUEST. IT IS THE OBLIGATION OF EACH OWNER AND THEIR TENANT(S) TO MAINTAIN THE CAPABILITY TO RECEIVE ANY NOTICES OR OTHER COMMUNICATIONS FROM THE ASSOCIATION OR DECLARANT BY, AND TO PARTICIPATE IN ANY MEETINGS AS AFORESAID BY, ELECTRONIC MEANS. BY ACCEPTANCE OF ANY RIGHT, TITLE OR INTEREST IN ANY LOT, OR BY OCCUPANCY THEREOF, EACH OWNER AND THEIR TENANT(S) CONSENT TO THE USE OF ELECTRONIC MEANS BY THE ASSOCIATION OR BY DECLARANT AS TO ANY NOTICES, COMMUNICATIONS OR MEETINGS IN ACCORDANCE WITH THIS DECLARATION, INCLUDING SECTION 8.05 HEREOF, AND IN ACCORDANCE WITH OTHER APPLICABLE GOVERNING DOCUMENTS.

SECTION 2.09 "Governing Documents" means all documents and applicable provisions thereof regarding the use, maintenance, repair, replacement, modification or appearance of any properties within the Subdivision, including each Lot, or any rights, responsibilities or obligations of any Owners pertaining thereto, or to the Association, the Board or the ACC, including without limitation this Declaration, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the Board and/or ACC, and all lawful amendments to any of the foregoing.

SECTION 2.10 "Lot" means any of the numbered plots of land shown upon any Plat upon which a single family residence is, or may be, built. The term "Lot" does not include any Subdivision Facilities, Facilities, and does not include commercial or other reserves so designated by a Plat, if any.

SECTION 2.11 "Neighborhood" shall mean and refer to each separately developed residential area comprised of one (1) or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Members, such as a common theme, entry feature, development name, and/or common areas and facilities which not available for use by all Members, For example, and by way of illustration and not limitation, each condominium, townhome development, cluster home development, and single-family detached housing development shall constitute a separate Neighborhood. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one (1) Neighborhood upon development.

Neighborhoods may be divided or combined in accordance with Section 3.07, of this Declaration.

SECTION 2.12 "Neighborhood Assessment" shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses.

SECTION 2.13 "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and

replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

SECTION 2.14 "Owner" means, whether one or more Persons, the owner according to the Official Public Records of Real Property of McLennan County, Texas of the fee simple title to a Lot. "Owner" does not include any mortgagee or other Person holding a lien, encumbrance or other interest merely as security for the performance of an obligation.

SECTION 2.15 "Person" means and includes any natural person, corporation, joint venture, partnership, association, trust, business trust, estate government or governmental subdivision or agency, and any other legal entity.

SECTION 2.16 "Plat" means the initial map or plat of the Subdivision as described in Section 1.01 which initial map or plat is sometimes herein referred to as the "Initial Plat", all maps or plats of properties made a part of the Subdivision as provided in Article I, if any, hereafter filed in the Map Records of McLennan County, Texas, and all lawful modifications, amendments and/or replats of any of the foregoing.

SECTION 2.17 "Prevailing Community Standards" means those standards of aesthetics, environment, appearance, architectural design and style, maintenance, conduct and usage generally prevailing in the Subdivision as reasonably determined by the Board or ACC at any given pertinent time and from time to time, including as to each particular Regulated Modification and each other matter or circumstance considered as of the date of the evaluation (i) prevailing standards as to harmony and compatibility with surrounding aesthetics, appearance and patterns of maintenance and use, harmony and compatibility with surrounding buildings, structures and other improvements, and harmony and compatibility with surrounding grades, topography, finished ground elevations, locations, colors, finishes, styles, workmanship, type and quality of materials and designs, and (ii) compliance with this Declaration and other applicable Governing Documents, and with applicable governmental laws, ordinances and regulations.

SECTION 2.18 "Property" or the "Properties" shall mean and refer to the real property described in the Recitals hereof, together with such portions of the property annexed into the Subdivision (or other property) as may from time to time be made subject to this Declaration pursuant to the provisions hereof, but shall not include any part of the real property (or such other property) unless and until so annexed. All of the Property may sometimes be commonly known and referred to as phases or sections of "Callan Village."

SECTION 2.19 "Regulated Modification" means (without implication that any particular matter is permitted or prohibited by this Declaration and without limitation as to Article IV hereof) the commencement, placement, construction, reconstruction or erection on, below or above the surface of any Lot of, or modification, alteration, or addition to, any building, structure or improvement, and any usage thereof, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography, or any other Prevailing Community Standards as of the date of establishment of the Regulated Modification.

SECTION 2.20 "Related Parties" means and applies as follows:

2.20.1 Owners and Tenants. Tenants of each Owner are Related Parties of that Owner, and with respect to each such Owner and each such tenant, Related Parties of each include (i) their respective family and other household members (including in particular but without limitation all children and other dependents), (ii) their respective guests, invitees, servants, agents, representatives and employees, and (iii) all other Persons over which each has a right of control or under the circumstances could exercise or obtain a right of control.

2.20.2 Association, ACC and Declarant. Related Parties of the Association, ACC and Declarant include their respective officers, directors, partners, co-venturers, committee members, servants, agents, representatives and employees regarding all acts or omissions related to any of the foregoing representative capacities.

SECTION 2.21 "Rules and Regulations" means all rules, policies and procedures, including all rules, policies or procedures regarding or as permitted or required by Chapters 202, 204 or 209 of the Texas Property Code, concerning or regulating the appearance, maintenance, operation, use or occupancy of the Subdivision, including the Lots and Subdivision Facilities, or rights or obligations of Owners regarding the Subdivision or the Association, as from time to time adopted or amended in accordance with Section 7.22 hereof, regardless of nomenclature or manner of designation, and which may include architectural guidelines.

SECTION 2.22 "Subdivision" means the residential community as more particularly described in Section 1.01 hereof, and any other real property subjected to this Declaration as herein provided from time to time.

SECTION 2.23 Subject to applicable provisions of Exhibit "B" hereto, "Subdivision Facilities" means all properties, real or personal, and all common areas so designated herein or by the Plat which are intended for the common use of Owners, and all other facilities and services built, installed, maintained, operated or provided by or through the Association for the general benefit of the Subdivision, including without limitation **BUT WITHOUT ANY REPRESENTATION, WARRANTY, GUARANTEE OR IMPLICATION WHATSOEVER THAT ANY PARTICULAR FACILITIES OR SERVICES WILL BE BUILT, INSTALLED, MAINTAINED, OPERATED OR PROVIDED, AND SUBJECT TO THE RIGHT OF DECLARANT DURING THE DEVELOPMENT PERIOD AS SET FORTH IN EXHIBIT "B" HERETO, AND OF THE BOARD AND/OR OWNERS THEREAFTER AS HEREIN PERMITTED, FROM TIME TO TIME AND AT ANY TIME TO ADD TO, MODIFY OR DISCONTINUE ANY PARTICULAR FACILITY OR SERVICE:**

2.23.1 all common areas so designated herein or by a Plat intended for the common use or benefit of the Owners, as so designated on the Initial Plat;

2.23.2 street lighting within the Subdivision to the extent not provided by applicable governmental authorities or utilities;

2.23.3 trees and general landscaping;

2.23.4 the "Storm Water/Detention Systems" as permitted or required by Section 6.01, and all "Drainage Devices" specifically designated as Subdivision Facilities as provided in or permitted by Section 7.08, if any;

2.23.5 all mail box banks, and/or water meters, water meter banks or water meter vaults and/or electrical meter banks, and similar facilities or devices so designated by Declarant as permitted by Section 6.08.4, if any, including entry, access and exit areas regarding the same;

2.23.6 any garbage or recycling collection, cable or satellite television, utilities, including any street lighting, and any other services provided by or through the Association, and any structures or devices related thereto;

2.23.7 any other facilities or services as from time to time so designated by Declarant during the Development Period or by the Board thereafter; and

2.23.8 all other properties, real or personal, conveyed to or dedicated to the use of, or otherwise acquired by the Association for the common use or general benefit of, the Association and/or the Subdivision, together with all improvements thereon and appurtenances thereto.

SECTION 2.24 "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein. The term shall also refer to the instrument recorded by the Association of this Declaration, after the expiration of the Development Period, to subject additional property to this Declaration.

SECTION 2.24 "Unit" shall mean a portion of the Properties intended for development, use, and occupancy as an attached or detached residence for a single family (as well as any land conveyed with such a residence), and shall, unless otherwise specified, include, without limitation, townhouse units and single family homes, on separately platted lots, as well as vacant land intended for development as such, all as may be provided in the Declaration and in covering all or a part of the Properties. The term shall include all portions of the Lot owned by an Owner, including any structure thereon. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for residential use for such parcel as set forth on the Plat. The term shall include "Lots" which means those tracts of land so designated upon any recorded subdivision of the Properties.

ARTICLE III

CALLAN VILLAGE HOMEOWNERS ASSOCIATION, INC.

SECTION 3.01 Establishment of Association.

3.01.1 Organization. The Association will be organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure and management of the funds and financial affairs of the Association, enforcement of all provisions of the Governing Documents, providing for maintenance, preservation and architectural control within the Subdivision, the providing of such Subdivision Facilities as herein permitted or required, and all other acts and undertakings reasonably incident to any of the foregoing or in furtherance thereof.

3.01.2 Powers. The Association has full right, power and authority to exercise and to enforce all provisions of this Declaration and all other Governing Documents, including without limitation (i) to exercise all powers available to a Texas non-profit corporation, (ii) to exercise all powers of a property owners association pursuant to Section 204.010 of the Texas Property Code, and (iii) to exercise all implied powers incident to the foregoing or necessary or proper to the Association's express powers or purposes, subject however to any limitations expressly stated herein or in other Governing Documents. Without limitation of the foregoing, the Association is hereby expressly authorized (x) to acquire (by gift, deed, lease or otherwise), own, hold, improve, operate, maintain, sell, lease, convey, dedicate for public use, acquire, hold, use, and otherwise dispose of and/or alienate real and personal property as the Owners may deem necessary or appropriate and/or as provided in this Declaration and other Governing Documents, (y) to borrow money, and to mortgage, pledge, deed in trust or otherwise encumber, alienate or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred to conduct the lawful affairs of the Association, and (z) to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such term and conditions as the Board of Directors may determine.

SECTION 3.02 Board of Directors. The Association acts through a Board of Directors which is the governing body of the Association. The Board of Directors will manage the affairs of the Association as specified in this Declaration, the Bylaws and other applicable Governing Documents. Unless otherwise expressly required by law, and subject to all Declarant rights and authority as provided in other applicable provision of this Declaration or other Governing Documents, the Board of Directors will exercise and have all rights, powers, authority and responsibilities of the Association. The Board is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the decisions of the Board as to any of the foregoing are final and conclusive. **EXCEPT AS PROVIDED IN SECTION B4.01 OF EXHIBIT "B" HERETO, DECLARANT WILL APPOINT ALL MEMBERS OF THE BOARD OF DIRECTORS, AND IS ENTITLED TO REMOVE AND REPLACE ANY OF THE SAME, UNTIL EXPIRATION OR TERMINATION OF THE DEVELOPMENT PERIOD. EXCEPT AS PROVIDED IN SECTION B4.01 OF EXHIBIT "B" HERETO, AND UNLESS SOONER REMOVED (INCLUDING BY DEATH OR DISABILITY) OR DISQUALIFIED AS PROVIDED HEREIN OR IN THE BYLAWS OR OTHER GOVERNING DOCUMENTS, EACH DIRECTOR WILL SERVE UNTIL THEIR SUCCESSOR IS ELECTED OR APPOINTED AND HAS QUALIFIED.**

SECTION 3.03 Membership. Every Owner must be and is a Member of the Association, and as such is subject to and has such rights, responsibilities and obligations as set forth in this Declaration and other applicable Governing Documents. The Association is entitled to rely on the Official Public Records of Real Property of McLennan County, Texas in determining such status as an Owner, and may require submission to the Board of appropriate certified copies of such records as a condition precedent to recognition of status as an Owner. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest will not terminate any Owner's membership. No Owner, whether one or more Persons, may have more than one membership per Lot. Membership is appurtenant to and may not be separated from ownership of any Lot, and automatically passes with the title to the Lot.

SECTION 3.04 Voting Rights of Members.

3.04.1 Calculation of Votes. The number of votes which may be cast regarding any matter properly presented for a vote of the Owners (Members) of the Association will be calculated as follows:

(a) The Owner of each Unit, including Declarant, will have one vote for each Unit owned.

(b) In addition to the vote or votes to which Declarant is entitled by reason of Declarant's ownership of one or more Units as provided in Section 3.04.1(a), for every one vote outstanding in favor of any Owner other than Declarant, Declarant will have ten (10) additional votes until the expiration or termination of the Development Period.

3.04.2 Multiple Owners. When more than one Person holds an ownership interest in a Unit, all such Persons are Members, but in no event will they be entitled to more than one vote with respect to each particular Unit owned. The single vote, approval, or consent of such joint Owners must be cast or given in accordance with the decision of a majority, or if such joint Owners cannot reach a majority decision, then none of the joint Owners will be permitted to vote, approve, or consent as to any such matter upon which a majority decision cannot be reached by such joint voters. The vote, approval or consent of any single Owner from among such joint Owners is conclusively presumed to be cast or given in accordance with the decision of the majority of the joint Owners and with their full authority and the Association shall have no obligation to verify that such vote was the decision of the majority of the joint Owners and with their full authority.

3.04.3 Cumulative Voting Prohibited. Cumulative voting is prohibited as to any matter placed before the membership for a vote, including election of Directors.

3.04.4 Right to Vote. No Owner may be disqualified from voting in an election of a member or members of the Board of Directors, or on any matter concerning the rights or responsibilities of the Owner.

SECTION 3.05 Association Books and Records.

3.05.1 Maintenance. The Association will keep current and accurate books and records of the business and affairs of the Association, including financial records, and including minutes of the proceedings at any meeting of the Board and any meeting of Owners. The ACC must also keep and maintain records evidencing the final decision(s) of the ACC regarding all requests for approval and requests for variance.

3.05.2 Inspection and Copying, and Retention Policies. Every Owner may inspect and copy books and records of the Association, and the Association must retain Association books and records, in accordance with the Association's policies as to the same which will be adopted in accordance with Section 209.005 of the Texas Property Code. The Association's initial Association Documents Inspection and Copying Policy and initial Association Documents Retention Policy may be adopted by Declarant. Declarant during the Development Period, and the Board at any time, may from time to time adopt and amend such other policies regarding Association books and records as either may deem to be necessary or appropriate, including with regard to or concerning

the Association Documents Inspection and Copying Policy and/or the Association Documents Retention Policy as initially adopted by Declarant.

SECTION 3.06 Limitation of Liability; Indemnification.

3.06.1 General.

(a) **"Association Representative(s)" Defined.** As used in this **Section 3.06.1**, "**Association Representative(s)**" means each current or former director, governing person, officer, delegate, employee and agent of the Association, as such terms are defined in the Texas Business Organizations Code.

(b) **Limitation of Liability.** To the fullest extent allowed by the Texas Business Organizations Code, including Chapters 7 and 8 thereof, an Association Representative is not liable to the Association, to any Owner or Member of the Association, or to any other Person for any act by the Association Representative in the Person's capacity as an Association Representative unless the Person's conduct was not exercised in good faith, with ordinary care, and in a manner the Association Representative reasonably believes to be in the best interests of the Association.

(c) **Indemnification.** To the fullest extent allowed by the Texas Business Organizations Code, including Chapter 8 thereof, the Association agrees to and is required to indemnify, defend, and hold harmless, and to advance expenses to, each Association Representative, **INCLUDING, IN EACH CASE, FOR CLAIMS BASED ON OR ARISING FROM SUCH PERSON'S SOLE, PARTIAL, OR CONCURRENT NEGLIGENCE**, but excluding any such items incurred as a result of any act or omission for which the Association Representative is liable under the preceding subsection (b). The provisions of this subsection (c) constitute a determination that indemnification should be paid and a contract to indemnify as contemplated by Sections 8.103(c) and 8.151(d)(2) of the Texas Business Organizations Code.

(d) **Report to Members.** So long as required by the Texas Business Organizations Code, any indemnification of or advance of expenses to an Association Representative must be reported in writing to all Owners upon the earlier to occur of (i) with or before the notice or waiver of notice of the next meeting of Owners, or (ii) with or before the next submission to Members of a consent to action without a meeting, or (iii) within twelve months after the date of the indemnification or advance.

3.06.2 Security Services. The Association may from time to time engage in activities or provide Subdivision Facilities, including activities, devices or services intended to or which may have the effect of enhancing safety or security, including activities, devices or services limiting or controlling Subdivision access, or providing of patrol services or otherwise monitor activities within the Subdivision (including Subdivision Facilities), and may from time to time provide information through newsletters or otherwise regarding same (all such matters and all activities, services or devices of a similar nature or incident thereto herein referred to as, "**Security Services**"). Without limitation of **Section 3.06.1**, each Owner and their tenants covenant and agree regarding any and all security issues and/or criminal activities and/or conduct and/or any other

"Criminal Matters" (as defined below) within or outside the Subdivision, and as to any and all Security Services provided directly or indirectly by or through the Association as follows:

(a) SECURITY IS THE SOLE RESPONSIBILITY OF LOCAL LAW ENFORCEMENT AGENCIES AND INDIVIDUAL OWNERS AND THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES. Security Services may be provided at the sole discretion of the Board of Directors. The providing of any Security Services at any time will in no way prevent the Board from thereafter discontinuing, or from temporarily or permanently modifying, terminating or removing, any Security Services, in whole or in part.

(b) Any third party providers of Security Services are independent contractors, the acts or omissions of which are not imputable to Declarant, the Association or any of their Related Parties.

(c) Providing of any Security Services may never be construed as (i) an undertaking by Declarant, the Association or any of their Related Parties to provide personal security as to any Owner, tenant or their Related Parties, or as to any other Person, or (ii) a representation or undertaking that any Security Services will be continued, or (iii) a representation, guarantee or warranty that the presence of any Security Service will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES DO NOT HAVE ANY DUTY WHATSOEVER TO WARN, ADVISE OR INFORM ANY OWNER, TENANT OR THEIR RELATED PARTIES AS TO CRIMINAL CONDUCT OF ANY KIND OR AS TO ANY OTHER MATTERS REGARDING OR RELATING TO SECURITY SERVICES, PAST OR PRESENT.

(d) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES ARE NOT LIABLE FOR, AND EACH OWNER, THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES, MUST INDEMNIFY, KEEP INDEMNIFIED AND HOLD DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HARMLESS AT ALL TIMES FROM, ANY INJURY, LOSS OR DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY INJURY OR DAMAGES CAUSED BY THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, TO ANY PERSON OR PROPERTY ARISING, DIRECTLY OR INDIRECTLY, FROM THE PROVIDING OR FAILURE TO PROVIDE ANY SECURITY SERVICES, OR THE DISCONTINUATION, MODIFICATION, DISRUPTION, DEFECT, MALFUNCTION, OPERATION, REPAIR, REPLACEMENT OR USE OF ANY SECURITY SERVICES.

(e) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES, HAVE NO DUTY, OBLIGATION OR RESPONSIBILITY OF ANY KIND WHATSOEVER TO WARN, ADVISE OR IN ANY OTHER MANNER INFORM ANY OWNERS, TENANTS, OR THEIR RELATED PARTIES, OR ANY OTHER RESIDENTS OR OCCUPANTS OF ANY LOT OR SUBDIVISION FACILITIES, OR ANY LAW ENFORCEMENT AGENCY, OR ANY OTHER PERSON AS TO ANY ALLEGED, SUSPECTED OR KNOWN CRIMINAL ACTIVITIES OF ANY KIND, CRIMINAL HISTORY OR BACKGROUND OF ANY PERSON, OR CRIMINAL INVESTIGATIONS BY LAW ENFORCEMENT AGENCIES OR BY ANY OTHER PERSON (ALL SUCH MATTERS,

ACTIVITIES AND INVESTIGATIONS HEREIN REFERRED TO AS "CRIMINAL MATTERS"), regardless of whether the Criminal Matters involve the Subdivision, other areas in the vicinity or any other place or lands. The Association may (but has no obligation to) from time to time disclose and/or transmit information concerning Criminal Matters to Owners, tenants, and any other occupants of Lots and/or any Subdivision Facilities, to any law enforcement agencies, and to any other Person which the Association's officers, directors, agents, employees and other Related Parties in their sole discretion deem advisable. Each Owner and tenant by acceptance of any right, title or interest in any Lot, and every Owner, tenant and occupant of a Lot or any Subdivision Facilities by virtue of such occupancy, hereby consents, on their behalf and on behalf of their respective Related Parties, and on behalf of all other Persons coming upon a Lot or any Subdivision Facilities at their invitation, or with their consent or permission, to any such disclosure and/or transmittal of information. Any such disclosure and/or transmittal of information does not in any way constitute an undertaking to do so in the future, either as to the Criminal Matters then involved or as to any other current or future Criminal Matters. All other provisions of this Section apply to any disclosure and/or transmittal of information, and to any failure to disclose and/or transmit information, concerning Criminal Matters, including in particular but without limitation, the provisions of Section 3.06.2(d) regarding the indemnity obligations of Owners, their tenants and their respective Related Parties.

3.06.3 Liability Arising From Conduct of Owners. EACH OWNER, THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES MUST INDEMNIFY AND KEEP INDEMNIFIED, AND HOLD HARMLESS, DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES FROM AND AGAINST ALL CLAIMS, DAMAGES, SUITS, JUDGMENTS, COURT COSTS, ATTORNEY'S FEES, ATTACHMENTS AND ALL OTHER LEGAL ACTIONS CAUSED THROUGH THE WILLFUL OR NEGLIGENT ACT OR OMISSION OF AN OWNER, THE OWNER'S TENANTS, OR THEIR RESPECTIVE RELATED PARTIES. Notwithstanding the foregoing, for purposes of this Section 3.06.3, the term "Owner", shall not include the Declarant.

3.06.4 Subsequent Statutory Authority. If the Texas Business Organizations Code, Texas Non-Profit Corporation Law, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code or any other applicable statute, state or federal, is construed or amended to further eliminate or limit liability or authorizing further indemnification than as permitted or required by this Section 3.06, then liability will be eliminated or limited and right to indemnification will be expanded to the fullest extent permitted by such construction or amendment.

3.06.5 No Impairment. Any repeal, amendment or modification of this Section 3.06 may not adversely affect any rights or protection existing at the time of the amendment.

SECTION 3.07 Neighborhoods.

3.07.1 Establishment. Every Unit located within this Association may, but shall not be obligated to, be part of a Neighborhood as defined in Section I. The Units within a particular Neighborhood shall be defined within a Supplemental Declaration recorded. A Neighborhood may have additional restrictions and/or Neighborhood Assessments, which is designed for the expense

and benefit of additional or exceptional services that are specifically designed for the designated Neighborhood.

Each Neighborhood, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may require that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood. In such event, the Association shall provide such services and the cost of such services shall be assessed against the Units within such Neighborhood as a Neighborhood Assessment pursuant to Section 5.06 hereof. Provided however, any such action pursuant to this section during the Development Period is ineffective and void without the prior written consent of Declarant.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

SECTION 4.01 Organization; Compensation. There is hereby established an Architectural Control Committee (herein sometimes referred to as the "**ACC**"). **DECLARANT WILL ACT AS THE ACC (AND AS THE DESIGNATED REPRESENTATIVE OF THE ACC) DURING THE DEVELOPMENT PERIOD.** Thereafter, the Board of Directors will act as the ACC. The act of a majority of the members of the ACC constitutes an act of the ACC; provided, the ACC may from time to time designate any one of its members to act in its stead. No person serving on the ACC is entitled to compensation for services performed, but may be reimbursed for reasonable expenses in such manner and amounts as may be approved by the Board of Directors.

SECTION 4.02 Function and Powers.

4.02.1 Submission of Plans Required. No Regulated Modification may be commenced, constructed, erected, placed, maintained or made upon any Lot or within any part of the Subdivision unless and until complete plans and specifications covering all aspects of the Regulated Modification have been submitted to and approved in writing by the ACC as to compliance with applicable Architectural Review Criteria as set forth in **Section 4.02.3.** One complete set of plans and specifications, and copies of all required permits and any other approvals required by any governmental entity, when applicable, must be submitted with each request for approval unless a greater number is required by applicable Architectural Guidelines. Any plans and specifications to be submitted must specify, as applicable and in such detail and form as the ACC may reasonably require:

- (a) the location upon the Lot or within the Subdivision where the Regulated Modification will occur or be placed;
- (b) the dimensions, nature, kind, shape, height, and color scheme of and all materials to be used in connection with the Regulated Modification;
- (c) appropriate information concerning structural, mechanical, electrical, plumbing, grading, paving, decking and landscaping details; and
- (d) intended uses.

4.02.2 Architectural Guidelines: Fees.

(a) Declarant during the Development Period and the Board at any time and from time to time may adopt, amend, modify and delete such reasonable Architectural Guidelines applicable to the Subdivision, including Lots and Subdivision Facilities, as it deems appropriate to maintain or reasonably enhance Prevailing Community Standards of the Subdivision at the time of adoption. Without limitation of the foregoing, Architectural Guidelines may include the amount and manner of payment of any fees or charges reasonably anticipated to cover administrative costs, fees for architectural, engineering, construction, legal or other expert advice or consultation, and all other costs and expenses in connection with review and evaluation of an application (such costs and expenses sometimes herein referred to as "Architectural Review Fees"). Architectural Review Fees may also be determined and assessed on a case by case basis as determined by Declarant during the Development Period or by the Board or the ACC at any time without the necessity for adoption of Architectural Guidelines as to the same.

(b) Architectural Guidelines are of equal dignity with, and are enforceable in the same manner as, the provisions of this Declaration, provided that: (i) Architectural Guidelines not in any case be deemed a waiver, modification, or repeal of any of the provisions of this Declaration; and (ii) Architectural Guidelines may not be enacted retroactively except that all repairs, modifications or maintenance performed subsequent to adoption must be performed in such manner as to bring the Regulated Modification, so far as practicable, in to compliance with all then applicable Architectural Guidelines.

4.02.3 Architectural Review Criteria. The ACC must evaluate all submitted applications for ACC approval on the individual merits of the particular application, and based on evaluation of the compatibility of the proposed Regulated Modification with Prevailing Community Standards (including compliance with this Declaration and all other applicable Governing Documents) as of the date of submission of an application. The ACC must also use reasonable efforts to achieve consistency in the approval or disapproval of specific types of Regulated Modifications. To this end, consideration will be given to (but the ACC is not bound by) similar applications for architectural approval and the decisions and actions of the ACC with regard thereto.

4.02.4 Responses: No Waiver or Estoppel. The ACC has full and complete authority to approve, conditionally approve or disapprove any request for ACC approval in accordance with Section 4.02.3, and its judgment is final and conclusive. In the event the ACC fails to approve or disapprove a properly submitted and completed request for ACC approval within thirty days from the date such request is received by the ACC, then ACC approval will not be required. EXCEPT FOR COMPLIANCE WITH THE ACC APPROVAL PROVISIONS OF THIS ARTICLE IV, NO APPROVAL (EXPRESS OR IMPLIED) OR CONDITIONAL APPROVAL BY THE ACC AND NO OTHER ACTION OR OMISSION OF THE ACC WILL OTHERWISE CONSTITUTE A WAIVER AS TO ANY OTHER PROVISIONS OF THIS DECLARATION OR PRECLUDE BY ESTOPPEL OR OTHERWISE FULL ENFORCEMENT THEREOF.

SECTION 4.03 Variances. Declarant during the Development Period or by the Board thereafter may grant specific variances to Architectural Guidelines and to the architectural and use

restrictions set forth in Articles VII and VIII of this Declaration. A variance may be granted only with respect to specific instances upon written request therefor, is not binding with respect to any other request for a variance whether or not similar in nature, and does not constitute a waiver, modification or repeal of any of the provisions of this Declaration or other Governing Documents, except for the limited purpose of and to the extent of the specific variance expressly granted. A variance may be granted only upon specific findings (a) that the variance is necessary due to unusual circumstances which are reasonably beyond the control of the applicant to mitigate or rectify, or in other circumstances, such as due to topography or natural obstructions, as to which Declarant during the Development Period or by the Board thereafter determines a variance will result in a material enhancement to the applicant's Lot and/or to the Subdivision, and (b) that the granting of a specific variance will not materially and adversely affect the architectural, aesthetic or environmental integrity of the Subdivision or the scheme of development therein. WHETHER OR NOT SO STATED IN A VARIANCE AND NOTWITHSTANDING ANYTHING IN A VARIANCE TO THE CONTRARY, A VARIANCE MAY EXTEND ONLY FOR THE PERIOD OF TIME DURING WHICH AND CONTINUES TO APPLY ONLY TO THE EXTENT THAT THE CIRCUMSTANCES THAT FORMED THE BASIS THEREFOR CONTINUE TO EXIST. DECLARANT OR THE BOARD, AS APPLICABLE, RETAINS FULL AUTHORITY AS TO ANY VARIANCE AT ANY TIME TO TERMINATE OR MODIFY THE SAME IN ACCORDANCE WITH ANY SUCH CHANGE IN CIRCUMSTANCES.

SECTION 4.04 Records of Architectural Control Committee. The ACC is not required to maintain records of any of its meetings. The ACC must keep and maintain records evidencing the final decision(s) of the ACC regarding all requests for approval and requests for variance for not less than four (4) years. The ACC must also maintain a record of all current Architectural Guidelines, and must provide copies to Owners and/or Authorized Builders upon written request and at the Owner's and/or Authorized Builders' expense. This provision does not apply to the decisions of the Declarant acting on behalf of the ACC during the Development Period.

SECTION 4.05 Liability of Architectural Control Committee. Except as otherwise provided in Section 3.06, neither the Association nor the ACC, nor their respective Related Parties are liable to any Owner, the Owner's tenants, the Related Parties of either, or to any other Person for any actions or failure to act or in connection with any approval, conditional approval or disapproval of any application for approval or request for variance, including without limitation, mistakes in judgement, negligence, malfeasance, or nonfeasance. No approval or conditional approval of an application or related plans or specifications and no publication of Architectural Guidelines may ever be construed as representing or implying that, or as a covenant, representation, warranty or guaranty that, if followed, the Regulated Modification will comply with applicable legal requirements, or as to any matters relating to the health, safety, workmanship or suitability for any purpose of the Regulated Modification. In particular but without limitation of the foregoing, each Owner is wholly and solely responsible for compliance with all building codes and requirements of, and all permitting and other requirements of, any governmental entity as applicable to the Owner's Lot, and no approval, conditional approval or any other act or decision of the Association, the Board, the ACC or any of their Related Parties will ever be deemed a representation, warranty or guarantee regarding any such compliance. The provisions hereof are cumulative of the provisions of Section 3.06.

ARTICLE V

MAINTENANCE FUND

SECTION 5.01 Obligation for Payments to Maintenance Fund.

5.01.1 Establishment of Maintenance Fund. There is hereby established a Maintenance Fund in to which will be paid all assessments as provided for herein. The Board is responsible for the collection, management, control and expenditure of the Maintenance Fund. Each Owner of a Unit, by acquisition of any rights, title or interest therein or acceptance of an executory contract of conveyance, or a deed or other instrument of conveyance therefore, whether or not so expressed therein, covenants and agrees to pay to the Association regular or annual assessments, Neighborhood Assessments (if applicable), special assessments and specific assessments, all as herein set forth.

5.01.2 Purpose of Maintenance Fund. The Maintenance Fund must be used for the purposes of promoting the common benefit and enjoyment of the Owners and occupants of the Subdivision, including without limitation (i) the maintenance, repair, replacement and/or addition to, as applicable, of all Subdivision Facilities (including as required by any governmental entity), (ii) providing of private trash collection services and other facilities and services as herein permitted or provided, (iii) payment of taxes, insurance, management, accounting and other professional fees or charges, (iv) for the establishment and funding of capital, contingency or other reserves, (v) the expenditure of funds for the benefit of other properties within the vicinity of the Subdivision if in the judgement of the Board the Subdivision will benefit thereby, (vi) the payment, performance or discharge of all obligations of the Association pursuant to this Declaration and other Governing Documents, and (vii) the doing of any other thing necessary or desirable in the opinion of Declarant during the Development Period or of the Board in the furtherance of or for accomplishment of any of the foregoing. The judgments of Declarant during the Development Period or of the Board regarding establishment, setting or any other matters pertaining to any assessments and as to the collection, management and expenditure of the Maintenance Fund are final and conclusive.

5.01.3 Commencement and Proration; Personal Obligation; Transferees.

(a) The obligation to pay assessments commences as to each Unit upon acquisition of record title to a Unit by an Owner thereof other than the Declarant. Assessments will be prorated at the time of closing on the said transfer of each Unit from Declarant to and Owner, and at the time of closing on each subsequent sale of the Unit, from the first day of the month following the month in which the closing occurs.

(b) In addition to the assessment lien herein established, each assessment is the personal obligation of each Owner of the Unit charged therewith at the time liability for the assessment accrued notwithstanding any subsequent transfer of ownership. Except as to statements of account as provided in Section 5.01.4 or as to a transferee pursuant to a lawful and valid foreclosure of a superior lien as provided in Section 5.07, each Owner's transferee, whether by purchase, gift, devise or otherwise, and whether voluntary or by operation of law, is also jointly and severally liable for payment of all unpaid assessments owed to the Association at the time of

transfer without prejudice to the rights of the transferee to recover from the transferor the amounts paid by said transferee.

5.01.4 Statement of Assessments. Any transferee (or prospective transferee upon presentment of an executed earnest money contract or other writing satisfactory to the Board) will be entitled to a statement from the Association setting forth all assessments due as of the date of the written request. The request must be in writing, must be addressed to the Association and must be delivered by registered or certified mail, return receipt requested, or by personal delivery with receipt acknowledged in writing. The Board may set a reasonable charge for providing a statement of indebtedness, the payment of which is a condition precedent to the Association's obligation to provide same. Except for fraud or misrepresentation, if the Association fails to respond to a proper written request for a statement of indebtedness within thirty days after receipt of the request by the Association, and upon submission of a properly executed registered or certified mail return receipt or delivery receipt evidencing receipt of the request by the Association, upon transfer the transferee is not liable for, and the Unit transferred is not subject to a lien for, any unpaid assessments against the Unit accruing prior to the date of the written request.

SECTION 5.02 Uniform Rates; Application of Payments. Subject to applicable provisions of Exhibit "B" hereto, regular and special assessments on all Units must be fixed at a uniform rate, and must be determined on a per Unit basis. All payments made by or on behalf of an Owner for assessments (regular, special or specific) are deemed made upon the date of receipt of the payment by the Association or its designated representative. Except as otherwise required by Texas Property Code, Section 209.0063 or as otherwise provided in applicable Association policies, all payments received, including payments received in consequence of judicial foreclosure, will be applied (i) first to payment of accrued interest, then to payment of accrued late charges, then to payment of compliance costs (including attorney's fees), and then to payment of all other specific assessments listed in Section 5.06.1, (ii) then to payment of all special assessments; and (iii) finally to payment of all regular assessments or Neighborhood assessments, if applicable. Application within each category will be on a first in, first out basis.

SECTION 5.03 Base Rate and Subsequent Computation of Regular Assessments.

5.03.1 Initial Base Rate of Regular Assessments; Due Dates. The initial full base rate of the regular annual assessment for 2020 per Lot (and continuing during 2020 and thereafter unless and until modified as herein provided) is SIX HUNDRED AND NO/100 DOLLARS (\$600.00) per Lot per year. The Board has the right to require regular annual assessments be paid semi-annually, quarterly or monthly, in advance (instead of annually). If the Board does so, the semi-annual, quarterly or monthly installments of regular annual assessments, as the case may be, will be rounded upward to the next dollar, and the regular annual assessment will be automatically adjusted upward by the amount of such rounding. **UNLESS AND UNTIL OTHERWISE DETERMINED BY THE BOARD AS AFORESAID, THE FULL AMOUNT OF REGULAR ANNUAL ASSESSMENTS IS DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR.**

5.03.2 Subsequent Computation of Regular Assessments. **DURING THE DEVELOPMENT PERIOD, DECLARANT IS ENTITLED TO SET AND CHANGE THE ANNUAL RATE OF REGULAR ASSESSMENTS AS PROVIDED IN SECTION 5.10.**

Thereafter, the Board will adopt a budget at least annually to determine sums necessary and adequate to provide for the expenses of the Association for the succeeding twelve month period (including funding of capital, contingency and other reserves). The Board will set the annual rate of regular assessments based on the budget, and determine whether same will be payable annually, semi-annually, quarterly or monthly. Written notice must be given to Owners of all Lots if any change is made as to the amount of the annual rate of regular assessment or the due date(s) for payment of the same at least thirty days before the initial due date for payment.

SECTION 5.04 No Waiver or Release. Notwithstanding anything to the contrary herein, the omission or failure for any reason of the Association to mail or deliver a notice of annual assessment or due date for payment thereof does not constitute a waiver, modification or release of an Owner's obligation to pay assessments as otherwise herein provided.

SECTION 5.05 Special Assessments. In addition to the other assessments authorized herein, including other special assessments, the Board may levy special assessments at any time during each fiscal year for purposes of defraying, in whole or in part, any expenses not anticipated by the budget then in effect, or to replace part or all of any contingency, capital or other reserve fund, or for any other purpose as deemed necessary or appropriate by the Board. **SO LONG AS THE TOTAL AMOUNT OF SPECIAL ASSESSMENTS IN ANY ONE FISCAL YEAR ALLOCABLE TO EACH LOT DOES NOT EXCEED FIFTY PERCENT (50%) OF THE AMOUNT OF THE REGULAR ANNUAL ASSESSMENT THEN IN EFFECT, THE BOARD MAY IMPOSE THE SPECIAL ASSESSMENT WITHOUT VOTE OR APPROVAL OF ANY OWNER; PROVIDED, AT LEAST THIRTY DAYS WRITTEN NOTICE MUST BE GIVEN TO THE OWNERS OF ALL LOTS OF ANY SUCH SPECIAL ASSESSMENT.** Special assessments allocable to each Lot exceeding the foregoing limitation will be effective only if approved by the Owners of a majority of the Lots then contained within the Subdivision. The approval may be obtained in any manner as provided for approval of an amendment of this Declaration. Special assessments are payable as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

SECTION 5.06 Neighborhood Assessments.

5.06.1 Purpose. Neighborhood Assessments shall be levied equally against all Units in the Neighborhood benefiting from the services supported thereby; provided, in the event of assessments for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures, such assessments for the use benefit of particular Units shall be levied on each of the benefited Units in proportion to the benefit received, if so directed by the Neighborhood in writing to the Board:

5.06.2 Budget. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs, such as the cost of maintaining Exclusive Neighborhood Facilities, as a Neighborhood Assessment. Any Neighborhood may require that additional services or a

higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood benefitted thereby and levied as a Neighborhood Assessment.

The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Neighborhood which the Neighborhood Assessment applies; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten (10%) percent of the Units in such Neighborhood; and provided, further, the right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood.

In the event the proposed budget for any Neighborhood is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

5.06.3 Exclusive Neighborhood Facilities. Certain portions of the properties may be designated as Exclusive Neighborhood Facilities and reserved for the exclusive use of Owners and occupants of Units within a particular Neighborhood or Neighborhoods. All costs associated with operation, maintenance, repair, replacement and insurance of Exclusive Neighborhood Facilities shall be assessed as a Neighborhood Assessment, as defined herein, against the Owners of Units in only those Neighborhoods to which the Exclusive Neighborhood Facilities are assigned. By way of illustration and not limitation, Exclusive Neighborhood Facilities may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Assessments.

Initially, any Exclusive Neighborhood Facilities shall be designated as such and the exclusive use thereof shall be assigned in the deed conveying the property to the Association or on the recorded plat of survey relating to such property. A portion of the property may be assigned as Exclusive Neighborhood Facilities of a particular Neighborhood or Neighborhoods and Exclusive Neighborhood Facilities may be reassigned upon the vote of a majority of the total Association vote, including a majority of the votes within the Neighborhood(s) to which the Exclusive Neighborhood Facilities are assigned, if applicable, and the Neighborhood(s) to which the Exclusive Neighborhood Facilities are to be assigned.

For purposes of this Declaration, "Exclusive Neighborhood Facilities" shall mean and refer to certain portions of the property which are for the exclusive use and benefits of a designated Neighborhood as may be defined by a Supplement Declaration or other recorded document as may be determined by the Declarant.

SECTION 5.06 Intentionally Omitted.

SECTION 5.07 Lien for Assessments.

5.07.1 Establishment of Lien. All sums assessed against any Lot pursuant to this Declaration, whether by regular, special or specific assessment as provided herein, including Neighborhood Assessments, are secured by a continuing lien on such Lot in favor of the Association.

5.07.2 Perfection of Lien. The recordation of this Declaration constitutes record notice and perfection of the Association's continuing lien, effective from the date of recordation of this Declaration. No further recordation of a claim of lien or other notice of any type or kind whatsoever is required to establish or perfect such lien. To further evidence such lien, the Association may, but is not required to, from time to time prepare and file in the Official Public Records of Real Property of McLennan County, Texas, written notice of default in payment of assessments applicable to one or more Lots, in such form as the Board may direct.

5.07.3 Priority of Lien. The Association's continuing lien is superior to all other liens or encumbrances on each Lot except:

(a) a lien for real property taxes and other governmental assessments or charges on a Lot (a "Tax Lien") to the extent so required by law but not otherwise (it being the intent hereof that the Association's continuing lien is superior to any Tax Lien if permitted by law, including as provided in Section 32.05 of the Texas Tax Code);

(b) a first lien securing payment of purchase money for a Lot, or a lien securing payment for work and materials used in constructing improvements on a Lot (a "First Lien") (i) as to and only as to assessments (regular, special or specific (including Neighborhood Assessments)) the obligation for payment of which accrues from or after the applicable First Lien is duly recorded in the Official Public Records of Real Property of McLennan County, Texas, and (ii) as to and only to the extent of unpaid sums secured by such First Lien;

(c) an extension of credit (commonly known as a home equity loan) made in accordance with and pursuant to Section 50(a)(6), Article XVI, of the Texas Constitution, as amended;

(d) a reverse mortgage made in accordance with and pursuant to Section 50(a)(7), Article XVI, of the Texas Constitution, as amended; and

(e) such other mortgages, deeds of trust, liens or other encumbrances to which the Board may from time to time by written agreement specifically and expressly agree, subject to such terms and conditions as set forth in the applicable written agreement.

5.07.4 Other Liens. Except as provided in Section 5.07.3 or as otherwise expressly provided herein, all other Persons acquiring liens or encumbrances on any Lot are deemed to consent that such liens or encumbrances are inferior to the Association's lien for assessments, as provided herein, whether or not consent is specifically set forth in, and notwithstanding any contrary provisions in, any instruments creating such liens or encumbrances.

SECTION 5.08 Effect of Nonpayment of Assessments.

5.08.1 Delinquency Date. Any assessments, regular, special or specific (including Neighborhood Assessments), which are not paid by the due date are delinquent as of midnight of the due date.

5.08.2 Automatic Remedies. Except to the extent otherwise expressly required by law or unless otherwise agreed in writing by the Board, if any assessments are not paid by the due date, then:

(a) late charges, interest from the due date, and all compliance costs (including reasonable attorney's fees), all as set forth in Section 5.06, will be added to and included in the amount of such assessment except as otherwise expressly provided in the Association's current Assessment Collection Policy as provided in Section 5.09.5 hereof;

(b) the Association may notify any credit bureau and/or any mortgagee or other lienholder with respect to the applicable Lot as to any default under the Governing Documents, including delinquency in payment of assessments and any other monetary amounts due to the Association; and/or

(c) the Association may exercise any other rights and remedies and institute and prosecute such other proceedings as it deems necessary to collect all amounts due.

5.08.3 Elective Remedies After Notice. If any assessments are not paid within thirty days after the due date, then the Association may elect to exercise any or all of the following remedies, in addition to and not in lieu of the automatic remedies as above provided, and without prejudice to any other rights or remedies, provided that notice and opportunity to be heard is first given:

(a) **Acceleration of Assessments.** The Association may accelerate, through the end of the year in which notice of default and acceleration is given and for an additional six month period thereafter, all regular assessments and all special or specific assessments (including Neighborhood Assessments) due or to become due during the acceleration period; provided, the maximum period of acceleration may not exceed twelve months after the first day of the month following the month in which notice of default and acceleration is given. All such accelerated assessments are deemed to be specific assessments as to the applicable Lot and Owner thereof.

(b) **Suspension of Services.** To the fullest extent allowed by law, the Association may suspend until all assessments (including all specific assessments) are paid in full, all rights of the delinquent Owner, the Owner's tenants, and the Related Parties of either, to (i) receive any and all services provided by the Association to the applicable Lot and any improvements thereon, and/or (ii) use, employ or receive the benefits of any other Subdivision Facilities, including all rights to use of any and all recreational facilities, if any. Notwithstanding the foregoing, no Owner, Owner's tenant, or any of their Related Parties may be denied any rights of ingress, egress or regress to or from the Subdivision.

5.08.4 Action for Debt; Foreclosure, Including Expedited Foreclosure.

(a) Each Owner, by acquisition of any Lot within the Subdivision or any right, title or interest therein, expressly grants to and vests in the Association (i) the right and power to

bring all actions against each Owner, personally for the collection of all delinquent assessments as a debt; (ii) the right and power to foreclose the Association's continuing lien for assessments by all methods available for the enforcement of a mortgage, deed of trust or any other contractual lien, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale; and (iii) a continuing power of sale in connection with the non-judicial foreclosure of the Association's continuing lien for assessments as herein provided.

(b) The Board or the then President of the Association may appoint, in writing, at any time and from time to time, an officer, agent, trustee, or attorney of the Association (the "Trustee") to exercise the power of sale on behalf of and as the agent of the Association, including without limitation to deliver and file the notices required by Section 51.002 of the Texas Property Code (as amended), and to conduct the sale and to otherwise comply with said statute. The Board or the then President of the Association may, at any time and from time to time, remove any such Trustee and appoint a successor or substitute Trustee without further formality than an appointment and designation in writing. Except as otherwise provided by this Declaration, the Association will exercise its power of sale pursuant to Section 51.002 of the Texas Property Code (as amended). The Association has the right and power to bid on any Lot at any foreclosure sale, either judicial or non-judicial, and to acquire, hold, lease, mortgage, or convey the same.

(c) If directed by the Association to foreclose the Association's continuing lien, Trustee will, either personally or by agent, give notice of the foreclosure sale as required by the Texas Property Code as then in effect, and sell and convey all or part of the applicable property "AS IS", "WHERE IS", and "WITH ALL FAULTS" to the highest bidder, subject to prior liens, encumbrances and any other matters of record and without representation or warranty, express or implied, by Trustee or the Association. The Association must indemnify Trustee and hold Trustee harmless from and against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the Association's lien or otherwise pursuant to this Declaration or other Governing Documents, including indemnification for all court and other costs, and attorney's fees incurred by Trustee in defense of any action or proceeding taken against Trustee regarding any of the foregoing.

(d) The filing of suit to collect any sums due hereunder or to foreclose the Association's continuing lien for assessments may never be considered an election so as to preclude exercise of any other rights or remedies, including without limitation foreclosure under power of sale before or after a final judgment. After foreclosure, either judicial or non-judicial, the former Owner and anyone claiming under the former Owner must immediately surrender possession to the purchaser. If not, the former Owner and anyone claiming under the former Owner will be mere tenants at sufferance of the purchaser, and the purchaser may obtain immediate possession pursuant to any actions or remedies permitted by law, including an action for forcible detainer or eviction to be maintainable by the purchaser.

(e) Each owner, by acquisition of any Lot within the Subdivision or right, title or interest therein, specifically covenants and stipulates as to each and every Trustee's foreclosure sale that the recitals in any appointment or designation of Trustee, any conveyance by the Trustee and any affidavit of the Trustee or the Association related thereto will be full proof and evidence of the matters therein stated, that all prerequisites of the foreclosure sale will be presumed to have been performed, and that the foreclosure sale made under the powers herein granted will be a

perpetual bar against the Owner(s) of the Lot(s) sold and their heirs, executors and administrators, successors and assigns, and any Persons whatsoever claiming or to claim thereunder.

(f) The provisions of this Section 5.08.4 are subject to Texas Property Code, Section 209.009 regarding foreclosure sales that are prohibited in certain circumstances, Section 209.0091 regarding notices to certain lienholders, and Section 209.0092 regarding applications for expedited foreclosure and applicable rules of the Texas Supreme Court regarding the same. Without limitation of any other provisions of this Declaration or any other Governing Documents, Declarant during the Development Period or the Board thereafter are hereby specifically authorized to amend Section 5.08 in any manner deemed necessary or appropriate as regarding or to conform to applicable provisions or requirements of the Texas Property Code and/or applicable rules pertaining hereto without the joinder or consent of any Owner or any other Person.

5.08.5 Extinguishment of Inferior Liens. Foreclosure of the Association's continuing lien for assessments terminates, extinguishes and forever discharges all inferior or subordinate liens and encumbrances (being all liens and encumbrances except as provided by Section 5.07.3) as to the affected Lot. The foregoing applies to judicial and non-judicial foreclosure of the Association's continuing lien for assessments regardless of whether or not the holder of the inferior or subordinate lien or encumbrance is made a party to or given notice of any proceedings in connection therewith, including without limitation to the fullest extent permitted by law whether or not made a party to or given notice of any judicial foreclosure suit and any other proceedings in connection therewith.

SECTION 5.09 Miscellaneous Provisions.

5.09.1 Effect of Foreclosure or Bankruptcy. The effect of judicial or non-judicial foreclosure of a lien which is superior to the Association's continuing assessment lien under this Declaration, or acceptance of a deed in lieu thereof, and the effect of the discharge of an Owner in bankruptcy is determined as of the date of foreclosure, the date of signing of a deed in lieu which is accepted by the grantee or the date of filing of the bankruptcy in which the Owner is discharged, as the case may be (the "Discharge Date"). Foreclosure or acceptance of a deed in lieu as aforesaid does not relieve the former Owner from the personal obligation for payment of assessments due as of the Discharge Date, but does release the Association's continuing assessment lien as to and only as to assessments due prior to the Discharge Date. The purchaser at foreclosure or grantee under a deed in lieu and an Owner discharged in bankruptcy is also relieved from any obligation for payment of assessments due prior to the Discharge Date, but is obligated to pay all assessments assessed or assessable from and after the Discharge Date and the Association's continuing assessment lien fully secures payment of said assessments. For purposes of the foregoing "assessments assessed or assessable" assessable" means (i) prorated regular annual assessments based on the number of months remaining in the calendar year in which the Discharge Date occurs regardless of whether the applicable regular annual assessment is payable in advance annually, semi-annually or quarterly, and (ii) any installments for special or specific assessments so payable which become due after the Discharge Date.

5.09.2 Revival of Assessment Lien. The Association's assessment lien is automatically revived as to any Owner who reacquires ownership of the applicable Lot within Subdivision within two (2) years after the Discharge Date (as defined in the immediately preceding

Section) to the same effect as if none of the events causing the Discharge Date to occur had occurred if ownership is reacquired from the purchaser at foreclosure, the grantee under the deed in lieu of foreclosure, or any successor in title to such purchaser or grantee and the reacquisition of ownership constitutes a fraudulent transfer under Chapter 24 of the Texas Business and Commerce Code or under any other state or federal statutes or laws.

5.09.3 No Merger. The Association's assessment lien is not, by merger or otherwise, extinguished or otherwise effected by acquisition of ownership of a Lot at any time and in any manner by the Association except as otherwise expressly agreed in writing by the Association.

5.09.4 Assessment Collection Policies. The Association will adopt assessment collection policies consistent with this Declaration and in accordance with the Texas Property Code, including Sections 209.0059, 209.0062 and 209.0063 of the Texas Property Code. The initial Association Assessment Collection Policy will be adopted by Declarant. Declarant during the Development Period and the Board at any time may from time to time adopt and amend such other assessment collection policies as either may deem to be necessary or appropriate, including with regard to or concerning the Association Assessment Collection Policy as initially adopted by Declarant.

5.09.5 Assessments as Independent Covenant. The obligation to pay assessments is a separate and independent covenant and contractual obligation on the part of each Owner. No offset, credit, waiver, diminution or abatement may be claimed by any Owner to avoid or diminish the obligation for payment of assessments for any reason, including, by way of illustration but not limitation (i) by nonuse of any Subdivision Facilities or abandonment of a Lot, (ii) by reason of any alleged actions or failure to act by Declarant, the Association, the Board, the ACC, or any of their Related Parties, whether or not required under this Declaration or other Governing Documents, (iii) for inconvenience or discomfort arising from the making of repairs or improvements which may be or are the responsibility of Declarant, the Association, the Board, the ACC, or any of their Related Parties, or (iv) by reason of any action taken by Declarant, the Association, the Board, the ACC, or any of their Related Parties, to comply with any law, ordinance, or any order or directive of any governmental authority, or pursuant to any judgment or order of a court of competent jurisdiction.

SECTION 5.10 Declarant Authority and Exemption as to Assessments. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, ALL PROVISIONS SET FORTH IN EXHIBIT "B" HERETO APPLY REGARDING DECLARANT'S AUTHORITY AND EXEMPTIONS AS TO ASSESSMENTS.

ARTICLE VI

MAINTENANCE; CASUALTY LOSSES

SECTION 6.01 Association Maintenance Responsibilities.

6.01.1 General. The Association will maintain, repair and replace all Subdivision Facilities, and keep the same in good repair. This maintenance includes, without limitation, maintenance, repair, and replacement of all landscaping, irrigation and other improvements situated on any real property which is a part of the Subdivision Facilities.

6.01.2 Storm Water/Detention Systems and Easements. Subject to Section 6.02.3 and to any other applicable provisions hereof regarding maintenance by Owners, only and to the extent not otherwise maintained by any governmental or quasi-governmental authority or utility provider, the Association will maintain, repair and replace any common water distribution system and storm water detention and/or pollution control or filtration system which services the Subdivision, including any subsurface detention system, outfall pipes, catch basins, pipes, lines, wires, conduits, valves, chains and related components, equipment and facilities (collectively referred to herein as the "Storm Water/Detention Systems"). The foregoing includes performance and payment of all costs and expenses regarding compliance with applicable governmental ordinances, rules or regulations, including applicable bonding, permitting and inspection requirements and costs, and funding of reasonable capital and contingency reserves regarding the Storm Water/Detention Systems. Declarant hereby establishes blanket easements upon, under, over and across the Subdivision, including each Lot, for the installation, maintenance, repair, operation, removal and/or replacement of the Storm Water/Detention Systems, including without limitation as provided in Sections 6.08.2 through 6.08.5 and 7.08 as applicable.

6.01.3 Other Facilities or Services. The Association will maintain such other properties, real or personal, and such other facilities, services and improvements as may be required by governmental authorities, any municipal utility districts or other utility providers, any special tax and development districts, and any other similar governmental entities with the authority to require any such maintenance, such maintenance to be in accordance with applicable contracts, agreements, ordinances, rules, regulations and decisions of such authorities. Declarant is specifically authorized to enter any such contracts or agreements on behalf of the Association, and to bind the Association thereto, and Declarant may amend this Declaration at any time either during or after the Development Period to the extent it deems necessary by reason of any such contracts or agreements. The Owners may also approve providing of other Subdivision Facilities, including other services to be provided through the Association, by majority vote at any special meeting of the Owners called for that purpose.

6.01.4 Access: Cooperation. Each Owner, tenant and their Related Parties must afford to the Association and its Related Parties access upon, above, under and across the Owner's Lot and must otherwise fully cooperate with the Association and its Related Parties to the fullest extent reasonably necessary for any maintenance, repair, reconstruction or replacement by the Association as permitted or required by this Article, this Declaration or any other Governing Documents. Without limitation of the foregoing, each Owner, tenant and their Related Parties must promptly comply with all policies, decisions and directives of Declarant or the Association as to access and in all other respects as is reasonably necessary for the Association to promptly and properly perform any such maintenance, repair, reconstruction or replacement.

6.01.5 Owner's Liability for Payment of Association Costs. Each Owner, tenant, and their Related Parties, are expressly prohibited from doing anything which could or does (i) increase the Association's costs of insurance or result in cancellation or diminution in insurance coverage, (ii) cause damage to any Subdivision Facilities, or (iii) increase costs of maintenance, repair, replacement, management, operation or discharge of any other obligations of the Association regarding the Subdivision Facilities, or any other areas maintained by the Association. Regardless of availability of insurance coverage, the Association may charge to each responsible Owner, except the Declarant, as a specific assessment, all increased costs and all other damages

resulting, directly or indirectly, from the acts or omissions of an Owner, tenants, or their Related Parties, in violation of the foregoing provisions.

6.01.6 Neighborhood Maintenance. All costs associated with maintenance, repair and replacement of Exclusive Neighborhood Facilities, if any, shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Exclusive Neighborhood Facilities are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder. The Association shall also be responsible for maintenance, repair and replacement of any property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those that maybe designated by any Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

SECTION 6.02 Owner Maintenance Responsibilities.

6.02.1 General: Interior Maintenance. Except as otherwise herein expressly provided, all maintenance, repair and replacement of and as to each Lot and all improvements thereon is the sole responsibility of the Owner thereof. Each Owner must maintain their Lot and all improvements thereon at all times in such manner as to obtain and maintain Prevailing Community Standards on a continuing basis as may be more specifically determined by this Declaration and other Governing Documents, including as determined from time to time by duly adopted Architectural Guidelines and Rules and Regulations. Without limitation of the foregoing, each Owner must properly maintain, at each Owner's sole cost and expense, the interior of the Owner's residence and garage, including all fixtures, equipment, appliances, things and devices located therein. MAINTENANCE WHICH AFFECTS THE EXTERIOR APPEARANCE OF A RESIDENCE OR GARAGE IS SUBJECT TO APPLICABLE PROVISIONS OF ARTICLE IV REGARDING ARCHITECTURAL CONTROL COMMITTEE APPROVAL.

6.02.2 Residences and Other Improvements. Each Owner must maintain the exterior of each Owner's residence, garage, and all other buildings, structures, fences, walls, recreational equipment and improvements located upon each Owner's Lot, in an attractive, sound and well maintained condition, including proper maintenance and repair as needed of paint, bricks, siding, roofs, exterior walls, driveways, parking areas and all other exterior portions of the Owner's residence, garage, or any other building or structure on the Lot. Without limitation of the foregoing, each Owner must provide proper repair and maintenance as and when needed as follows (the term "residence" includes garage, as applicable):

(a) The exterior paint on each Owner's residence must be maintained so that no portion thereof peels, scales or cracks excessively, and all painted portions remain neat and free of mildew and discoloration. NO CHANGE IN THE EXTERIOR COLOR SCHEME OF A RESIDENCE AS ORIGINALLY CONSTRUCTED (INCLUDING AS TO THE ORIGINAL

EXTERIOR PAINT COLOR OR COLORS OR THE CONFIGURATION OF THE COLORS) IS PERMITTED WITHOUT PRIOR WRITTEN APPROVAL FROM THE ACC.

(b) The windows must be maintained so that no caulking thereon is chipped or cracked and no window panes are cracked or broken. All windowsills, door jams and thresholds, framing and trim for all windows and exterior doors and all hinges, latches, locks and all other hardware which are part of and/or necessary to the proper functioning of all windows and exterior doors must be maintained so that all remain whole, sound, in a neat and attractive condition and fully operational.

(c) All exterior doors, including garage doors, must be maintained, repaired, replaced and/or repainted as needed to prevent an unkempt or unsightly appearance, to prevent leaning or listing, and such as to maintain same in proper working condition, including replacement as needed of damaged or dented garage door panels and any cracked or broken glass in any door.

(d) All exterior surfaces on each Owner's residence, including siding, brick, stone and stucco, as applicable, must be properly maintained at all times.

(e) All exterior surfaces of each Owner's residence, including the roof and all walls, windows and exterior doors, must be periodically cleaned as needed to prevent mold, mildew or other discoloration.

(f) The roof on each Owner's residence must be maintained to prevent sagging, to prevent leaks, so that all shingles, tiles or slates are properly secured, curled shingles or damaged shingles, tiles or slates are replaced and no worn areas or holes are permitted to remain, and such that the structural integrity and exterior appearance of the roof is maintained. The appearance of the roof may not be changed by any such maintenance without the express written approval of the ACC.

(g) The rain gutters and downspouts on each Owner's residence, if any, must be maintained so that all are properly painted or treated to prevent rust and corrosion, are properly secured to roof, eaves, gables or exterior walls (as the case may be), are maintained without holes, and are promptly repaired or replaced if dented or otherwise damaged.

(h) All concrete areas on each Owner's Lot, including sidewalks and driveway, must be maintained so that all cracks are appropriately patched or surfaced as they appear, expansion joints are maintained, repaired or replaced, as needed, and oil, grease and other stains are removed as they appear, and all such areas must be kept free of weeds, grass or other vegetation.

(i) All fences or walls erected on each Owner's Lot must be maintained to prevent any listing or leaning, and all broken or damaged members and all holes and cracks must be repaired so that no portion thereof is permitted to rot or decay, and as otherwise provided in Section 8.06. **PAINTING OR STAINING OF WOODEN FENCES IS PROHIBITED UNLESS APPROVED IN WRITING BY THE ACC.**

(j) All outdoor lighting fixtures or devices located upon the exterior of each residence and/or within each Lot must be maintained in appearance and good working order on a

continuing basis. The foregoing includes maintenance of all outdoor lighting fixtures or devices as installed during original construction and as may thereafter be required by applicable Architectural Guidelines which are equipped with photocells or timers for dusk to dawn operation, and such dusk to dawn operation must be maintained on a continuing basis.

(k) No basketball goals or backboards may be mounted on a garage or on a pole, or otherwise erected or maintained upon any Lot, without the prior written approval of the ACC. Above-ground pools of every kind are prohibited upon any Lot except for a small toddler type pool with a water depth not to exceed twelve inches (12"). In-ground pools may not be installed except with the prior written approval of the ACC. In-ground pools must be constructed of granite or other materials as approved by the ACC. No swimming pool, pond, fountain or other water feature is permitted to adversely affect any Subdivision drainage or detention volume, or any Subdivision utilities. Outdoor decks and similar flatscape may not exceed a height of two feet (2') above grade. Playhouses, fort style structures, jungle gyms, swing sets, and similar play structures may not exceed a maximum overall height of ten feet (10'), and may not contain any deck floor, landing or other feature intended for use for sitting or standing or other occupancy that exceeds two feet (2') above grade. No part of a water slide may exceed a height of three feet (3'). No basketball goal or backboard is permitted closer than (i) the front setback or fifteen feet (15') from the front Lot line, whichever is greater, or (ii) six feet (6') from any side or rear Lot line, subject in any case to the right of the ACC to increase the aforesaid distances if deemed necessary to protect the privacy rights of Owners or occupants of area Lots, or as to any Subdivision Facilities. Further, no pool or spa, and no other play structure, sport or tennis court, playhouse, water slides, fort style structure, jungle gym, swing set, or other playground equipment or playscape is permitted (i) in the front yard of a Lot, or (ii) closer than six feet (6') from any side or rear Lot line, subject in any case to the right of the ACC to increase the aforesaid distances if deemed necessary to protect the privacy rights of Owners or occupants of area Lots, or as to any Subdivision Facilities. NONE OF THE FOREGOING IS PERMITTED UNLESS APPROVED BY THE ACC. EXCEPT AS OTHERWISE APPROVED BY THE ACC REGARDING BASKETBALL GOALS, NONE OF THE FOREGOING IS PERMITTED UNLESS COMPLETELY ENCLOSED BY FENCING AS APPROVED BY THE ACC AND UNLESS POSITIONED ON THE LOT SO AS NOT TO BE VISIBLE FROM ANY STREET. ANY OF THE FOREGOING PROVISIONS MAY BE AMENDED BY ADOPTION OF APPLICABLE ARCHITECTURAL GUIDELINES AND/OR RULES AND REGULATIONS.

6.02.3 Owner Utilities and Easements.

(a) The provisions of this Section apply to all "Owner Utilities" as defined below save and except to the extent the Association is expressly required by this Declaration to provide such maintenance or to the extent maintenance any Owner Utilities are provided and actually performed by any governmental entity or utility company.

(b) The Owner of each Lot must maintain, in proper working order and on a continuing basis, and must properly repair and replace as needed all sanitary sewer lines and facilities, drainage or storm water lines and facilities, water pipelines, water sprinkler system, water meters and related water lines and facilities, electrical and gas lines, meters and facilities,

telephone and any other telecommunication lines, devices or facilities, and all other facilities, utilities and services which exclusively service the Owner's Lot (the "Owner Utilities"), regardless of the location of the Owner Utilities.

(c) Utilities which service more than one Lot must be maintained, repaired and replaced by all of the Owners of the multiple Lots served, pro rata, or in such other proportions as determined by the Board upon written request when the circumstances clearly demonstrate that a different manner of allocation is required.

(d) The Association may provide maintenance, repair and/or replacement regarding any Owner Utilities to the extent and in such manner as from time to time determined by the Board, but all costs thereof will be specifically assessed to the applicable Owner(s).

(e) UTILITY LINES, DEVICES AND RELATED FACILITIES FOR OWNER UTILITIES WHICH SERVICE EACH LOT MAY BE LOCATED UPON MULTIPLE LOTS AND/OR SUBDIVISION FACILITIES BY OR WITH THE CONSENT OF DECLARANT DURING THE DEVELOPMENT PERIOD OR THE BOARD THEREAFTER. ALL SUCH UTILITY LINES, DEVICES AND RELATED FACILITIES ARE DEEMED TO BE A PART OF THE OWNER UTILITIES FOR THE APPLICABLE LOT OR LOTS SERVICED BY SAME. EACH LOT AND THE SUBDIVISION FACILITIES ARE SUBJECT TO BLANKET EASEMENTS FOR PURPOSES OF CONTINUING MAINTENANCE OF ALL SUCH UTILITY LINES, DEVICES AND RELATED FACILITIES, AND FOR MAINTENANCE, REPAIR, RECONSTRUCTION AND REPLACEMENT OF THE SAME BY THE APPLICABLE OWNER AND SUCH OWNER'S RELATED PARTIES.

6.02.4 Landscaping. All lawns, shrubbery, trees, flower beds, grass, vegetation and all other landscaping, either natural or artificial, on each Lot which is not maintained by the Association must be properly irrigated and otherwise properly maintained by and at the sole cost of the Owner of each Lot at all times in accordance with the seasons as reasonably necessary to obtain and maintain on a consistent and continuing basis a sanitary, healthful and attractive condition and appearance and to eliminate any condition which may create any unsanitary condition or become a harborage for rodents, vermin or other pests, including without limitation regular mowing and edging of grass, and, if any grass or shrubs become diseased or die, prompt replacement thereof with grass or shrubs of like kind and quality. IN ANY CASE WHERE A LOT ABUTS A STREET, THE OWNER MUST IRRIGATE AND MAINTAIN ALL LANDSCAPING TO THE STREET CURB REGARDLESS OF WHETHER THE LOT LINE IN FACT EXTENDS TO THE STREET CURB, IF AND TO THE EXTENT ANY SUCH AREA IS NOT MAINTAINED BY THE ASSOCIATION.

6.02.5 Annual Observations and Maintenance. Without limitation of an Owner's obligation for continuing maintenance as otherwise provided herein, each Owner is responsible for conducting at least annual observations and inspections of the Owner's Lot and all improvements thereon to ascertain all maintenance and other work needed to obtain and maintain Prevailing Community Standards, including full compliance with this Section 6.02. The observations and inspections must include without limitation (i) foundations and flatworks, (ii) roofs, (iii) all wood works, including window and door frames, and (iv) all guttering, downspouts, grading and all other matters needed to ensure positive drainage from foundations to promote rapid

runoff, to avoid collecting ponded water near any structure which could migrate down any soil/foundation interface and to minimize infiltration of water from rain and lawn watering, and to prevent drainage from one Lot to another Lot or to Subdivision Facilities. Each Owner must promptly perform all work which each annual observation and inspection indicates is reasonably necessary.

6.02.6 Adjacent or Adjoining Owners. No Owner or their tenant will allow any condition to exist or fail or neglect to provide any maintenance which materially and adversely affects any adjoining or adjacent Lot, any Subdivision Facilities, or any improvements on any such Lot or the Subdivision Facilities.

6.02.7 Disturbance of Subdivision Facilities. In the event the performance of any Owner's maintenance responsibilities requires that any portion of the Subdivision Facilities be modified, removed or disturbed, then such Owner must first obtain the written consent of the ACC as to same. All such work must be performed, at the option of the Association, either under the supervision of the Association in accordance with plans and specifications approved by the ACC, or by the Association at the reasonable expense of the Owner. If the Association performs the work at the expense of the Owner, the ACC may require a security deposit or advance payment of all of the estimated expenses which the Owner must pay upon demand. Such indebtedness will be added to and become a part of the specific assessment to which such Owner and the Owner's Lot are subject, and is secured by the continuing lien hereby established against such Owner's Lot.

6.02.8 Dispute Resolution Among Owners.

(a) Any disputes among Owners regarding any rights or responsibilities pursuant to this Article or as otherwise permitted or required by this Declaration or other Governing Documents may be submitted in writing to the Board. The Board also has full authority to direct submission of any dispute to the Board in writing. After notice and opportunity to be heard, the Board has full authority to resolve all such disputes, and its decisions as to same are final. The Board's authority includes without limitation the right and authority (i) to direct the completion of any maintenance, repair or replacement and to allocate costs thereof among the disputing Owners, (ii) to authorize one of the disputing Owners or a third party to control the completion of the maintenance, repair or replacement, (iii) to order the disputing Owners to mediation or arbitration through a county dispute resolution center or similar organization or under the Rules of the American Arbitration Association, and (iv) to allocate among the disputing Owners all costs of the maintenance, repair or replacement and all costs (including attorney's fees) incurred in the dispute resolution process.

(b) Each disputing Owner must pay their allocated share of compliance costs (including attorney's fees) within thirty days after receipt of a statement for payment thereof. A final costs statement may be submitted by the Board or may be submitted by disputing Owners to the Board for resolution as above provided. If any Owner fails to pay their allocated costs as aforesaid, all such costs will automatically be assessed as a specific assessment against the defaulting Owner as provided in Section 5.06. If one Owner has prepaid allocated costs of another and the prepaid sum is later collected by the Association, that sum (without interest if any) will be reimbursed to the Owner who prepaid same. All rights and remedies under this Section are cumulative.

(c) This Section 6.02.8 does not apply to the Declarant during the Development Period.

SECTION 6.03 Right of Entry and Inspection; Owner's Default.

6.03.1 Compliance Inspections; Required Work. In the event the Board or ACC determine that (i) an Owner may have or has failed or refused to discharge properly the Owner's maintenance obligations as provided in this Article, or (ii) the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder may have or has been caused through the willful or negligent act or omission of an Owner, the Owner's tenants, or their respective Related Parties, then the Board or ACC may conduct inspections of any affected Lot, the exterior of the residence and all other buildings thereon, and all other structures and improvements thereon (a "Compliance Inspection") and/or perform the repair, replacement or maintenance (the "Required Work") in accordance with this Section.

6.03.2 Procedures. The Board or ACC must give written notice of intent to conduct a Compliance Inspection and/or to perform Required Work. The notice may be given by posting on the front door of the residence at the applicable Lot regardless of any other address maintained by the Owner, or in any other manner permitted by Section 8.05. Except in the case of an emergency as determined by Declarant or the Board, the notice must give the applicable Owner ten days to schedule a Compliance Inspection and/or perform Required Work (or to commence and thereafter proceed with diligence to completion of Required Work which cannot be reasonably completed in ten days), failing which the Board or ACC may proceed without further notice. In the case of an emergency the Board or ACC may proceed immediately with any Required Work required to abate the emergency but will thereafter proceed as aforesaid.

6.03.3 Costs; Decisions; No Liability. All costs and expenses of conducting a Compliance Inspection as to which a violation is determined to exist and all costs and expenses of Required Work performed by the Board or ACC will be assessed against the applicable Lot and the Owner thereof as a specific assessment which must be paid within ten days after notice of same is given to the applicable Owner. The good faith determination by the Board or ACC as to the need for a Compliance Inspection and as to all aspects of Required Work is final and conclusive, and extends to any thing or condition as to such Lot or which adversely affects any other Lot or Subdivision Facilities. The Association, the Board or ACC and their Related Parties are not liable for trespass or any other tort or claim for damages in connection with any actions or failure to act pursuant to this Section.

SECTION 6.04 Casualty Losses - Association Responsibilities. Except as hereafter provided, in the event of damage by fire or other casualty to the Subdivision Facilities or regarding any other matters as to which the Association has an obligation to maintain pursuant to this Declaration or other Governing Documents, or if any governmental authority requires any repair, reconstruction or replacement as to same, the Association must perform all repairs, reconstruction or replacement necessitated thereby (the "Casualty Work"). The Casualty Work must be such as will substantially restore the Subdivision Facilities to its condition prior to the casualty or as required by the governmental authority. Any insurance proceeds payable as to the Casualty Work must be paid to the Association. Except for Casualty Work which is required by any governmental authority, the Owners may agree not to perform any Casualty Work. Any decision not to perform

Casualty Work must be submitted to the Owners at a special meeting of Owners called for that purpose, and must be approved by affirmative vote of the Owners of not less than a majority of all Lots then contained in the Subdivision.

SECTION 6.05 Casualty Losses - Owner Responsibilities.

6.05.1 Required Repair; Permitted Removal. Whether or not insured, in the event of damage, casualty loss or other destruction to all or any portion of a residence, garage, building, structure or other improvement (the "Damaged Improvement"), the Damaged Improvement must be repaired, reconstructed or replaced in its entirety, or it must be demolished and removed as hereafter provided.

6.05.2 Manner of Repair or Removal. All repair, reconstruction or replacement of a Damaged Improvement must be performed in such manner as to restore the Damaged Improvement to substantially the same exterior dimensions and appearance (including as to color, type and quality of materials and architectural style and details) as, and must be located in substantially the same location as, when the Damaged Improvement was originally constructed, or to such other appearance and condition as approved by the ACC. If a Damaged Improvement is not repaired, reconstructed or replaced as aforesaid, then the Damaged Improvement must be removed in its entirety from the Lot and the Subdivision, including removal of any foundation, and all other restoration work must be performed, including grading and sodding, as is required such that after demolition and removal Prevailing Community Standards are maintained as determined by the ACC.

6.05.3 Time Limits. All work regarding a Damaged Improvement must be completed within one hundred twenty days as to a residence, including appurtenant garage, and within sixty days as to any other Damaged Improvement after the date of occurrence of the damage, casualty loss or other destruction; or, where such work cannot be completed within the applicable period of time, the work must be commenced within such period and completed within a reasonable time thereafter. In all events, all such work must be completed within one hundred eighty days as to any residence, including appurtenant garage, and within ninety days as to any other Damaged Improvement after the date of occurrence of the damage, casualty loss or other destruction unless, for good cause shown, a longer period is approved in writing by the ACC.

6.05.4 Utilities. Notwithstanding any other provisions hereof to the contrary, and whether or not insured, any damage or destruction to utility lines or other facilities which disrupt or interfere with utility services to any other Lot, residence or Subdivision Facilities must be repaired or replaced as soon as practical. All due diligence must be exercised to complete all such repairs or replacements, and the Board or ACC may require installation of temporary utility lines or other temporary facilities pending completion of the repairs and/or replacements if necessary to prevent disruption of utility services to any other Lot, residence or Subdivision Facilities.

6.05.5 ACC Approval Required. The provisions of Article IV apply to all work and any other activities pursuant to the requirements of this Section.

SECTION 6.06 Owner Insurance. NOTWITHSTANDING ANY PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS (i) OBTAINING OF

LIABILITY AND PROPERTY INSURANCE REGARDING AND FOR EACH LOT AND ALL IMPROVEMENTS THEREON (INCLUDING RESIDENCES AND APPURTENANT STRUCTURES AND THE CONTENTS THEREOF) IS THE SOLE RESPONSIBILITY OF THE OWNER, TENANT AND/OR OTHER OCCUPANT THEREOF, AND (ii) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HAVE NO OBLIGATION WHATSOEVER TO CONFIRM OBTAINING OF ANY INSURANCE AS AFORESAID AND HAVE NO OTHER RESPONSIBILITIES REGARDING ANY OF THE SAME.

SECTION 6.07 Association Insurance. To the extent reasonably available, the Association will maintain property insurance on all insurable Subdivision Facilities insuring against all risk of direct physical loss commonly insured against, including fire and extended coverage, in a total amount of at least eighty percent of the replacement cost or actual cost value of the insured property, comprehensive liability insurance, including medical payments insurance, libel, slander, false arrest and invasion of privacy coverage, and errors and omissions coverage, in amounts determined by the Board and covering all occurrences commonly insured against for death, bodily injury, and property damage, and such other insurance as the Board deems appropriate. The Board will determine appropriate deductibles for all insurance policies. THE ASSOCIATION, THE BOARD, THE ACC AND THEIR RELATED PARTIES ARE NOT LIABLE FOR FAILURE TO OBTAIN ANY INSURANCE COVERAGE OR TO OTHERWISE COMPLY WITH ANY OTHER PROVISIONS OF THIS ARTICLE VI REGARDING SAME IF SUCH FAILURE IS DUE TO UNAVAILABILITY OR TO EXCESSIVE COSTS AS DETERMINED IN THE SOLE GOOD FAITH OPINION OF THE BOARD, OR FOR ANY OTHER REASON BEYOND THE REASONABLE CONTROL OF THE BOARD. The Board is specifically authorized from time to time to adopt and amend policies, procedures and any other Rules and Regulations to more fully effectuate the purposes and intent of the provisions of this Article VI.

SECTION 6.08 Easements.

6.08.1 Incorporation of Easements. All easements, dedications, limitations, restrictions and reservations shown on any Plat and all validly existing grants and dedications of easements and related rights heretofore made or hereafter established as herein provided affecting the Subdivision or any Lots and filed in the Official Public Records of Real Property of McLennan County, Texas, are incorporated herein by reference and made a part of this Declaration for all purposes, and are deemed to be incorporated in each and every contract, deed or conveyance executed or to be executed by any Person covering any portion of the Subdivision, including any Lot.

6.08.2 Association Blanket Access Easement. The Association and its Related Parties are hereby granted a continuing non-exclusive easement upon, over, under and across each Lot, and as to the exterior of the residence and any other improvement thereon, to the extent reasonably necessary for the performance of any of the functions or duties of all the Association as hereby provided or the exercise of any of their rights regarding the same under this Declaration. Prior to exercise of such easement rights written notice must be given to the Owner or occupant of the affected Lot stating the expected date of commencement of usage, the nature of the intended use and anticipated duration of such usage. The notice may be given either as permitted in Section 8.05 hereof, or by affixing the notice to the front door of the residence on the applicable Lot. The notice must be given at least ten days before the expected date of commencement of usage. In case

of an emergency the right of entry and usage will be immediate without notice, but in such case notice as aforesaid must be given as reasonable soon as practicable.

6.08.3 Governmental Functions: Removal of Obstructions. Blanket non-exclusive easements and rights-of-way are hereby granted to the city, county and other governmental authorities having jurisdiction over the Subdivision, to all police, fire protection, ambulance and other emergency vehicles, to garbage and trash collection vehicles and other service vehicles, to the United States Post Office and similar services, and to the respective agents and employees of all of the foregoing, for access, ingress and egress upon, over and across any portion of each Lot and throughout the Subdivision for purposes of the performance of any official business without liability of any kind. **THE CITY AND OTHER GOVERNMENTAL AUTHORITIES AS AFORESAID ARE ALSO SPECIFICALLY AUTHORIZED TO REMOVE OBSTRUCTIONS IF NECESSARY FOR EMERGENCY AND SERVICE VEHICLE ACCESS, AND TO ASSESS THE COST OF REMOVAL TO THE OWNER OF AND/OR ANY OWNER OR OTHER PERSON WHO CREATED THE OBSTRUCTION.**

6.08.4 Certain Subdivision Facilities. During the Development Period, Declarant may establish within the Subdivision (including upon any Lot) such easements as Declarant may determine for the placement and maintenance of mail box banks, and/or water meters, water meter banks, master water meters or water meter vaults, and/or electrical meters or electrical meter banks, and any other similar utility lines, devices or facilities designed to serve two or more single family residences, including entry, access and exit areas as to the same, and (ii) Subdivision entry and/or other identification signs and/or monuments. **PERMANENT EASEMENTS WILL BE DEEMED TO HAVE BEEN ESTABLISHED BY DECLARANT AS TO ANY SUCH SUBDIVISION FACILITIES PLACED OR CONSTRUCTED UPON ANY LOT BY DECLARANT DURING THE DEVELOPMENT PERIOD. AS TO EACH SUCH SUBDIVISION FACILITY, THE AFORESAID EASEMENTS EXTEND TO THE AREA OF LAND COVERED BY THE SUBDIVISION FACILITIES, TOGETHER WITH REASONABLE WORKING SPACE AND NECESSARY RIGHTS OF INGRESS, EGRESS AND REGRESS FOR PURPOSES OF THE INSTALLATION, MAINTENANCE, OPERATION, REPAIR AND REPLACEMENT OF THE FACILITY.** Declarant may, but is not required to, file a formal easement or easements covering any such Subdivision Facilities in the Official Public Records of Real Property of McLennan County, Texas, either during or after termination of the Development Period.

6.08.5 Utilities.

(a) Easements as shown on an applicable recorded Plat or otherwise of record and rights of ingress, egress and regress as to same for installation, maintenance and operation of utilities and drainage facilities are reserved. No structure, planting or other materials are permitted within these easements which may or does damage or interfere with the installation, maintenance or operation of any utilities. The easement areas of each Lot and all improvements therein or thereon must be maintained by the Owner of the Lot, except those improvements of a public authority or utility which will be maintained by such authority or utility. The title to a Lot does not include title to any utility facilities located within easements or streets. No public authority or utility will be liable for damage to any plants, structure or buildings located in or on such easements or streets because of the installation or maintenance of the utility facilities.

(b) In addition to all other applicable easements as established herein or by any Plat, a private nonexclusive easement is hereby granted under any street located within the Subdivision for purposes of installing, operating, maintaining, replacing, inspecting and removing any electrical, water, sewer, gas, cable television and any other utilities, together with rights of ingress and egress to or from any such easement. This easement does not include by implication or otherwise any easements as to any of the foregoing upon, over or across any street or any aerial easements of any kind.

(c) Declarant during the Development Period and the Board thereafter may also extend, from time to time and at any time, any part of or all of the Drainage Easements established pursuant to this Section to permit temporary or permanent usage of the same for the purposes of installing, maintaining, repairing, replacing or removing any utilities, including but not limited to, water, sewer, gas, electric, cable or telecommunication (a "Utility Easement"). Without limitation, the foregoing includes the right of Declarant during the Development Period to locate and maintain upon any Lot any meters, submeters, backflow valves and any other lines, pipes, equipment or facilities related to providing of water, storm water, storm water detention, sewer or related services to the Subdivision.

6.08.6 Egress/Regress to Public Way Required. All single family residences must be constructed, and thereafter all residences and related improvements must be maintained, such that a continuous and unobstructed means of ingress, egress and regress to a common public way is maintained in accordance with applicable building codes and ordinances.

6.08.7 Easements Reserved. Title to any Lot conveyed by contract, deed or other conveyance may not be held or construed in any event to include the title to any easement established by or pursuant to this Declaration, including this Section 6.08, and including but not limited to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telephone or other telecommunication, or any pipes, lines, poles, or conduits on or in any utility facility, service equipment or appurtenances thereto. Easement rights established by or pursuant to this Declaration, including this Section 6.08, may not, once established or obtained, be adversely effected by any amendment of this Declaration. The foregoing does not limit subsequent abandonment or other modification of easement rights in accordance with applicable instruments covering any easement, by consent or agreement of the affected parties, or as otherwise provided by law.

ARTICLE VII

GENERAL RESTRICTIONS, COVENANTS AND CONDITIONS

SECTION 7.01 Residential Use Only.

7.01.1 General. Each and every Lot is hereby restricted to residential, recreational, and related purposes. Any Supplemental Declaration or additional covenants imposed on the property within any Neighborhood may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

7.01.2 No Business, Professional, Commercial or Manufacturing Use. No business, professional, commercial or manufacturing use may be made of any Lot or any improvement located thereon, even though such business, professional, commercial or manufacturing use, is subordinate or incident to use of the premises as a residence, and regardless of whether or not done for profit or remuneration. Notwithstanding the foregoing, a single family residence may be used for maintenance of a personal professional library, keeping of personal or professional records or accounts, or handling personal business or professional telephone calls, or for maintenance of one home office, but if and only if such business activity (i) is consistent with the residential character of the Subdivision and does not cause any annoyance or unreasonable inconvenience to Owners or occupants of area Lots, (ii) does not require additional parking or increase traffic within the Subdivision, (iii) does not involve use of any part of the applicable Lot, or the residence, garage or other building or improvement thereon, by any Person other than the Owner or the Owner's tenant (but not both), no on-site employees are otherwise permitted, and the public is not invited, permitted or allowed to enter the Lot to conduct any business thereon, (iv) is not detectable by sight, sound or smell from outside the residence, and there is no other external evidence thereof (including signs, advertising, or contacts in person at the residence with clients or customers), (v) does not involve the visible storage of any tools, equipment, materials, inventory, items, things or devices other than as consistent with operation of a small home office, and does not involve the storage of any item, thing or device (including as aforesaid) which is hazardous, which constitutes any type of threat to health or safety or which constitutes any type of nuisance, and (vi) complies with all applicable governmental ordinances (including zoning ordinances), and with all other governmental laws, rules, regulations and permitting or licensing requirements applicable to the same.

7.01.3 Intentionally Omitted.

7.01.4 Intentionally Omitted.

SECTION 7.02 Pets, Animals and Livestock.

(a) No animals, hogs, horses, livestock, reptiles, fish or poultry of any kind may be raised, bred, kept or maintained on any Lot at any time except "Permitted Pets" which are dogs, cats and other usual and customary household pets of gentle disposition. Not more than two Permitted Pets are allowed per Lot, and no Permitted Pets may be raised, bred, kept or maintained for commercial purposes. Subject to Section 7.04, the foregoing limitation on the number of Permitted Pets does not apply to hamsters, small birds, fish or other similar usual and customary household animals, birds or fish which are continuously kept completely within a residence, and does not apply to require the removal of any litter born to a Permitted Pet prior to the time that the animals in such litter are three months old. Notwithstanding the foregoing, the following are hereby excluded as Permitted Pets and are not allowed within any residence, upon any Lot or at any other place within the Subdivision: (i) any dangerous or exotic animal, and any animal of any kind that has venom or poisonous or capture mechanisms, or if let loose would constitute vermin, and (ii) any animal, including any dog, which has in fact exhibited viciousness or ill temper or any other health or safety risks as determined by the Board.

(b) All Permitted Pets must be kept on a leash or carried, and must otherwise be maintained under the control of their owner when outside the Owner's residence or when not

maintained in an enclosed yard from which the Permitted Pet cannot escape. Owners of a Permitted Pet must immediately remove and dispose of, in a sanitary manner, feces and any other excretions left by any Permitted Pet at any location in the Subdivision outside of the Owner's Lot. Owners of a Permitted Pet must periodically remove and dispose of, in a sanitary manner, feces and any other excretions left by any Permitted Pet at any location upon the Owner's Lot and/or within the Owner's residence as necessary to prevent any unsafe, unsanitary or odorous conditions. No Permitted Pet may be allowed to cause or create any nuisance, annoyance, or unreasonable disturbance or noise as determined by the Board. Owners must also fully comply with all applicable laws, statutes and ordinances of all governmental agencies regarding each and all of each Owner's Permitted Pets, including without limitation all licensing and vaccination requirements.

(c) In the event of any violations of this Section or other applicable Governing Documents, the Board may assess fines as specific assessments, impose additional requirements as to the Permitted Pet (such as requiring a dog be muzzled), or require removal of an animal either by the owner of the animal or the Owner of the applicable Lot, or by a public animal control agency.

(d) The Board may adopt Rules and Regulations to further regulate Permitted Pets, including without limitation as to fines or required removal of animals, to implement mandatory program for registration of all Permitted Pets with the Association, regulations to further specify types of usual and customary household pets to be included or excluded as Permitted Pets, regulations as to maximum permitted size or weight of any Permitted Pet, regulations as to number or type of animals, birds or fish which may be kept within a residence and/or other conditions or limitations as to same, and regulations as to areas outside a residence where Permitted Pets are permitted or from which they are excluded. **NO PETS OF ANY KIND ARE PERMITTED UPON OR WITHIN ANY SUBDIVISION FACILITIES EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PERMITTED BY APPLICABLE RULES AND REGULATIONS AND THEN ONLY IN STRICT COMPLIANCE THEREWITH, AND EXCEPT AS TO LEGITIMATE SEEING-EYE DOGS OR AS OTHERWISE EXPRESSLY REQUIRED BY LAW.**

SECTION 7.03 Vehicles; Parking.

7.03.1 Prohibited Vehicles; Covers Prohibited. No boat, mobile home, trailer, boat or truck rigging, truck larger than a three-quarter ton pick-up, recreational vehicle, bus, unused vehicle, inoperable vehicle of any kind (including any vehicle requiring same which does not have both a current and valid license plate and current and valid state inspection sticker), no over-sized vehicle, and no unsightly vehicle or vehicle (including without limitation, any motor bikes, motorcycles, motor scooters, go-carts, golf-carts or other similar vehicles) which by reason of noise, fumes emitted, or by reason of manner of use or operation, constitute a nuisance, as may be determined in the sole opinion of the Board, may be parked, stored or kept at any time at any location within the Subdivision, including without limitation upon any street or upon any other part of any Lot, unless such vehicle is stored completely within a garage. "**Oversized vehicle**" means any vehicle which exceeds in size six feet six inches (6'6") in height, seven feet six inches (7'6") in width, and/or twenty-one feet (21') in length. Use of vehicle covers of any kind (except for vehicles parked completely in a garage) is prohibited.

7.03.2 Prohibited Parking - General. No vehicle of any kind may be parked, stored or otherwise permitted to remain at any time (i) on grass or any other similar portion of any Lot or any other place within the Subdivision not intended customarily for use for parking of vehicles, or (ii) in a slanted or diagonal manner across any driveway or other designated parking space, or in any other manner other than as is customary for the type of parking space being used, or (iii) in such manner as to obstruct or impede sidewalk, driveway or street access or usage, or in such manner that any part of the vehicle extends from a private driveway into or across any part of any sidewalk or street. No Owner or resident is permitted to park or store any vehicle on the Lot of another Owner or resident.

7.03.3 Parking.

(a) **Definitions of "Vehicle" and "Occupant Vehicle".** As used in this Section 7.03, and in this Declaration and other Governing Documents as applicable, the following definitions apply:

(1) **"Vehicle"** means a device in, on, or by which a person or property may be transported, including an operable or inoperable automobile, truck, motorcycle, recreational vehicle, trailer, and such other devices as from time to time specified by applicable Rules and Regulations.

(2) **"Occupant Vehicle"** means each and all permitted Vehicles as to each Lot which are owned and/or operated by (i) any single family member or other occupant residing at the Lot, and any housekeeper and any other domestic servants as to each single family residence, regardless of the duration the vehicle is parked, stored, operated or kept within the Subdivision, and (ii) any other person visiting or staying at the Lot or who otherwise parks, stores, operates or keeps any vehicle within the Subdivision at any time during and for any duration of time during a day (y) on any three days or more in any calendar week, or (z) on any five days or more in any calendar month or in any consecutive 30-day period. Parking, storing, operating or keeping of a vehicle at any time for any duration of time during a calendar day includes the entire calendar day.

(b) **Parking - Occupant Vehicles.**

(1) **PARKING UPON A PRIVATE DRIVEWAY APPURTENANT TO A LOT IS PERMITTED ONLY IF (i) THE DRIVEWAY IS OF SUFFICIENT SIZE THAT THE ENTIRE OCCUPANT VEHICLE CAN BE PARKED WHOLLY WITHIN THE PRIVATE DRIVEWAY WITHOUT EXTENDING IN TO OR ACROSS ANY PART OF ANY SIDEWALK OR STREET, (ii) NO PART OF THE PARKED VEHICLE EXTENDS ACROSS ANY LOT LINE OF ANY ADJOINING LOT AND DOES NOT BLOCK ACCESS TO ANY ADJOINING LOT OR ANY PART OF THE PRIVATE DRIVEWAY OF ANY ADJOINING LOT, AND (iii) SUCH PARKING WILL NOT IN ANY OTHER MANNER VIOLATE ANY OTHER PROVISION OF THIS SECTION OR OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS.**

(2) **AT LEAST ONE OCCUPANT VEHICLE MUST BE PARKED IN THE GARAGE OF THE APPLICABLE LOT BEFORE ANY OTHER OCCUPANT**

VEHICLE IS PARKED ON THE PRIVATE DRIVEWAY OF THAT LOT. AT LEAST THREE OCCUPANT VEHICLES MUST BE PARKED IN THE GARAGE AND THE PRIVATE DRIVEWAY OF THE APPLICABLE LOT BEFORE ANY OTHER OCCUPANT VEHICLE AS TO THAT LOT IS PARKED UPON ANY STREET WITHIN OR OUTSIDE OF THE SUBDIVISION.

(3) IF AT LEAST THREE OCCUPANT VEHICLES ARE FIRST PARKED IN THE GARAGE AND/OR PRIVATE DRIVEWAY AS PROVIDED IN SUBSECTION (2) ABOVE, THEN NOT MORE THAN TWO ADDITIONAL OCCUPANT VEHICLES AS TO THE APPLICABLE LOT MAY BE PARKED ON THE STREET IN ACCORDANCE WITH SECTION 7.03.3(1), PROVIDED THAT SUCH STREET PARKING IS PERMITTED ONLY DURING SUCH TIME AS THE OTHER OCCUPANT VEHICLES ARE PARKED WITHIN THE GARAGE AND THE PRIVATE DRIVEWAY AS AFORESAID.

(4) FOR PURPOSES OF COMPLIANCE WITH SUBSECTIONS (2) AND (3) ABOVE, "OCCUPANT VEHICLE" INCLUDE ONLY FOUR WHEEL VEHICLES DESIGNED FOR PASSENGER TRANSPORTATION, FAMILY VANS AND SUV'S AND PICK-UP TRUCKS AS OTHERWISE PERMITTED BY THIS SECTION 7.03. MOTORCYCLES, MOTOR SCOOTERS, RECREATIONAL VEHICLES, TRAILERS AND ANY OTHER PERMITTED VEHICLES MUST BE PARKED IN THE GARAGE OF THE APPLICABLE LOT. MAY NOT BE PARKED UPON ANY STREET WITHIN THE SUBDIVISION, AND MAY NOT BE COUNTED IN DETERMINING COMPLIANCE WITH THE ABOVE REQUIREMENTS REGARDING THE MINIMUM NUMBER OF OCCUPANT VEHICLES THAT ARE REQUIRED TO BE PARKED IN A GARAGE AND/OR UPON A PRIVATE DRIVEWAY.

(5) OTHER THAN STRICTLY IN COMPLIANCE WITH SUBSECTIONS (1) THROUGH (4) ABOVE, AND EXCEPT FOR TEMPORARY PARKING AS HEREAFTER PERMITTED, NO OCCUPANT VEHICLE OF ANY KIND MAY BE PARKED OR STORED AT ANY TIME AT ANY LOCATION WITHIN THE SUBDIVISION. ACCORDINGLY, ANY OCCUPANT VEHICLE WHICH CANNOT BE PARKED WITHIN THE SUBDIVISION AS AFORESAID MUST BE PARKED OR STORED OUTSIDE OF THE SUBDIVISION.

(c) Verification of Occupant Vehicles. The Owner of each Lot and their tenants, as applicable, must provide to the Association upon not less than ten days written notice a fully completed, dated and signed "Vehicle Information Form" which identifies by make, model, color and year all Occupant Vehicles to be parked, kept or stored within the Subdivision as to such Lot, and which states as to each identified Occupant Vehicle the current license plate and state of issuance, the primary operator of the Occupant Vehicle and the relationship of the operator to the Owner or tenant, as applicable. Without limitation of Section 7.22 regarding Rules and Regulations, the Board is also specifically authorized to adopt rules and procedures for registration with the Association of Occupant Vehicles, and/or for mandatory display of identifying stickers, decals or similar identification of Occupant Vehicles. The said rules and procedures may also provide for towing in accordance with Section 7.03.5 of any vehicle which is not properly

registered with the Association, or which does not display any required identifying sticker, decal or similar identification.

(d) Guest Parking. NO SPECIFIC AREAS FOR GUEST PARKING ARE EXPECTED TO BE PROVIDED FOR THE SUBDIVISION. ACCORDINGLY, GUEST PARKING IS RESTRICTED TO THE PERMITTED AREAS FOR PARKING OF OCCUPANT VEHICLES AS APPLICABLE TO THE LOT THE GUEST IS VISITING.

(e) Temporary Parking. Temporary parking upon a street within the Subdivision is permitted (i) by Occupant Vehicles, guests and invitees, and by pick-up or delivery services, but solely for purposes of loading and unloading of passengers and cargo, and (ii) by other vehicles in connection with the maintenance, repair or reconstruction of a residence or other improvement. Any such temporary parking is subject to applicable provisions of this Section 7.03 not inconsistent with this subsection, to such Rules and Regulations as from time to time promulgated by the Board and to other applicable ordinances and laws (such as prohibitions against parking in fire lanes, or in such manner as to block entry to or exit from the Subdivision or any Lots). "Temporary Parking" means only for so long a period of time as is reasonably necessary to complete loading, unloading, pick-up or delivery, with such activity commenced promptly after the vehicle is parked and completed promptly thereafter, and only during such period of time as is reasonably required with the exercise of due diligence to commence and complete maintenance, repair or reconstruction. Any parking in excess of twenty consecutive minutes or one hour in any day is presumed not to be temporary. Pick-up or deliveries (such as moving in or out of a residence), or maintenance, repair or reconstruction requiring longer than twenty consecutive minutes or one hour in any day must be coordinated with the Board and/or the Association's Managing Agent, must be conducted in such manner as to minimize interference with traffic and pedestrian ingress and egress, and must otherwise be conducted in accordance with directives of the Board and/or Managing Agent and applicable Rules and Regulations. The Board may prohibit very large and/or heavy vehicles which may cause damage to streets from entering the Subdivision, and in all events, each Owner and their tenant, as applicable, is liable for all damages caused to any street or other property by entry into or parking of any such vehicle in the Subdivision at the request of or on behalf of such Owner or tenant.

(f) Street Use and Parking; Obstructions Prohibited

(1) All streets in the Subdivision are restricted to use for vehicular ingress, egress and regress, parking of vehicles to the extent otherwise permitted by this Declaration, and incidental pedestrian ingress, egress and regress. No object, thing or device may be placed, stored, or maintained within or upon any street, and no activities are permitted thereon which would impede or impair the aforesaid intended uses. Without limitation of the foregoing, no street may be used as a play area or for any other recreational use, no toys, barbecue or other cooking equipment, or any recreational equipment may be placed, maintained or stored within or upon any street, and no persons are permitted to play, loiter, congregate, or roam about within or upon any street. ALL OWNERS, TENANTS, THEIR RELATED PARTIES AND ALL OTHER PERSONS ENTERING OR OCCUPYING THE SUBDIVISION ASSUME SOLE RESPONSIBILITY FOR ALL CONSEQUENCES OF ANY VIOLATIONS OF THE FOREGOING, INCLUDING AS TO ALL DAMAGES FOR INJURIES OR OTHERWISE DAMAGES TO PERSONS OR

PROPERTY, AND MUST INDEMNIFY, DEFEND AND HOLD DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HARMLESS REGARDING ANY AND ALL SUCH CONSEQUENCES.

(2) WHEN PARKING OF OCCUPANT OR GUEST VEHICLES IS ALLOWED ON ANY STREET AS ABOVE PROVIDED, THE VEHICLES MUST BE PARKED ALONG THE SIDE OF THE STREET IN FRONT OF, AND ON THE SAME SIDE OF THE STREET OF, THE LOT AT WHICH THE OPERATOR OF THE OCCUPANT VEHICLE RESIDES OR WHICH THE GUEST IS VISITING, OR AS CLOSE THERETO AS CIRCUMSTANCES PERMIT.

(g) RESPONSIBILITIES OF OWNERS AND TENANTS. OWNERS AND THEIR TENANTS MUST OBTAIN FULL COMPLIANCE WITH THE PROVISIONS OF THIS SECTION (INCLUDING RULES AND REGULATIONS ADOPTED PURSUANT TO THIS DECLARATION) BY THEIR RESPECTIVE RELATED PARTIES, AND GUESTS, AND EACH IS JOINTLY AND SEVERALLY LIABLE FOR ALL VIOLATIONS BY THEIR RESPECTIVE RELATED PARTIES.

(h) NOTICE OF LIMITED PARKING. EXCEPT FOR TEMPORARY PARKING AS ABOVE PROVIDED, PARKING OF VEHICLES WITHIN THE SUBDIVISION IS STRICTLY LIMITED TO PARKING WITHIN THE AREAS AS ABOVE SET FORTH. PARKING ON AREA PUBLIC STREETS MAY ALSO BE LIMITED OR UNAVAILABLE. IN ADDITION, GARAGE SIZES MAY LIMIT AVAILABLE PARKING AS PROVIDED IN SECTION 7.05.2. ANY LIMITATIONS AS TO AVAILABLE PARKING UPON ANY LOT, OR ELSEWHERE WITHIN THE SUBDIVISION, OR WITHIN THE AREA, OR AS TO GARAGE SIZE, DO NOT CONSTITUTE A BASIS FOR NON-COMPLIANCE WITH ALL APPLICABLE PROVISIONS OF THIS DECLARATION AND ALL OTHER GOVERNING DOCUMENTS, OR FOR ANY CLAIM OR LIABILITY RELATED PARTIES. EACH OWNER OR OCCUPANT ASSUMES ALL RISKS REGARDING ANY AND ALL PARKING LIMITATIONS.

7.03.4 Repair, Rental or Sale of Vehicles Prohibited. No work on any vehicle within the Subdivision, including on any street, or on any Subdivision Facilities, or on any Lot, may be performed at any time other than temporary emergency repairs or other work required in order to promptly remove an inoperable or disabled vehicle from the Subdivision or to and completely within a garage. Repair work on any vehicle within a garage is limited to occasional minor repairs on Occupant Vehicles (such as oil changes, headlight bulb replacements and similar minor repairs). Extensive or frequent work (such as in connection with an auto repair or racing hobby or profession) on any vehicles, including any Occupant Vehicles, is prohibited. Without limitation of the foregoing and except for the limited purposes expressly permitted by the foregoing, no vehicle repair, rental or sales business or activities of any kind, whether or not for profit, may be conducted at any time at any location upon any Lot or elsewhere within the Subdivision.

7.03.5 Default.

(a) Presumptive Violations. Any vehicle is conclusively presumed to be "unused" or "inoperable" if the vehicle has not been operated outside the Subdivision for seven or

more consecutive days or the vehicle has not been operated outside the Subdivision more than twice in any fourteen day period. The provisions hereof do not prejudice the right of the Association to otherwise establish a violation. The foregoing provisions do not apply to any vehicle completely stored within a garage. The Board may grant reasonable exceptions to the foregoing upon receipt of written request from an Owner or their tenant.

(b) Towing; Other Remedies. The Board or its designated representative may cause any vehicle which is parked, stored or maintained in violation of this Declaration or other Governing Documents, or in violation of any ordinance, statute or other governmental regulation, to be removed from the Subdivision to any vehicle storage facility within McLennan County, Texas, at the sole cost and expense of the Person owning such vehicle (whether or not such Person is an Owner or tenant), and/or the Owner and/or tenant as to whom such Person is a visitor, guest, invitee or other Related Party. Any such removal may be in accordance with any applicable statute or ordinance, including Chapter 2308 of the Texas Occupations Code, as amended (the "Texas Towing/Booting Statute"). The Association may contract with a towing company and/or boot operator which is licensed, bonded and insured as required by the Texas Towing/Booting Statute (a "Towing Company") to provide requisite signage and other notices and for the towing and/or booting of vehicles parked or otherwise kept or stored in violation of this Declaration or other applicable Governing Documents. All rights and remedies as aforesaid are cumulative of any other rights or remedies of the Association or its Related Parties.

7.03.6 Development Period. In addition to and without limitation of all other applicable provisions of Exhibit "A" to this Declaration, all "Development Personnel" are hereby exempted from the provisions of this Section 7.03 and any other Governing Documents to the fullest extent deemed necessary or appropriate by Declarant for the conducting of any and all "Development Activities" (as those terms are defined in Section B8.01 of Exhibit "B" to this Declaration. Declarant is also fully authorized to impose such temporary rules, regulations and parking policies and procedures as Declarant deems necessary or appropriate for the conducting of all Development Activities, and to designate and post by signage or otherwise "no parking" area and/or other applicable rules, regulations and procedures. Declarant's authority as aforesaid will continue through completion of the initial sale (as defined in Section B2.01 of Exhibit "B" hereto) of the last Lot in the Subdivision, whether or not completion of the initial sale occurs during or after the Development Period.

7.03.7 Other Regulations. Without limitation of Section 7.22 regarding Rules and Regulations, the Board may (but has no obligation to) (i) adopt Rules and Regulations to permit parking of vehicles within a garage, or upon a private driveway or a upon any street within the Subdivision other than as provided by this Section 7.03 to the extent deemed appropriate in general, and/or (ii) to otherwise permit variances for such parking in individual cases to accommodate unusual circumstances or alleviate undue hardship, provided that in any such case any variance may be limited in duration by the Board, and in all events any such variance will terminate immediately at such time and to the extent the unusual circumstances or hardship are alleviated. The Board is also specifically authorized to the fullest extent allowed by law to adopt Rules and Regulations, including policies or procedures, to regulate traffic and parking, including as to (w) the type and/or size of vehicles permitted within the Subdivision, (x) traffic and parking regulations, including as to speed limits or designations of parking or no-parking areas, (y) location, use and/or appearance of traffic control devices, including as to signs or speed

bumps/humps, and (z) fines as to, or removal or prohibition of, any vehicle which is kept, operated, stored or parked in violation of this Declaration or other applicable Governing Documents. By acceptance of title to each Lot, each Owner irrevocably designates and appoints the Association (acting through the Board or any authorized officer) as attorney-in-fact to act on behalf of all Owners concerning, and in the execution of all agreements and any other instruments required by applicable law regarding, the imposition, modification, enforcement or removal of any restrictions, limitations, regulations, traffic control devices, or other matters regarding any of the provisions of this subsection.

7.03.8 LIMITATION OF LIABILITY. DECLARANT, THE ASSOCIATION, THEIR RELATED PARTIES, AND ANY PERSON REMOVING ANY VEHICLE AS HEREIN PROVIDED (THE "INDEMNITEES") HAVE NO LIABILITY WHATSOEVER IN CONSEQUENCE OF REMOVAL OF ANY VEHICLE AS HEREIN PROVIDED. THE PERSON OWNING EACH TOWED VEHICLE (WHETHER OR NOT SUCH PERSON IS AN OWNER) AND THE OWNER AND OWNER'S TENANT AS TO WHOM SUCH PERSON IS A VISITOR, GUEST, INVITEE, OR OTHER RELATED PARTY, MUST HOLD ALL SUCH INDEMNITEES HARMLESS FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LIABILITIES OR DAMAGES ARISING, DIRECTLY OR INDIRECTLY, AS RESULT OF SUCH REMOVAL. THE PROVISIONS HEREOF ARE CUMULATIVE OF ALL OTHER APPLICABLE PROVISIONS OF THIS DECLARATION AND OTHER GOVERNING DOCUMENTS.

SECTION 7.04 Nuisance; Unsightly or Unkempt Conditions.

7.04.1 General. It is the continuing responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Lot. No Lot may be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition, or that will be obnoxious to the eye. No hobbies or activities which will cause disorderly, unsightly, or unkempt conditions, including without limitation the assembly or disassembly of or repair work on motor vehicles or other mechanical devices, may be performed within the Subdivision. There may not be maintained any plants, animals, devices, thing, use or activities of any sort which in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the residents of the Subdivision.

7.04.2 Nuisance or Annoyance. No substance, thing, or material may be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive trade or activity may be carried on upon any Lot, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or a nuisance to any residents of the Subdivision or to any Person using any property adjacent to the Lot. No spirituous, vinous, malt, medicated bitters, alcohol, drugs or other intoxicants may be sold or offered for sale on any part of any Lot or any other place within the Subdivision. No Lot or any part thereof may be used for any immoral or illegal purposes.

7.04.3 Pollutants: Hazardous Materials. Without limitation of any other provisions of this Section, no Owner or tenant, and no Related Parties of either, may dump grass clippings,

leaves or other debris, detergents, petroleum products, fertilizers, or other pollutants or potentially hazardous or toxic substances, in any sewer system, water system, drainage ditch, stream, pond or lake within the Subdivision, or do anything or maintain or permit any condition in violation of applicable environmental, toxic or hazardous waste or similar laws, rules or regulations. Storage of gasoline, heating or other fuels, fuels, or of any hazardous or toxic materials upon any Lot is strictly prohibited (except that up to five gallons of fuel may be stored upon a Lot for emergency purposes and operation of lawn mowers and similar tools or equipment if properly kept and stored in a safe and non-hazardous manner). THE FOREGOING DOES NOT PLACE UPON DECLARANT OR ANY OF ITS RELATED PARTIES ANY OBLIGATION FOR ENFORCEMENT OF ANY APPLICABLE ENVIRONMENTAL, TOXIC OR HAZARDOUS WASTE OR SIMILAR LAWS, RULES OR REGULATIONS.

7.04.4 Sound Devices: Excessive Noise. No exterior speaker, horn, whistle, bell or other sound device may be located, placed or used upon any Lot or improvement thereon. No stereo, television, speaker, horn, whistle, bell or other sound device may be operated within, and no other sound emitting activity (such as practice of a band, excessively loud social gatherings and similar activities) may be conducted within a residence, garage or other structure which is audible from inside of any closed adjacent or area residence or unreasonably audible outside the Lot lines of the Lot upon which the applicable residence, garage or other structure is located, or which is otherwise an annoyance or nuisance to any other residents.

7.04.5 Firearms and Fireworks Prohibited. The use of firearms in the Subdivision is strictly prohibited except as otherwise expressly allowed by law. The term "firearms" includes without limitation "B-B" guns, pellet guns, and small or large firearms of all types. Fireworks of any type are strictly prohibited upon any Lot or at other location within the Subdivision.

7.04.6 Disposal of Trash. No trash, rubbish, garbage, manure, debris or offensive material of any kind may be kept or allowed to remain on any Lot, nor may any Lot be used or maintained as a dumping ground for such materials. No incinerator may be maintained on any portion of the Subdivision, and disposal of any materials by incineration within the Subdivision is strictly prohibited. All trash and similar matter to be disposed of must be placed in cans or similar receptacles with tight fitting lids or plastic bags tied or otherwise tightly secured, and must be placed in an area adequately screened by planting or fencing from public view or within a garage except when placed for regular pickup as herein provided. Equipment used for the temporary storage and/or disposal of such material prior to removal must be kept in a clean and sanitary condition, and must comply with all applicable federal, state, county, municipal or other governmental laws and regulations. All such prohibited matter must be removed from each Lot at regular intervals if not removed or removable by a regular garbage and sanitation service. Trash and garbage for pickup by a regular service must be placed in such area or areas as the Board may require; provided trash and garbage may not be placed for pickup earlier than ten (10) hours prior to a scheduled pickup day, and all receptacles therefor and any remaining trash and garbage must be removed from the pickup site by midnight of the pickup day. Any of the foregoing provisions may be amended by applicable Rules and Regulations.

7.04.7 Outdoor Cooking: Fire Pits. Outdoor cooking is permitted on each Lot, but only in the back yard area of each Lot and only as permitted by and in strict compliance with all

applicable provisions of this section, this Declaration and all other applicable Governing Documents. Outdoor cooking is permitted only in equipment especially constructed for the same, only in strict compliance with all applicable fire codes, ordinances and all other applicable governmental regulations and only in such manner as not to create any health or safety hazards of any kind to persons or property. The use of outdoor cooking equipment within a garage, residence or other outbuilding is prohibited. Outdoor cooking is prohibited upon Subdivision Facilities unless authorized by the Board. All outdoor cooking equipment must be properly maintained, and must be stored in an area screened from public view when not in use. All outdoor cooking equipment must be equipped with a lid or cover, and must otherwise be enclosed such that there are no open flames. Open fire pits are prohibited (i) except as approved by the ACC and in such case the same must be constructed and installed by a licensed contractor as also approved by the ACC, or (ii) except as approved by and as installed and constructed by or at the direction of Declarant or an Authorized Builder. Notwithstanding the foregoing, and without limitation of Section 7.22 regarding Rules and Regulations or any other applicable provisions of this Declaration or other Governing Documents, the Board is specifically authorized to enact Rules and Regulations specifically prohibiting outdoor cooking at any place within the Subdivision or upon any Lot, or otherwise permitting, restricting or regulating outdoor cooking.

7.04.8 Responsibility of Owners, Indemnity and Release. It is the responsibility of the Owner, Owner's tenants and any other occupant of each Lot, and not of Declarant, the Association or any of their Related Parties, to prevent the development of any unhealthy, unsafe, unclean, unsightly or unkempt condition on their Lot. Each Owner, each Owner's tenant and their Related Parties are liable for all consequences of any failure to fully comply with this Section 7.04, and must indemnify, defend and hold harmless any other Owners, Owner tenants, Declarant, the Association and their Related Parties as to any and all damages regarding any violations of this Section 7.04. The provisions of this Section are cumulative of and without limitation as to all other applicable provisions of this Declaration and other Governing Documents.

SECTION 7.05 Type of Residence.

7.05.1 Single Family Residence. No Unit shall be occupied by more than a single family. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption or marriage living with not more than one (1) person who is not so related as a single household unit, or no more than two (2) persons who are not so related living together as a single household unit, and the household employees of either such household unit.

7.05.2 Garages and Garage Doors. All single family residences must have an enclosed attached or detached minimum two car parking garage. Each such garage must contain a minimum of three hundred fifty (350) square feet of interior floor space. **GARAGES MAY NOT BE OF SUFFICIENT SIZE TO PERMIT PARKING THEREIN OF TWO LARGE VEHICLES SUCH AS TWO SUV'S. ANY SUCH LACK OF PARKING SIZE IS NOT A BASIS FOR EXEMPTION FROM APPLICABLE PARKING RESTRICTIONS.** The garage must be architecturally similar and compatible to the appurtenant residence, including as to roofline and appearance. Except for porte-cocheres, carports on Lots are prohibited. All garages must be enclosed with permanent walls and their fronts enclosed with standard type overhead doors customarily used in the building industry which garage doors must be maintained in good working order at all times. **ANY REPLACEMENT GARAGE DOOR MUST BE OF EQUAL OR**

BETTER QUALITY AND SUBSTANTIALLY THE SAME DESIGN AS THE GARAGE DOOR FOR THE GARAGE AS ORIGINALLY CONSTRUCTED, AND MUST BE PAINTED TO MATCH THE COLOR SCHEME OF THE RESIDENCE AS ORIGINALLY CONSTRUCTED OR A SUBSEQUENT COLOR SCHEME WHICH HAS BEEN APPROVED IN WRITING BY THE ACC. Except for interior modifications of a garage wholly consistent with its use as a garage and which do not alter the use or exterior appearance of the garage as originally constructed, no modification of the interior or exterior of any garage as originally constructed is permitted. GARAGE DOORS MUST BE KEPT CLOSED AT ALL TIMES EXCEPT FOR ENTRY AND EXIT OF VEHICLES OR DURING BRIEF PERIODS WHEN THE GARAGE IS BEING ACTIVELY USED FOR CUSTOMARY PURPOSES.

7.05.3 Living Area Requirements.

The living area of any dwelling constructed in the Subdivision exclusive of all porches, garages, breeze ways and unfinished rooms shall contain a minimum of 2,000 square feet. No dwelling shall contain less than 2,000 square feet unless the plans for a dwelling with less than 2,000 square feet are approved in writing by the Architectural Control Committee.

The living area (air-conditioned space) for each single family residence may not be reduced by reconstruction or other modification in any manner to less than the square footage of the living area of the residence as originally constructed. Square footage will be measured to the outside of exterior walls (i.e., outside of brick, siding stone, or stucco); stairs and two-two-story spaces are counted only once. A/C returns, pipe chases, fireplaces and non-structural voids are re excluded.

7.05.4 Prohibited Homes and Structures. No tent, shack, mobile home, or other structure of a temporary nature may be placed upon any Lot or elsewhere in the Subdivision. Manufactured homes, industrialized homes, industrialized buildings and any other type of residence, including any garage, which is constructed or assembled other than primarily on site are not permitted on any Lot. No metal buildings, sheds, out buildings, etc. may be built on the Lots without the prior written consent of the ACC, and such structure must be architecturally similar and compatible to the appurtenant residence, including as to roofline and appearance. No residence, building or structure may be moved from another location to any Lot without prior approval of the ACC. The foregoing prohibition does not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Lot, provided it receives the prior approval of the ACC.

SECTION 7.06 Requirement for and Location of Residence. Each and every Lot within the Subdivision must have a substantially completed single family residence constructed thereon prior to commencement of the use thereof for residential purposes. No single family residence may be located upon any Lot except in accordance with building setback lines shown on any applicable Plat, the Architectural Guidelines, and as established by this Declaration, or any Supplemental Declaration or applicable governmental requirements. Subject to the foregoing, no part of any residence, garage or other structure may be located nearer than five feet (5') from any boundary line of any Lot. For the purposes of this Section, eaves, roof overhangs, steps, fireplaces, chimneys, bay windows, unroofed terraces and similar architectural detail which is a part of a permitted residence or garage is not to be considered as a part of a residence or garage.

SECTION 7.07 Leases.

7.07.1 Definition; Restrictions; Certain Limitations.

(a) As used in this Declaration or any other Governing Documents, "lease," "leasing" or equivalent means occupancy of a Lot by any Person other than an Owner with the Owner's consent, express or implied, or for which the Owner or any Related Party of the Owner receives any consideration or benefit, including without limitation, any fee, service, gratuity or emolument, regardless of whether or not such occupancy is pursuant to a written lease. "Lessee" includes any occupant as aforesaid pursuant to a lease.

(b) No Lot may be leased other than for use as a single family residence as herein provided and defined. No Owner may lease a Lot and attendant use of the residence and improvements thereon for transient or hotel purposes. No lease may be for an initial term of less than six months. No Owner may lease less than an entire Lot and attendant use of the residence and improvements thereon. All leases must be in writing. All occupants pursuant to a lease (whether or not in writing) are specifically subject in all respects to all provisions of this Declaration and all other Governing Documents (whether or not expressly stated in a lease). Any failure by lessee or other occupant to comply with this Declaration or any other Governing Documents will be a default under the lease.

(c) The Association may not adopt or enforce any provisions pursuant to this Declaration or any other Governing Documents that (i) requires a lease or rental applicant or lessee to be submitted to or approved by the Association, or (ii) requires submission to the Association of a consumer credit report, or a lease or rental application. The Association may by adoption of applicable Rules and Regulations require submission to the Association of any lease covering any Lot, but in such case any of the following may be redacted or otherwise made unreadable or indecipherable before submission: (w) social security number; (x) driver's license number; (y) government-issued identification number; or (z) account, credit card or debit card number.

(d) Except as provided in subsection (c) above, this Section 7.07 does not prohibit the adoption of any provisions to this Declaration or any other Governing Documents relating to occupancy or leasing.

7.07.2 Default. In the event of default under any lease due to violation of this Declaration or any other Governing Documents, the Board may (but has no obligation to) initiate any proceedings, actions or litigation under the lease to enforce compliance or to terminate the lease and/or for eviction. With regard to the foregoing, each Owner hereby irrevocably appoints the Board or its designated representative as their attorney-in-fact, agrees to indemnify, defend and hold harmless the Association and its Related Parties in regard thereto to the fullest extent herein provided (including as set forth in Section 3.10) and agrees to be solely responsible for all costs thereof (including as provided in Section 5.06). **NO PROCEEDINGS, ACTION OR LITIGATION UNDER THIS SECTION OR ANY OTHER PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS MAY EVER BE CONSTRUED AS AN ASSUMPTION BY THE ASSOCIATION OR ITS RELATED PARTIES OF ANY OBLIGATION WHATSOEVER UNDER ANY LEASE OR REGARDING ANY LEASEHOLD INTEREST, INCLUDING WITHOUT LIMITATION, ANY OBLIGATION REGARDING SECURITY**

DEPOSITS, MAINTENANCE AND ANY OTHER OBLIGATIONS PURSUANT TO TITLE 8 OF THE TEXAS PROPERTY CODE, ALL SUCH OBLIGATIONS BEING HEREBY EXPRESSLY DISCLAIMED.

7.07.3 Joint and Several Liabilities. Lessor(s) and lessee(s) are jointly and severally liable for the observance and performance of all of the terms and provisions of this Declaration and all other Governing Documents, including without limitation joint and several liability for all damages, costs and expenses resulting from any violation, by either, or by their respective Related Parties, all fines and assessments imposed hereby and with respect to all other rights and remedies regarding enforcement of this Declaration and all other Governing Documents.

SECTION 7.08 Drainage, Including Easements.

7.08.1 Drainage Devices. During the Development Period Declarant is hereby specifically authorized to excavate as necessary for and to establish, construct and maintain drainage swales, erosion control systems and such other things and devices (herein referred to as "Drainage Devices") upon, over, across or under any part of the Subdivision, including any Lot, as Declarant deems appropriate to properly maintain and control water drainage and erosion. Declarant may also permit any Authorized Builder to establish, construct and maintain Drainage Devices as aforesaid. Declarant hereby reserves for itself, any Authorized Builders and the Association blanket easements upon, over, under and across the Subdivision, including each Lot, for purposes of establishment, construction and maintenance of Drainage Devices as aforesaid; provided, such easement may not be exercised and no Drainage Device may be established, constructed or maintained in any manner as to encroach upon the foundation or any other part of any single family residence or its appurtenant garage. Declarant during the Development Period and the Board thereafter may designate any Drainage Devices as part of the Subdivision Facilities in which case the same will be maintained by the Association. Otherwise, all Drainage Devices must be maintained by the Owners as hereafter provided. THE FOREGOING MAY NOT BE CONSTRUED TO OBLIGATE DECLARANT OR ANY AUTHORIZED BUILDER TO ESTABLISH, CONSTRUCT OR MAINTAIN ANY DRAINAGE DEVICES OF ANY TYPE OR KIND WHATSOEVER, AND ANY REPRESENTATION, WARRANTY OR IMPLICATION AS TO SAME IS HEREBY SPECIFICALLY DISCLAIMED.

7.08.2 Encroachments. In the event of encroachment by any Drainage Device, including any overhead and overhanging encroachments and any encroachments which are completely underground, such as for example but without limitation any overhang by gutters or underground drainage lines for such gutters (including downspouts for the same), it will be deemed that the Owner of the Lot encroached upon (or into) has granted a perpetual easement for the continuing maintenance and use of the encroaching Drainage Device, and for maintenance, repair or replacement thereof. The provisions hereof are subject to reasonable Rules and Regulations as may hereafter be imposed by Declarant during the Development Period or the Board thereafter.

7.08.3 Owner Obligations. Once established and for so long as continued maintenance thereof is reasonably necessary, all Drainage Devices must remain unobstructed, and, except as otherwise expressly provided in subsection (a) above, must be properly maintained by and at the sole cost of the Owner of each Lot to which the same pertains or, when any Drainage Device serves more than one Lot (such as in the case of guttering on residences connected to a

common line), then maintenance and the costs thereof of the Drainage Device which serves the multiple Lots (being the common line in the aforesaid example but not the guttering or connections for the same to the common line) will be shared prorata by all of the Owners to which same pertains. Each Owner must refrain from permitting any construction, grading and any other work, act or activity upon such Owner's Lot which would obstruct, alter, divert, impede or impair the proper functioning of any Drainage Device. In addition, each Owner must perform such work, act or activities and install and maintain such Drainage Devices (i) as is reasonably necessary to prevent so far as practical drainage from the Owner's Lot to any other Lot, other than drainage along established swales and along drainage patterns as established by Declarant during the Development Period or the ACC thereafter, and (ii) as needed to maintain so far as practical positive drainage away from the foundation of the residence located upon the Owner's Lot. Without limitation of the foregoing, no Owner may place or permit placement of any flower bed or other landscaping, or any other structure or thing along or near any Lot line which would obstruct, alter, divert, impede, or impair drainage along any Lot line within any swale or otherwise within drainage patterns as established by Declarant during the Development Period or by the ACC thereafter. To obtain and maintain proper drainage, including as required by this Section, and/or as changing circumstances may require, the ACC is hereby specifically authorized to require any Owner to construct, install and maintain such gutters and/or downspouts, drains, drainage lines and any other Drainage Devices as the ACC determines, and/or to remove any obstruction, thing or device or cease any activity, either upon initial construction of any residence or other improvement, or at any time thereafter that circumstances reasonably require.

7.08.4 Specific ACC Requirements. ANY REQUEST FOR APPROVAL PURSUANT TO ARTICLE IV HEREOF WHICH WOULD ALTER OR AFFECT ANY THEN EXISTING DRAINAGE DEVICES OR DRAINAGE PATTERNS MUST SPECIFICALLY STATE AND DOCUMENT IN DETAIL WITH PROPER PLANS AND SPECIFICATIONS ALL SUCH ALTERATIONS AND EFFECTS, AND MUST SPECIFICALLY AND EXPRESSLY REQUEST APPROVAL AS TO THE SAME.

SECTION 7.09 Lot Resubdivision or Combination. Unless approved by Declarant in writing, no Lot as originally conveyed by Declarant to any Person, including a builder, may thereafter be subdivided or combined with any Lot or the boundaries thereof otherwise changed. The foregoing does not preclude use of an "Adjacent Lot" for "residential purposes" as provided in Section 7.17.11, subject to strict compliance with all provisions of that Section.

SECTION 7.10 Unoccupied Property. The Owner of a Lot with an unoccupied residence, including any mortgagee in possession and any mortgagee obtaining title to a Lot by foreclosure or by any deed or other arrangement in lieu of foreclosure, is liable for full observance and performance of all terms and conditions of this Declaration and all other Governing Documents, including in particular but without limitation: (i) proper maintenance of the Lot and all improvements thereon; (ii) securing of the unoccupied residence, including fastening of windows and locking of all entry and garage doors, and maintenance of appropriate curtains or other permitted window covers in order to prevent unauthorized entry or use; and (iii) such other maintenance as required to avoid an appearance of abandonment or other unsightly or unkempt appearance.

SECTION 7.11 Signs.

7.11.1 Definition: General Rule. As used in this Section 7.11, "sign" means and includes any billboards, posters, banners, pennants, displays, symbols, emblems, advertising devices of any kind, and any other type of sign of any kind, including without limitation business, professional, promotional or institutional signs. "Sign" also means and includes flags of any kind, subject to applicable provisions of Section 7.11.3. No sign of any kind is permitted on any Lot, or upon any residence, or within any residence if visible from the exterior of the residence, or within the Subdivision except as may be approved in writing by the ACC and except as otherwise expressly permitted in this Section 7.11.

7.11.2 Prohibited Signs. No sign is permitted which contains language, graphics or any display that is vulgar, obscene or otherwise offensive to the ordinary person. Permitted signs must be professionally printed and prepared, and must be properly installed and maintained, to avoid unsightly appearance. The good faith determination of the ACC as to any of the foregoing is final. No sign may be illuminated. No sign may be placed on any Lot closer than five feet from any street, or closer than any building setback line as to any side or back Lot line, or within any traffic sight line area. No Owner, Owner's tenant or their Related Parties, is permitted to place any sign on another Owner's Lot or upon any Subdivision Facilities. No sign may be placed upon or within, or attached to, any Subdivision Facilities without the prior written consent of the ACC. Foreclosure, bankruptcy and other distressed sale references are specifically prohibited. Signs disparaging, defaming or demeaning any Person, including Declarant, the Association, the ACC or their Related Parties, on account of race, creed, gender, religion or national origin, regarding any Development Activities (as defined in Exhibit "B" hereto), or for any other reason, are specifically prohibited.

7.11.3 Permissible Signs. Signs as set forth in this Section 7.11.3 are permissible to the extent and subject to strict compliance with all applicable provisions of this Section as follows:

(a) **"For Sale" or "For Lease" Signs.** Subject to Section 7.11.5 hereof, "For Sale" or "For Lease" signs are permitted as follows: (i) not more than one sign is permitted upon a Lot; (ii) the sign may be displayed only by the Owner of the applicable Lot and only upon such Owner's Lot, and not upon any other Lot or any other location within the Subdivision; (iii) the sign must be professionally prepared and printed, and must be provided by a professional real estate sales or leasing company unless otherwise approved by the ACC; (iv) the sign may not exceed six square feet in size, (v) the sign may be displayed only in the front yard area of the applicable Lot and only by means of an in-ground stake or signage support frame, and the top of the sign may not be higher than three feet (3') above ground level; (vi) the sign may not be illuminated; and (vii) the sign may be displayed only during such period of time that the applicable Lot is in fact for sale or for lease.

(b) **Security Signs and Stickers.** Security service signs and stickers are permitted as follows: (i) no more than one security sign is permitted at a located at or near each entry door to the residence; and no such sign may exceed 12"x12" in size; (ii) no more than one security sticker is permitted on each entry door to the residence, no more than one security sticker is permitted on one window on the front, each side and the back of the residence and no security sticker may exceed 4"x4" in size; (iii) no security signs or stickers may be illuminated, and (iv) only security signs or stickers as printed, prepared and provided by a commercial security or alarm company are permitted.

(c) **Political Signs and Permitted Flags.** "**Political Signs**" and "**Permitted Flags**" as defined in **Section 8.14** are permitted subject to strict compliance with all applicable provisions of **Section 7.17**.

7.11.4 Other Signs and Regulations. Without limitation of any other applicable provisions hereof, including regarding Architectural Guidelines, variances and Rules and Regulations, the ACC is also hereby specifically authorized to adopt Rules and Regulations in general and to approve in specific instances such other signs, and such other specifications and regulations regarding the same, as deemed necessary or appropriate and subject to such conditions as determined by the ACC.

7.11.5 Development Period. Except as next provided, during the Development Period no signs of any kind, including "**For Sale**" or "**For Lease**" signs of any kind as otherwise permitted by this Section, may be placed, displayed or maintained upon any Lot, or upon any residence or other structure, or within any residence or other structure if visible from the exterior thereof, or at any other location upon or within the Subdivision unless and except as otherwise approved in writing by Declarant. The foregoing does not apply to security signs or stickers, Political Signs and Permitted Flags as above permitted. This **Section 7.11** also does not apply to any sign placed within the Subdivision by Declarant, Declarant, or by an Authorized Builder as permitted by Declarant, including as to any signs regarding any "**Development Activities**" (as defined in **Exhibit "B"** to this Declaration).

7.11.6 Default. Any sign of any kind placed or displayed within the Subdivision in violation of this **Section 7.11**, may be removed at any time by or at the direction of Declarant, the Board or the ACC, and may be discarded as trash without liability for trespass, conversion or damages of any kind. In addition, the Board or the ACC may, after notice and opportunity to be heard, assess as a specific assessment a fine for each day any sign is placed within the Subdivision in violation of this **Section 7.11** not to exceed seventy-five dollars (\$75.00) per day per sign, or as otherwise provided by applicable Architectural Guidelines and/or Rules and Regulations.

SECTION 7.12 Lot Fences, Walls and Hedges.

7.12.1 Definitions. As used in this Section (i) "**Lot Fencing**" means any and all fences and freestanding fence type walls, gateposts, hedges and planters, whenever and wherever located on any Lot, including any front courtyard fencing, and (ii) "**hedge**" means a row of bushes, shrubs and similar plants which, at natural maturity, will exceed three feet (3') in height and have sufficiently dense foliage as to present a visual and physical barrier substantially similar to a fence.

7.12.2 ACC Approval Required. No Lot Fencing may be constructed, placed or maintained on any Lot without prior written approval of the ACC.

7.12.3 General Requirements: Except as to any Lot Fencing as installed by or with the approval of Declarant during the Development Period, or unless otherwise approved in writing by the ACC, all Lot Fencing must comply with the following:

- (a) All Lot Fencing shall conform with the Architectural Guidelines.

(b) NO CHAIN LINK TYPE LOT FENCING OF ANY TYPE IS PERMITTED ON ANY LOT.

(c) NO LOT FENCING MAY BE ERECTED OR MAINTAINED NEARER TO THE FRONT BUILDING SETBACK LINE THAN THE PLANE OF THE FRONT EXTERIOR WALL OF THE RESIDENTIAL STRUCTURE ON SUCH LOT WHICH IS FURTHERMOST FROM THE FRONT BUILDING SETBACK LINE, NOR MAY THE LOT FENCING BE ERECTED BEHIND THE PLANE OF THE FRONT EXTERIOR WALL OF THE RESIDENTIAL STRUCTURE WITHOUT THE PRIOR WRITTEN CONSENT OF THE ACC.

7.12.4 Ownership and Maintenance. Ownership of all Lot Fencing passes with title to the Lot. All Lot Fencing must be continuously maintained in a structurally sound condition, in a neat and attractive condition, in good repair and otherwise as required to obtain and maintain Prevailing Community Standards. The foregoing includes, without limitation, such maintenance, repair or replacement as is required to prevent listing or leaning, repair of all damaged or broken pickets and other members, and all holes and cracks, and repair or replacement as required to prevent rot or decay, and any other visible signs of dilapidation or deterioration. Lot Fencing which has been defaced with graffiti or other markings must be restored to its prior condition within 72 hours of such defacement or markings. All maintenance, repair or replacement of Lot Fencing which separates adjoining Lots, or which is otherwise shared in common by two or more adjoining Lots, is the joint responsibility of, and the costs thereof will be shared equally by, the adjoining Owners. Otherwise, all such maintenance, repair or replacement is the responsibility of, and at the sole cost of, the Owner upon whose Lot the Lot Fencing is located. ONCE INSTALLED, THE LOCATION, STYLE, FINISH, APPEARANCE AND ALL OTHER FEATURES OF LOT FENCING MAY NOT BE MODIFIED OR CHANGES WITHOUT PRIOR WRITTEN APPROVAL OF THE ACC.

7.12.5 Subdivision Fencing, Including Gates; Easements.

(a) "Subdivision Fencing" means (i) all fences and freestanding fence type walls which enclose, wholly or partially, any Subdivision Facilities, or which are otherwise designated as Subdivision Fencing by Declarant during the Development Period or the Board thereafter, and (ii) entry and other identification monuments, and any fencing or walls which are an integral part thereof. All Subdivision Fencing is a part of the Subdivision Facilities and must be maintained as such. NO OWNER OR THEIR RELATED PARTIES, AND NO OTHER PERSON MAY MODIFY, ALTER OR IN ANY MANNER CHANGE OR ATTACH ANYTHING TO, ANY SUBDIVISION FENCING WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT DURING THE DEVELOPMENT PERIOD OR THE BOARD THEREAFTER. ANY SUCH REPAIR OR REPLACEMENT OF THE SUBDIVISION FENCING BY AN OWNER MUST BE REPAIRED OR REPLACED IN THE SAME APPEARANCE AS THE SUBDIVISION FENCING ERECTED BY THE DECLARANT THEREON.

(b) During the Development Period Declarant is specifically authorized to locate, establish, construct and maintain any and all Subdivision Fencing upon, over, access and under any part of the Subdivision, including any Lot, as Declarant deems appropriate. Declarant hereby reserves blanket easements upon, over, across, and under the Subdivision, including any Lot, for purposes of locating, establishing, constructing and maintaining any Subdivision Fencing.

In addition to and without limitation of the Association's blanket access easements as set forth in Section 6.08, a specific easement is hereby reserved upon, under and across each Lot for purposes of maintenance, repair, reconstruction and replacement of any Subdivision Fencing.

SECTION 7.13 Garage Usage. No portion of any garage may be diverted to any use other than the parking of vehicles and other generally accepted and customary usage of a garage. In particular but not in limitation of the foregoing, no portion of any garage may be used as a residence or a game room, or for any similar use as living quarters.

SECTION 7.14 Window and Door Glass Covers. Glass in windows, doors and other similar openings must be maintained as installed during original construction except as otherwise approved by the ACC. Glass film and similar tinting, and aluminum foil and similar reflective materials, are in all events prohibited for use as a cover for any window or door; provided, factory tinted glass may be approved by the ACC. Only blinds, curtains or drapes with backing material which is white, light beige, cream, light tan or light gray, and blinds or miniblinds of the same color, are permitted, unless otherwise approved by the ACC. No other window treatment color may be visible from the exterior of any residence or other improvement. Temporary or disposable coverings, including sheets, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made or commonly used by the general public for permanent window coverings, are expressly prohibited.

SECTION 7.15 Roof Materials. Roofs of all residences must be constructed so that the exposed material is composition type shingles or such other material as may be approved by the ACC. All garage roofs, and roofs of any gazebo or outbuildings as may be approved by the ACC, must match the residence. Wood shingles of any type are prohibited on any residence, building or structure. "Energy Efficient Roofing" is permitted as provided in Section 7.17. Architectural metal roofs not to exceed 10% of the total roof are allowed as otherwise approved by the ACC.

SECTION 7.16 Antennas and Satellite Dish Systems.

7.16.1 General Rule. Except as otherwise expressly approved by the ACC in writing, or as otherwise expressly permitted by applicable Architectural Guidelines or by law, no antenna or satellite dish system of any kind is permitted upon any Lot, or the residence or other improvement thereon, except one dish antenna, one meter or less in diameter or diagonal measurement which is designed to receive direct broadcast satellite or to receive or transmit "fixed wireless signals" (as defined by the Federal Communications Commission), and one television antenna to the extent necessary for reception of local television broadcasts, either or both of which must be installed so as not to be visible from any street. Declarant during the Development Period, and the Board or ACC at any time, are hereby specifically authorized to adopt and amend Architectural Guidelines or policies regarding any antenna or satellite dish system in accordance with this Declaration, subject to the aforesaid laws.

7.16.2 Prohibited Antenna. No antenna, "dish" or other device may be used for transmitting electronic signals of any kind except as to fixed wireless signal transmission as above provided. Antenna and similar devices of any type used for citizen band ("CB") radio, amateur ("HAM") ("HAM") radio, AM/FM radio, or Digital Audio Radio Service ("DARS"), are prohibited and may not be erected, placed or permitted to remain on any Lot, on any improvement

located on any Lot, or elsewhere in the Subdivision. Without limitation as to the authority of the ACC to grant variances as provided in Section 4.03, the ACC is specifically authorized to (but is not in any event required to) grant variances as to prohibited antenna, and the ACC may condition granting of any such variance upon placement of the applicable antenna in the attic of a residence.

SECTION 7.17 Protected Property Uses and Devices.

7.17.1 Applicability; Definition. This Section 7.17 applies to any protected property uses established pursuant to Chapters 202 and 209 of the Texas Property Code and other applicable law, and to any structure, object, thing or device specifically pertaining to the protected property use (a "Protected Property Use Device").

7.17.2 Prior Approval Required. Except as otherwise expressly provided in this Section 7.17 or in applicable Architectural Guidelines and/or Rules and Regulations, if any, prior written approval must be requested and obtained from the ACC in accordance with Article IV of this Declaration as to any Protected Property Use Device prior to construction, installation or maintenance of the same. Each approval request must also contain sufficient information and/or documentation as necessary to confirm compliance as aforesaid and with applicable provisions of this Section 7.17. Any prohibitions or restrictions applicable to the Association as provided in this Section 7.17 apply in like manner to the ACC.

7.17.3 General Location Requirements. Subject to and without limitation of any other specific location requirements as otherwise stated in this Section 7.17, or in applicable Architectural Guidelines and/or Rules and Regulations, if any, no Protected Property Use Device may be located, placed or maintained at any location within the Subdivision (i) on any property which is owned by the Association, or owned in common by the members of the Association and the Association, or (ii) at any other location within the Subdivision except upon the Lot owned by the owner of the Protected Property Use Device.

7.17.4 Maintenance Requirement. Each Protected Property Use Device must be properly maintained in good condition and appearance at all times. Any deteriorated, damaged, or structurally unsound Protected Property Use Device must be promptly repaired, replaced or removed.

7.17.5 Energy Efficient Roofing.

(a) This Section applies to "Energy Efficient Roofing" which means shingles that are designed primarily to (i) be wind and hail resistant, (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles, or (iii) provide solar generation capabilities.

(b) The Association will not prohibit or restrict an Owner who is otherwise authorized to install shingles on a roof on a structure that is located on the Owner's Lot from installing Energy Efficient Roofing provided that when installed the shingles:

(1) will otherwise comply with all applicable provisions of the Declaration, and with all applicable Architectural Guidelines and/or Rules and Regulations, if any;

(2) resemble the shingles used or otherwise authorized for use in accordance with subsection (1) above on property in the Subdivision;

(3) are more durable than and are of equal or superior quality to the shingles described by subsection (1) above; and

(4) match the aesthetics of the property surrounding the Owner's property.

7.17.6 Political Signs. Political signs advertising a political candidate or ballot item for an election (a "Political Sign") are permitted, subject to the following:

(a) No Political Sign is permitted earlier than the 90th day before the date of the election to which the sign relates, and each Political Sign must be removed in its entirety by the 10th day after the election date.

(b) No more than one Political Sign for each candidate or ballot item may be displayed per Lot.

(c) Each Political Sign must be ground-mounted.

(d) No Political Sign may (i) contain roofing material, siding, paving materials, flora, any balloons or lights, or any other similar building, landscaping, or nonstandard decorative component; (ii) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object; (iii) include the painting of architectural surfaces; (iv) threaten the public health or safety; (v) be larger than four feet by six feet; (vi) violate a law; (vii) contain language, graphics, or any display that would be offensive to the ordinary person; or (viii) be accompanied by music or other sounds or by streamers, or be otherwise distracting to motorists.

(e) The Association may remove and discard any Political Sign which is placed or displayed within the Subdivision in violation of this Section and/or may impose fines as to the same as permitted or provided in this Declaration or other Governing Documents.

7.17.7 Permitted Flags.

(a) Subject to other applicable provisions of this Section, the Association will not prohibit or restrict an Owner from displaying upon the Owner's Lot (i) one American flag as permitted by the Freedom to Display the American Flag Act of 2005, and (ii) one flag of the State of Texas, and one flag each of any branch of the United States armed forces (official or replica) as permitted by Section 202.012 of the Texas Property Code (a "Permitted Flag"). Only Permitted Flags may be displayed. All other flags are deemed to be a "sign," and are thereby subject to all applicable provisions of this Declaration.

(b) Permitted Flags may only be displayed from a pole attached to the residence, including the appurtenant garage, as herein provided (a "Flagstaff"), or from a free-standing pole installed in the ground as herein provided (a "Flagpole"). All Permitted Flags must

be displayed in a respectful manner in accordance with 4 U.S.C., Section 5-10, Texas Government Code, Section 3100, and applicable military codes, as applicable.

(c) In addition to other applicable provisions of this Section (i) the display of any Permitted Flag, and the location and construction of any Flagpole or Flagstaff must comply with all applicable zoning ordinances, easements setbacks of record, and (ii) no Flagstaff or Flagpole may be located or displayed on any property which is maintained by the Association, including without limitation on any part of a Lot as to which the Association provides lawn or landscape maintenance, or on any part of a residence, including appurtenant garage, which is maintained by the Association.

(d) Not more than one Flagpole or one Flagstaff, and not both, may be placed or maintained on any Lot in accordance with the following:

(1) For purposes of this Section 7.17.7, "front yard" means a yard within a Lot having a front building setback line with a setback of not less than fifteen feet (15') extending the full width of the Lot between the front Lot line and the front building setback line.

(2) If the applicable Lot has a "front yard," then, either one Flagpole may be installed in the "front yard," or one Flagstaff may be attached to the residence, including appurtenant garage, located on the applicable Lot.

(3) If the applicable Lot does not have a "front yard," then one Flagstaff may be attached to the residence, including appurtenant garage, located on the applicable Lot. No Flagpole is permitted on any Lot which does not have a "front yard."

(e) Applicable easements, setbacks and Lot lines must be determined in accordance with the Plat, this Declaration and all other matters of record as reflected by the Official Public Records of Real Property of McLennan County, Texas. For example, a Lot line is not necessarily the same as the abutting street curb, and a building setback is not necessarily the same as the location of the front of a residence.

(f) A Flagpole (i) may not exceed twenty feet (20') in height, (ii) may not exceed twelve inches (12") in diameter unless approved by the ACC in accordance with the manufacturer's recommendations, and (iii) must be permanently installed in the ground in accordance with the manufacturer's instructions.

(g) A Flagstaff (i) may not be more than four feet (4') in length, (ii) may not exceed four inches (4") in diameter unless approved by the ACC in accordance with the manufacturer's recommendations, (iii) may not be attached such that any part of the Flagstaff exceeds in height the lesser of (x) twenty feet (20') in height above ground level, (y) the height of the lower border of the roof on the applicable residence or garage (the eaves), or (z) such lower height as determined by the ACC to be reasonably necessary to obtain aesthetic compatibility and harmony of external design, location and appearance as provided in this Declaration or other applicable Governing Documents, and (iv) must be securely attached by a bracket at an angle of 30 to 45 degrees down from vertical and in accordance with the manufacturer's instructions.

(h) Permitted Flags are limited in size to a maximum of three feet (3') tall and five feet (5') wide.

(i) Not more than one Permitted Flag may be displayed on a Flagstaff. Not more than one Permitted Flag may be displayed on a Flagpole which is less than twelve feet (12') in height. Not more than two Permitted Flags may be displayed on a Flagpole that is twelve feet (12') to twenty feet (20') in height.

(j) A Permitted Flag may be illuminated if it will be displayed at night, and if existing ambient lighting does not provide essentially equivalent lighting as next provided. Any such illumination (i) must be ground mounted in close proximity to the Permitted Flag, (ii) must be pointed towards the center of the flag, and must face and be pointed towards the main residence located on the applicable Lot, (iii) must utilize a fixture that screens the bulb and directs light in the intended direction with minimal spillover, and (iv) may not provide illumination exceeding the equivalent of a 60 watt incandescent bulb.

(k) In addition to the general maintenance requirements set forth in Section 7.17.4, Flagstaffs and Flagpoles must be (i) commercially made for flag display purposes, (ii) constructed of permanent, long-lasting materials with a finish appropriate to the materials use in the construction of the Flagstaff or Flagpole, and (iii) harmonious with the main residence located on the applicable Lot.

7.17.8 Rainwater Harvesting Systems.

(a) Subject to other applicable provisions of the Section, the Association will not prohibit or restrict installation or maintenance by an Owner on the Owner's Lot of a rain barrel or other rainwater harvesting system (a "Rainwater Harvesting System").

(b) In addition to the general location requirements set forth in Section 7.17.3 hereof, the Rainwater Harvesting System may not be located between the front of the main residence located on the applicable Lot and any adjoining or adjacent street.

(c) The Rainwater Harvesting System must be of a color which is consistent with the color scheme of the main residence on the applicable Lot, and may not display any language or other content that is not typically displayed on the Rainwater Harvesting System as it is manufactured.

(d) This subsection applies if and as to each Rainwater Harvesting System which will be installed on or within the side yard area of a Lot, or which would otherwise be visible from any street or from any Subdivision Facilities, or from another Lot. In each such case the proposed Rainwater Harvesting System is subject to regulation as to the size, type, shielding and materials used in the construction of the system as part of the approval process as provided in Section 7.17.2, provided that the economic installation of the system may not be prohibited thereby. The Owner seeking approval of any Rainwater Harvesting System subject to the foregoing must submit with the Owner's approval request a description of methods proposed to shield and otherwise minimize the visibility and visual impact of the system.

(e) Harvested water must be used, and may not be allowed to become stagnant or otherwise cause or create any threat to health or safety. Any unused Rainwater Harvesting System must be removed if any part thereof is visible from any Street, Subdivision Facilities or another Lot, or if the unused system may or does cause or create any threat to health or safety.

7.17.9 Solar Energy Devices.

(a) In this Section, "solar energy device" means a system or series of mechanisms designed primarily to provide heating or cooling, or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power. The term also includes all components of the solar energy device as applicable, including any related mast, frame, brackets, support structures, piping and wiring.

(b) No solar energy device may be installed or maintained upon any residence or Lot, or at any other location in the Subdivision during the Development Period without the prior written consent of Declarant. No solar energy device may be installed or maintained upon any residence or Lot, or at any other location in the Subdivision, either during or after the Development Period except in accordance with this Section.

(c) All solar energy devices must be installed and thereafter maintained in compliance with the manufacturer's instructions and requirements, and must be installed and thereafter maintained in a manner which does not void any material warranties.

(d) All solar energy devices must be installed and thereafter maintained in such manner as not to cause or create (i) any threat to public health or safety, (ii) any violation of any law, or (iii) any substantial interference with the use and enjoyment of land by causing unreasonable discomfort or annoyance to any adjoining property owner of ordinary sensibilities.

(e) In addition to the general location requirements as set forth in Section 7.17.3 hereof, a solar energy device must comply with the following:

(1) No solar energy device may be located on any property which is maintained by the Association, including any part of a Lot as to which the Association provides lawn or landscape maintenance.

(2) No solar energy device may be located on a Lot at any location other than (i) entirely on the roof of the main residence located on the applicable Lot, (ii) entirely within a fenced yard area of the applicable Lot, or (iii) entirely within a fenced patio located in the back yard of the applicable Lot.

(f) A solar energy device which is mounted on the roof of the main residence of the applicable Lot must comply with the following:

(1) No portion of the solar energy device may extend higher than or beyond the roof line, or extend beyond the perimeter boundary or boundaries of the roof section to which it is attached.

(2) The solar energy device must conform to the slope of the roof to which attached, and must have a top edge that is aligned parallel to the roof ridge line for the roof section to which attached.

(3) The solar energy device must have a frame, brackets, and visible piping or wiring that is a color that matches the roof shingles, or a silver, bronze or black tone commonly available in the marketplace.

(4) The solar energy device may not have any advertising slogan, logo, print or illustration upon the solar energy device other than the standard logo, printing or illustration which may be included by the applicable manufacturer of the solar energy device.

(5) The solar energy device must be located on the roof so as not to be visible from any street. Notwithstanding the foregoing, approval of an alternative roof location may be requested upon submission of proof that (i) the alternate location will increase the estimated annual energy production of the device, as determined by using a publically available modeling tool provided by the National Renewable Energy Laboratory, by more than ten percent (10%) above the energy production of the device if located in an area which is not visible from any street, and (ii) the alternative roof location provides the least visibility from any street from which an increase in the estimated annual energy production can be obtained.

(g) A solar energy device which is installed within a fenced yard or patio area must comply with the following:

(1) No portion of the solar energy device may extend above any part of the fencing which encloses the device.

(2) If the fence which encloses the solar energy device is not solid or does not otherwise block the view of the device from the outside of the fence, the approval by the ACC as provided in Section 7.17.2 may require the device be located behind a structure or otherwise require visual screening.

(3) The ACC may consider approval of a solar energy device on a Lot without a fenced yard or patio if adequate screening is provided to block or minimize visibility of the device from any street as determined by the ACC as provided in Section 7.17.2.

7.17.10 Display of Certain Religious Items.

(a) Subject to other applicable provisions of this Section, the Association will not prohibit or restrict an Owner or resident from displaying or affixing one or more religious items on the entry to their residence. Such items include anything related to any faith that is motivated by the Owner's or resident's sincere religious belief.

(b) Individually or in combination with each other, the items at any entry may not exceed 25 square inches total in size.

(c) The items may only be displayed on or attached to the entry door or door frame, and may not extend past the outside edge of the door frame.

(d) To the extent allowed by the Texas state constitution and the United States constitution, any such displayed or affixed religious items may not (i) threaten public health or safety, or (ii) violate any law; or (iii) contain language, graphics or any display that is patently offensive to a passerby.

(e) Approval from the ACC is not required for displaying or affixing religious items so long as displayed or affixed strictly in compliance with this Section. This Section does not otherwise authorize use of any materials or colors for an entry door or door frame or any alterations to the entry door or door frame unless approved in writing by the ACC.

(f) The Association may remove any religious items displayed in violation of this Section as provided in Section 202.018 of the Texas Property Code.

7.17.11 Adjacent Lot Use.

(a) As provided in Texas Property Code, Section 209.015, in this Section "Adjacent Lot" means (i) a Lot that is contiguous to another Lot that fronts on the same street, or (ii) with respect to a corner Lot, a Lot that is contiguous to the corner Lot by either a side property line or a back property line. Adjacent Lot does not include, and this Section does not permit or apply to, any Lot that is contiguous to another Lot at the back property line.

(b) In accordance with Section 7.06 of this Declaration, each and every Lot within the Subdivision must have a single family residence constructed thereon. It is accordingly the intent hereof that no Adjacent Lots will be located within the Subdivision. To the extent any Adjacent Lot is required to be permitted within the Subdivision by law, the following provisions will apply to each such Adjacent Lot:

(1) In this Section use of any Adjacent Lot for "residential purpose" as defined in Texas Property Code, Section 209.015 does not include, and this Section does not permit or apply to, use of an Adjacent Lot for parking or storage of any recreational vehicle unless otherwise approved in writing by the ACC as provided in Section 7.17.2.

(2) Through use of landscaping, fencing (including hedges as defined in Section 7.12) or otherwise, the overall appearance of the Adjacent Lot and the Lot to which the Adjacent Lot is adjoined must be integrated such that the Adjacent Lot and the adjoined Lot appear so far as practicable to be one Lot.

(3) THE OWNER OF EACH ADJACENT LOT MUST PAY ALL REGULAR, SPECIAL AND SPECIFIC ASSESSMENTS AS TO THE ADJACENT LOT AT THE SAME RATES AND IN THE SAME MANNER AS OTHERWISE APPLICABLE TO THE ADJOINED LOT.

(4) NOTHING IN THIS SECTION, OR IN THIS DECLARATION OR IN ANY OTHER GOVERNING DOCUMENTS, REQUIRES DECLARANT, AN

AUTHORIZED BUILDER OR ANY OTHER OWNER OR PERSON TO SELL ANY LOT TO ANY PERSON FOR USE AS AN ADJACENT LOT.

7.17.12 Compost Sites.

(a) Subject to applicable provisions of this Section, the Association will not prohibit or restrict an Owner from (i) implementing measures to promote solid-waste composting at a location on the Owner's Lot (a "Compost Site") of vegetation, including grass clippings, leaves or brush, or (ii) leaving grass clippings uncollected on grass.

(b) No more than one Compost Site is permitted on each Lot. The Compost Site on each Lot must be located in an area of the yard which is (i) behind the front building setback and completely enclosed by fencing, or (ii) contained completely within a fenced back yard patio area.

(c) Each Compost Site must be approved by the ACC as provided in Section 7.17.2, including as to size, type, shielding and materials.

(d) Notwithstanding subsection (a)(ii), grass clippings may not be allowed to accumulate to the extent or in such manner as to cause or create a fire or health hazard, or an unsightly or unkempt condition to a person of ordinary sensibilities.

7.17.13 Xeriscaping.

(a) Subject to applicable provisions of this Section, the Association will not prohibit or restrict an Owner from (i) implementing an efficient irrigation system, including underground drip or other drip system, or (ii) using drought-resistant landscaping or water-conserving natural turf

(b) Use of gravel, rocks, cacti or similar ground cover, or use of artificial turf is permitted only to the extent expressly approved by the ACC as provided in Section 7.17.2.

(c) All above-ground components and devices as to each irrigation system must be installed or shielded as approved by the ACC as provided in Section 7.17.2 so as not to be visible from any street, and are also subject to other reasonable requirements of the ACC regarding installation and visibility limitations for aesthetic purposes which do not restrict water conservation.

(d) Detailed plans and specifications must be submitted to and approved by the ACC as provided in Section 7.17.2 for installation of drought-resistant landscaping or water-conserving natural turf to ensure to the extent reasonably practicable maximum aesthetic compatibility with other landscaping in the Subdivision, and compliance with other applicable provisions of this Declaration, and other applicable Architectural Guidelines and/or Rules and Regulations, if any. The ACC may not unreasonably deny or withhold approval of drought-resistant landscaping or water-conserving natural turf, or unreasonably determine a proposed installation is aesthetically incompatible with other landscaping in the Subdivision.

(e) Without limitation of Sections 4.02.2 or 7.22 hereof regarding Architectural Guidelines and Rules and Regulations, Declarant during the Development Period, and the Board or the ACC thereafter, are hereby specifically authorized to adopt specific Architectural Guidelines and/or Rules and Regulations to encourage or require water-conserving irrigation or turf, and/or water-conserving and/or drought-resistant landscaping.

7.17.14 Standby Electric Generators.

(a) Subject to other applicable provisions of this Section, the Association may not prohibit or restrict installation, operation or maintenance of a permanently installed standby Electric Generator by an Owner on the Owner's Lot.

(b) "Standby Electric Generator" means a device that converts mechanical energy to electrical energy and is:

- (1) permanently installed;
- (2) powered by natural gas, liquefied petroleum gas, diesel fuel, biodiesel fuel, or hydrogen;
- (3) fully enclosed in an integral manufacturer-supplied sound attenuating enclosure;
- (4) connected to the main electrical panel of a resident by a manual or automatic transfer switch; and
- (5) rated for a generating capacity of not less than seven kilowatts.

(c) A Standby Electric Generator must be installed and continuously maintained in compliance with the manufacturer's specifications, and with all applicable governmental health, safety, electrical and building codes, including as to (i) all electrical, plumbing and fuel line connections, all applicable natural gas, diesel fuel, biodiesel fuel or hydrogen fuel line connections, and all liquefied petroleum gas fuel line connections, and (ii) any non-integral Standby Electric Generator fuel tanks. All liquefied petroleum gas fuel lines must also be installed, connected and continuously maintained in accordance with applicable rules and standards promulgated and adopted by the Railroad Commission of Texas.

(d) Each Standby Electric Generator and its electrical lines and fuel lines must be maintained in good condition at all times. Any deteriorated or unsafe components must be promptly and properly repaired, replaced or removed.

(e) A Standby Electric Generator must comply with the location requirements of Section 7.17.3. A Standby Electric Generator must be screened if it is:

- (1) visible from the street by the applicable residence;
- (2) located in an unfenced side or rear yard of the applicable residence and is visible either from an adjoining residence or from adjoining property owned or

maintained by the Association or owned in common by the members of the Association;
or

(3) located in a side or rear yard fenced by a wrought iron or residential aluminum fence and is visible through the fence either from an adjoining residence or from adjoining property owned or maintained by the Association or owned in common by the members of the Association.

(f) In addition to the requirements as set forth in subsection (e) above, a Standby Electric Generator must be located and screened to the extent reasonably achievable to minimize its visibility and noise impact as to any adjoining street, any recreational reserve or similar common area which is part of the Subdivision Facilities or any adjoining or area Lots. Notwithstanding the foregoing the ACC may not require a location based on this subsection (f) if the required location would (i) increase the cost of installing the Standby Electric Generator by more than 10 percent, or (ii) increase the cost of installing and connecting the electrical and fuel lines for the Standby Electric Generator by more than 20 percent.

(g) The use of a Standby Electric Generator is prohibited to generate all or substantially all of the electrical power to the applicable residence, except when utility-generated electrical power to the residence is not available or is intermittent due to causes other than nonpayment for utility service to the residence. A Standby Electric Generator may be periodically tested only in accordance with the manufacturer's minimum testing recommendations.

(h) Installation of a Standby Electric Generator must be approved by the ACC as provided in Section 7.17.2. In any hearing, action or proceeding to determine compliance with this Section 7.17.14, the party asserting noncompliance bears the burden of proof.

7.17.15 Architectural Guidelines. Without limitation of any other provisions of this Declaration or any other Governing Documents, Declarant during the Development Period and the Board or the ACC thereafter are hereby specifically authorized to amend any of the provisions of this Section regarding Protected Property Uses and Devices by amendment of this Declaration and/or by adoption or amendment of Architectural Guidelines and/or Rules and Regulations, subject to applicable provisions of the Texas Property Code and/or other applicable law.

SECTION 7.18 Septic Tanks; Irrigation. No septic tank, private water well or similar private sewage or water system is permitted on any Lot. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, canals or other ground or surface waters may be installed, constructed or operated upon any Lot or elsewhere in the Subdivision. Private irrigation wells are prohibited upon any Lot. Sprinkler and irrigation systems installed as Subdivision Facilities will be maintained by the Association. No other sprinkler or irrigation system may be installed upon any Lot or elsewhere in the Subdivision except with the prior written consent and approval of the ACC as provided in Article IV. The foregoing does not preclude use of a "Rainwater Harvesting System" as provided in Section 7.17.8, subject to strict compliance with all provisions of that Section.

SECTION 7.19 Mineral Production; Wind Generators. No gas or oil drilling, gas or oil development operations, oil refining, quarry or mining operations of any kind are permitted within

the Subdivision, and no oil wells, tanks, tunnels, mineral excavations or shafts are permitted within or in the Subdivision. No wind generators of any kind may be erected, placed or maintained at any location within the Subdivision.

SECTION 7.20 Artificial Vegetation, Exterior Sculpture, and Similar Items. Artificial vegetation, exterior sculpture, fountains, flags (excepting as provided in Section 7.17), birdhouses, birdbaths and other decorative embellishments or similar items are prohibited at any location upon a Lot which is visible from any street or at ground level from another Lot except with the prior written approval of the ACC obtained as provided in Article IV.

SECTION 7.21 Other Restrictions. In addition to and without limitation of any provisions of this Declaration or other Governing Documents, each Lot and the Subdivision are subject to and each Owner, tenant and occupant covenants and agrees to comply with all applicable provisions of all Plats, common area agreements, property access easements or agreements, no build restrictions, and any and all other valid and enforceable covenants, conditions, restrictions, easements and all other matters of record, as amended, as heretofore or hereafter established as to the Subdivision and/or any Lot or other properties contained therein.

SECTION 7.22 Rules and Regulations. Declarant during the Development Period and the Board thereafter may from time to time adopt, amend, modify and delete reasonable Rules and Regulations, provided that (i) Rules and Regulations may not be enacted retroactively (except that if any activity is subsequently covered by Rules and Regulations and such activity ceases after enactment of the Rules and Regulations covering same, then the Rules and Regulations will apply to the activity thereafter), (ii) Rules and Regulations may not be incompatible with the provisions of this Declaration; and (iii) Rules and Regulations will not become effective until filed of record or such later date as stated therein, and until notice thereof is given to all Owners (certification by the Association that proper notice was given in accordance with this Section to be conclusive absent proof of fraud).

SECTION 7.23 On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Properties, except underground storage tanks for propane to be used in the residence and except that up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment or cooking grills.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 8.01 Development Period. All provisions set forth in Exhibit "A" or Exhibit "B" attached hereto and titled "Development Period" are incorporated by reference herein. Notwithstanding any other provisions of this Declaration or any other Governing Documents to the contrary, all provisions set forth in Exhibit "A" or Exhibit "B" apply during the Development Period (and thereafter as therein provided).

SECTION 8.02 Enforcement.

8.02.1 Right to Enforce. The Association, its successors and assigns, and any Owner have the right to enforce observance and performance of all restrictions, covenants, conditions and easements set forth in this Declaration and in other Governing Documents, and in order to prevent a breach thereof or to enforce the observance or performance thereof have the right, in addition to all legal remedies, to an injunction either prohibitive or mandatory.

8.02.2 Confidentiality. In order to encourage open communications between the Association and its Related Parties and any Owner, tenant, their Related Parties and other affected parties, and in an effort to minimize confrontations among neighbors and other affected parties, the identity of all Persons who provide or from whom any violation report is obtained will so far as practical be kept confidential except as otherwise required by law; and all documentation and other communications relating to any such violation reports will likewise be kept confidential. The foregoing does not preclude the Association from disclosing any of the foregoing information when in the opinion of the Board the best interests of the Association requires such disclosure, and all Owners hereby consent to such disclosure.

8.02.3 Verification of Defaults. Declarant, the Board, or any of their Related Parties, may photograph any violations or suspected violation at any time and otherwise obtain evidence to confirm the existence or nonexistence of any suspected violation in any reasonable manner without liability in trespass or otherwise. Each Owner, tenant and their Related Parties must fully cooperate with Declarant, the Board and their Related Parties regarding verification of the existence or nonexistence of any violation, including conducting of on-site inspections and in any other reasonable manner upon request. No notice of any kind is required regarding verification which does not require entry into any area enclosed by any Lot Fencing or into the interior of a residence. Otherwise, the notice provisions of Section 6.08.2 apply.

8.02.4 Liability for Conduct of Others ("Related Parties"). Each Owner and the tenant of each Owner must ensure that their respective Related Parties strictly comply with all applicable provisions of this Declaration and all other Governing Documents. Each Owner is liable for all consequences of any such violation by the Owner's tenant and by Related Parties of the Owner, and each Owner and the Owner's tenant are jointly and severally liable for all consequences of any such violation by Related Parties of the tenant. To the same extent as aforesaid each Owner and each tenant must indemnify and hold harmless the Association and its Related Parties from any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, made or asserted by Related Parties of the Owner or the Owner's tenants attributable directly or indirectly, to any such violation, said indemnification to be secured and paid as provided in Section 8.02.5.

8.02.5 Obligation for Payment of "Compliance Costs" Resulting from Violations.

(a) Each Owner and tenant of an Owner who commits, or who is responsible for, a violation or violations of any of the provisions of this Declaration or any other Governing Documents, irrespectively of any negligence or other fault (or lack thereof), is jointly, severally and strictly liable for payment to Declarant, the Association, the ACC and their Related Parties

for, and to indemnify, defend and to hold and save harmless Declarant, the Association, the ACC and their Related Parties from, any and all claims, liabilities, damages, loss, costs, expenses, penalties, suits and judgments of whatsoever kind, including reasonable attorney's fees, arising, directly or indirectly, in whole or in part, or as otherwise incurred or attributable to any violation of this Declaration or any other Governing Documents.

(b) Indemnification as provided in subsection (a) above includes without limitation all costs, expenses and attorney's fees incurred to establish the right to be indemnified, defended and/or held harmless, to investigate, establish, prosecute, defend or settle any enforcement actions or proceedings as to any violation, all court costs of every kind at all court levels, including without limitation all costs for expert witness fees, charges or expenses (including consulting and expert witnesses), for depositions and any other discovery proceedings, and all sums of money which Declarant, the Association, the ACC or their Related Parties may pay or become liable to pay arising, directly or indirectly, in whole or in part, or as otherwise incurred or attributable to any violation of this Declaration or any other Governing Documents, whether incurred prior to, during or after proceedings in a court of competent jurisdiction. All such sums are sometimes herein referred to as "Compliance Costs."

(c) All Compliance Costs constitute specific assessments as to the responsible Owner or Owners (and their tenants as provided in this Declaration) which are secured by the continuing lien established by Article V hereof. All such sums are due and payable upon demand by the Association or its representative without the necessity of any other or further notice of any act, fact or information concerning the Association's rights or such Owner's or their tenant's liabilities under this Section; provided, in the case of indemnification the demand must contain a statement setting forth the Association's payment or liability to pay with sufficient detail to identify the basis for the payment or liability to pay.

8.02.6 Filing of Notices of Non-Compliance. At any time the Board determines there exists any noncompliance with any provisions of this Declaration or other Governing Documents, the Board may at its option direct that a Notice of Noncompliance be filed in the Official Public Records of Real Property of McLennan County, Texas covering the affected Lot or Lots and the Owner(s) thereof at the sole cost and expense of such Owner(s). All such costs and expenses are due and payable upon demand, are deemed a specific assessment applicable to the affected Lot(s) and are secured by the Association's continuing assessment lien.

8.02.7 Notice Required Before Enforcement Action. Before the Association may suspend an Owners right to use any Subdivision Facilities, file a suit against an Owner other than a suit to collect assessments or foreclose under the Association's continuing assessment lien, charge an Owner for property damage, or levy a fine for a violation of this Declaration or other Governing Documents the Association or its agent must give written notice to the Owner if and as required by Section 209.006 of the Texas Property Code.

8.02.8 No Waiver: Cumulative Rights. Failure of the Association or any Owner to enforce any of the provisions of this Declaration or any other Governing Documents will in no event be deemed a waiver of the right to do so thereafter (including without limitation as to the same or similar violation whether occurring prior or subsequent thereto). No liability may attach to Declarant, the Association, or any of their Related Parties for any failure to enforce any

provisions of this Declaration or any other Governing Documents. Each right and remedy set forth in this Declaration and any other Governing Documents is separate, distinct and non-exclusive, and all are cumulative. The pursuit of any right or remedy so provided for or by law is without prejudice to the pursuit of any other right or remedy, and the failure to exercise any particular right or remedy does not constitute a waiver of such right or remedy or any other right or remedy.

SECTION 8.03 Term. Subject to the provisions hereof regarding amendment, these covenants, conditions, restrictions, reservations, easements, liens and charges run with the land and are binding upon and inure to the benefit of the Association, all Owners, their respective legal representatives, heirs, executors and administrators, predecessors, successors and assigns, and all Persons claiming under them for a period of twenty years from the date this Declaration is filed in the Official Public Records of Real Property of McLennan County, Texas, after which time said covenants, conditions, restrictions, reservations, easements, liens and charges will be automatically extended for successive periods of ten years each.

SECTION 8.04 Amendment.

8.04.1 By Owners. Except as otherwise expressly herein provided, and as set forth in Exhibit "A" and Exhibit "B" hereto, the Owners of seventy-five percent (75%) of the total number of Lots then contained within the Subdivision have the power and authority to amend this Declaration, in whole or in part, at any time and from time to time. The Owner's approval of any amendment of this Declaration may be obtained (i) by execution of the amending instrument or a consent thereto by any Owner of each Lot so approving, (ii) by affirmative vote, in person or by proxy, at a special meeting of Owners called for consideration of any such amendment, or (iii) by any combination of the foregoing.

8.04.2 By Association. Subject to applicable provisions of Exhibit "B" hereto, the Board of Directors has the right in its sole judgment, from time to time and at any time, to amend this Declaration without joinder of any Owner or any other Person for the following purposes:

- (a) to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors or omissions herein; or
- (b) in any manner deemed necessary or appropriate by the Board to provide for or to facilitate notices, communications and/or meetings of Owners, the Board or any committee by Electronic Means, including conducting and tabulation of any votes; or
- (c) to conform this Declaration to the requirements of any lending institution; provided, the Board has no obligation whatsoever to amend this Declaration in accordance with any such lending institution requirements, and the Board may not so amend this Declaration if in the sole opinion of the Board any substantive and substantial rights of Owners would be adversely affected thereby; or
- (d) to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency, Veterans Administration or Federal Housing Administration, and in this respect the Board will so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance; or

(e) to conform this Declaration to any state or federal constitutional requirements, or to the requirements of any local, state or federal statute, ordinance, rule, ruling or regulation, or to any decisions of the courts regarding the same, including, without limitation regarding the foregoing or regarding Declarant's authority to otherwise amend this Declaration or any other Governing Documents, as required to conform this Declaration or any other Governing Documents to, or as deemed necessary or appropriate by the Board as a result of, any amendments to the Texas Property Code.

8.04.3 Effective Date. Any lawful amendment of this Declaration will be effective from and after filing of the amending instrument in the Official Public Records of Real Property of McLennan County, Texas, or such later date as may be stated in the amending instrument.

8.04.4 "Amendment" Defined. In this Declaration and all other Governing Documents the terms "amend", "amendment" or substantial equivalent mean and refer to any change, modification, revision or termination of any provisions of this Declaration or other Governing Documents.

SECTION 8.05 Notices.

8.05.1 General: "Notice" Defined.

(a) "Notice" means and refers to all notices or other communications permitted or required under this Declaration, as amended, or by law, including as provided in Section 8.02.7 regarding certain statutory notices. ANY NOTICE IS DEEMED PROPERLY GIVEN ONLY IF GIVEN IN ACCORDANCE WITH THIS SECTION 8.05, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS DECLARATION. ALL NOTICES MUST BE GIVEN IN WRITING, MUST BE PROPERLY DATED, AND MUST IDENTIFY ALL PERSONS GIVING THE NOTICE AND ALL PERSONS TO WHOM THE NOTICE IS BEING GIVEN. ALL NOTICES MUST ALSO BE SIGNED BY THE SENDER(S). NOTICE BY ELECTRONIC MEANS GIVEN IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THIS DECLARATION CONSTITUTES WRITTEN AND SIGNED NOTICE.

(b) Delivery. Except as otherwise expressly provided herein, all notices may be given by personal delivery acknowledged in writing, by certified or registered mail, return receipt requested, by "verified mail" as defined in Texas Property Code, Section 209.002(13) (being as of the date of filing of this Declaration any method of mailing for which evidence of mailing is provided by the United States Postal Services or a common carrier), or by Electronic Means, all in accordance with this Section 8.05. Notices by mail must be by deposit of the notice, enclosed in a postpaid properly addressed wrapper, in a post office or official depository under the care and custody of the United States Postal Service. Personal delivery may be made to any person at the recipient's address, or in the case of any Owner or tenant by posting on the front door at the Owner's Lot address (or alternate street address, if applicable). Any such personal delivery may be acknowledged either by the recipient or by a third party delivery service.

8.05.2 To Whom and Where Given.

(a) Declarant. All notices to Declarant either during or after the Development period must be given to Declarant as provided in Section 5.255 of the Texas Business

Organizations Code, as amended, at Declarant's registered office or at Declarant's principal office. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, ALL NOTICES TO DECLARANT MAY BE GIVEN ONLY BY PERSONAL DELIVERY OR BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

(b) Association or ACC. All notices to the Association or the ACC during the Development Period must be given to Declarant as above provided. Thereafter, all notices to the Association or the ACC must be given (i) to the Association's registered agent at its registered office in accordance with the records of the Texas Secretary of State, or (ii) to any director in the case of the Association or to any member of the ACC in the case of the ACC in the same manner as permitted for delivery of notice to the director or member of the ACC as an Owner, or (iii) if the Association has a Managing Agent, then to the Association manager at the offices of the Managing Agent, or (iv) in accordance with the Association's most recently filed management certificate.

(c) Owners: Tenants. All notices to an Owner must be delivered to the Owner at the Owner's Lot address, or to the Owner's alternate street mailing address provided to the Association by the Owner as hereafter set forth. All notices to the tenant of an Owner must be delivered to the Lot address of the Lot at which the tenant resides.

(d) By Electronic Means. In lieu of (or in addition to) delivery to a street mailing address as above provided, notice may be given by Electronic Means (i) to an Owner or Owner's tenant according to the records of the Association, or (ii) to the Association, the ACC or the Association's Managing Agent, if any, in accordance with procedures as provided by the same upon written request of any Owner or tenant, or as otherwise provided by the Association (such as by publication in an Association newsletter, or as set forth in the Association's most recently filed management certificate).

(e) Owner/Tenant Responsibilities as to Electronic Means. IT IS THE OBLIGATION OF EACH OWNER AND THEIR TENANT(S) TO OBTAIN AND MAINTAIN CONFIRMATIONS OF RECEIPT OF ALL NOTICES AND OTHER COMMUNICATIONS FROM THE ASSOCIATION OR DECLARANT BY ELECTRONIC MEANS, AND TO PROVIDE THE SAME TO THE ASSOCIATION OR DECLARANT UPON REQUEST. IT IS THE OBLIGATION OF EACH OWNER AND EACH TENANT (i) TO PROVIDE AND KEEP THE ASSOCIATION UPDATED AS TO CURRENT "CONTACT INFORMATION" AS PROVIDED IN SECTION 8.05.3, AND (ii) TO MAINTAIN THE CAPABILITY TO RECEIVE ANY NOTICES OR OTHER COMMUNICATIONS FROM THE ASSOCIATION OR DECLARANT BY, AND TO PARTICIPATE IN ANY MEETINGS AS PROVIDED IN THIS DECLARATION OR OTHER GOVERNING DOCUMENTS BY, ELECTRONIC MEANS. BY ACCEPTANCE OF ANY RIGHT, TITLE OR INTEREST IN ANY LOT, OR BY OCCUPANCY THEREOF, EACH OWNER AND THEIR TENANT(S) CONSENT TO THE USE OF ELECTRONIC MEANS BY THE ASSOCIATION OR BY DECLARANT AS TO ANY NOTICES, COMMUNICATIONS OR MEETINGS IN ACCORDANCE WITH THIS DECLARATION, INCLUDING THIS SECTION 8.05, AND IN ACCORDANCE WITH OTHER APPLICABLE GOVERNING DOCUMENTS. AS TO EACH OWNER AND EACH TENANT, ONCE THE MEANS OF COMMUNICATION BY ELECTRONIC MEANS IS ESTABLISHED, THOSE MEANS MUST REMAIN IN EFFECT UNLESS AND UNTIL THE

EXPIRATION OF FIVE BUSINESS DAYS FOLLOWING RECEIPT OF NOTICE BY THE ASSOCIATION STATING ALL APPLICABLE CHANGES REQUIRED FOR SUBSEQUENT COMMUNICATIONS BY ELECTRONIC MEANS.

(f) **When Delivered.** Notices or other communications are considered to be delivered, as applicable, on the day of personal delivery or deposit in the United States mail in accordance with this Section 8.05, or on the day and at the time the communication by Electronic Means is successfully transmitted, provided that transmission of any facsimile or email after 5:00 o'clock p.m. and before 8:00 o'clock a.m. of the following day, local time of the recipient, is deemed to be delivered at 8:00 o'clock a.m. on the following day.

(g) **Deemed Delivery.** REFUSAL BY ANY OWNER OR TENANT TO RECEIVE OR ACCEPT DELIVERY OR TRANSMISSION OF ANY NOTICE GIVEN IN ACCORDANCE WITH THIS SECTION 8.05, OR FAILURE BY ANY OWNER OR TENANT TO PROPERLY MAINTAIN THE MEANS FOR DELIVERY OR TRANSMISSION (SUCH AS FOR EXAMPLE BUT WITHOUT LIMITATION, FAILURE TO PROPERLY MAINTAIN A MAILBOX, OR FAILURE TO MAINTAIN RECEPTION CAPABILITIES BY ELECTRONIC MEANS), IS DEEMED ACTUAL NOTICE AND ACTUAL KNOWLEDGE OF THE MATERIALS DELIVERED OR TRANSMITTED IN ACCORDANCE WITH THIS SECTION 8.05.

8.05.3 Owner/Tenant Contact/Occupancy Information Required.

(a) **Contact Information Required.** As used in this Section (and this Declaration or other Governing Documents, when applicable), "contact information" means name, Lot address, alternate Owner street mailing address, if applicable, home and work telephone numbers, email address, and as applicable, mobile and facsimile numbers. Not later than thirty days after acquiring an ownership interest in a Lot, the Owner of the Lot must give notice to the Association of the contact information for all Persons who are Owners of the applicable Lot, and the name(s) of any other person(s) occupying the Lot other than the Owner. Not later than thirty days after acquiring a leasehold interest or other right of occupancy in a Lot, the Owner of the Lot must give notice to the Association of the contact information for all Persons who are tenants as to or who have otherwise acquired a right to occupy the applicable Lot. Not later than ten days after any change in any contact information, the Owner of the applicable Lot must give notice to the Association of all such changes. ANY OWNER OR TENANT MUST ALSO PROVIDE, CONFIRM, VERIFY AND UPDATE ALL CONTACT INFORMATION UPON WRITTEN REQUEST FROM THE ASSOCIATION WITHIN TEN (10) DAYS FROM THE DATE OF THE REQUEST OR SUCH LATER DATE AS MAY BE STATED IN THE REQUEST.

(b) **Required Procedure.** ANY NOTICE UNDER SUBSECTION (a) ABOVE, INCLUDING ANY CONTACT INFORMATION NOTICE OR REPLY TO A REQUEST FOR CONTACT INFORMATION, MUST BE GIVEN SEPARATELY AND FOR THE SOLE PURPOSE OF PROVIDING THE CONTACT OR OTHER INFORMATION. FOR EXAMPLE, SENDING AN EMAIL FROM A DIFFERENT OR NEW EMAIL ADDRESS, OR INCLUDING A NEW EMAIL ADDRESS IN A COMMUNICATION SENT FOR OTHER PURPOSES, DOES NOT CONSTITUTE NOTICE AND DOES NOT IN ANY MANNER OBLIGATE THE

ASSOCIATION TO MAKE ANY CHANGE IN THE RECORDS OF THE ASSOCIATION BASED THEREON.

(c) Conflicts: Effective Date of Change. IN THE EVENT OF ANY CONFLICT BETWEEN ANY NOTICES RECEIVED BY THE ASSOCIATION, THE NOTICE LAST RECEIVED BY THE ASSOCIATION WILL CONTROL. EACH NOTICE RECEIVED BY THE ASSOCIATION WILL CONTROL UNTIL THE EXPIRATION OF FIVE BUSINESS DAYS FOLLOWING RECEIPT OF A PROPER SUBSEQUENT NOTICE.

8.05.4 One Address/Number and Delivery Limit. NO OWNER MAY MAINTAIN MORE THAN ONE CURRENT MAILING ADDRESS WITH THE ASSOCIATION FOR PURPOSES OF NOTICE. NO OWNER OR OWNER'S TENANT MAY MAINTAIN MORE THAN ONE CURRENT EMAIL ADDRESS AND ONE CURRENT FACSIMILE NUMBER WITH THE ASSOCIATION FOR PURPOSES OF NOTICE. THE ASSOCIATION IS NOT REQUIRED TO GIVE NOTICE BY MORE THAN ONE DELIVERY METHOD, AND ANY REQUEST, DIRECTIVE OR AGREEMENT TO THE CONTRARY IS VOID. WHEN MORE THAN ONE PERSON IS THE OWNER OR TENANTS OF A LOT, THE GIVING OF NOTICE AS AFORESAID TO ANY SINGLE OWNER OR TENANT CONSTITUTES NOTICE GIVEN TO ALL OWNERS OR TENANTS.

8.05.5 Other Information and Governing Documents. The Association may from time to time by written request require any Owner or tenant to provide, confirm, verify and update any information covered by this Section 8.05 and/or by Section 8.06, or to provide other information or documentation relevant to the functions of the Association by submission of such information and documentation as the Association may reasonably require.

SECTION 8.06 Contact/Other Information To and From Mortgagees. AS USED IN THIS SECTION, "MORTGAGE" MEANS AND REFERS TO ANY MORTGAGE, DEED OF TRUST AND ANY OTHER LIEN OR ENCUMBRANCE AGAINST A LOT, AND "MORTGAGEE" MEANS AND REFERS TO THE CURRENT HOLDER OF EACH MORTGAGE. Upon written request of the Association an Owner must provide to the Association a written statement setting forth the name, mailing address, telephone number, and if known or reasonably ascertainable, the facsimile number and email address of each mortgagee for each mortgage covering the Owner's Lot, and each insurer or guarantor thereof, and as to each such mortgage, insurer and guarantor, the nature of the loan or other encumbrance (such as purchase money loan, home equity loan or tax lien), and the account or similar identifying number or other designation applicable to the mortgage. The Association may at any time and from time to time provide to any mortgagee, or the insurer or guarantor of a mortgage, and upon receipt of written request of any mortgagee or the insurer or guarantor of a mortgage, the Association will provide to such mortgagee, insurer or guarantor, a statement of any unpaid assessments or other amounts payable to the Association and of any violations of the Governing Documents then known to the Association. If an Owner is delinquent in payment of assessments (regular, special or specific) to the Association, upon written request of the Association a mortgagee, or the insurer or guarantor of a mortgage, will provide the Association with information setting forth the status of such Owner's debt secured by the mortgage and other relevant information as set forth in the Association's request. EACH OWNER EXPRESSLY CONSENTS TO THE ASSOCIATION PROVIDING SUCH INFORMATION TO

A MORTGAGEE, INSURER OR GUARANTOR, AND TO A MORTGAGEE, INSURER OR GUARANTOR PROVIDING SUCH INFORMATION TO THE ASSOCIATION.

SECTION 8.07 Managing Agent. Declarant during the Development Period or the Board thereafter have the authority, from time to time and at any time, to retain, hire, employ or contract with any one or more Persons to provide management services to the Association, at the sole expense of the Association, including discharge of such functions and duties of the Association and/or the Board and/or the ACC as determined by the Board (any such Person herein referred to as a "Managing Agent"). Any Managing Agent will be retained, hired, employed or contracted for on such terms and conditions as the Declarant or the Board, as applicable, may determine.

SECTION 8.08 Conflicts In Governing Documents. In the event of any conflict in the Governing Documents which cannot be reasonably reconciled after application of rules of interpretation as provided herein or by law, this Declaration controls over any other Governing Documents, and all other Governing Documents control in the following order of priority: (i) Architectural Guidelines; (ii) Rules and Regulations; (iii) Board and Member resolutions; and (iv) all others.

SECTION 8.09 Construction.

8.09.1 Interpretation. The provisions of this Declaration are to be liberally construed and must be applied to give full effect to the purposes thereof. If this Declaration or any word, clause, sentence, paragraph, or other part thereof is susceptible to more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration and the scheme of development thereunder will govern. Whenever used, the singular number includes the plural and the plural includes the singular, and the use of any gender is applicable to all genders.

8.09.2 Severability. Wherever possible, each provision of this Declaration must be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person, particular circumstance or property is prohibited or held to be invalid, such prohibition or invalidity will not extend beyond such Person, particular circumstance or property and will not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

SECTION 8.10 Effective Date. This Declaration is effective from and after the date of filing of same in the Official Public Records of Real Property of McLennan County, Texas, subject to amendment in accordance with this Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Declaration to be effective as above stated.

[Signature page follows]

EXECUTED this 7 day of December, 2020.

SRO DEVELOPMENT LLC,
a Texas limited liability company,
"Declarant":

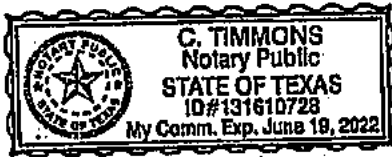
By: [Signature]
Print Name: _____
Print Title: [Signature]

DECLARANT'S ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF McLennan §

This instrument was acknowledged before me on the 7th day of December, 2020,
by Ryan Lindsey as president of SRO DEVELOPMENT LLC,
a Texas limited liability company, on behalf of the company.

[SEAL]



[Signature]
Notary Public, State of Texas
Print Notary Name: Timmons
My Commission Expires: 6-19-2022

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

FOR

CALLAN VILLAGE

**EXHIBIT "A": PROPERTY CONDITIONS AND OTHER
SUBDIVISION NOTICES, RELEASES AND INDEMNITIES**

A1.01 APPLICATION; DEFINITIONS. The provisions of this Exhibit "A" apply notwithstanding any other provisions of the Declaration or any other Governing Documents. In the event of any conflict between the Declaration or any other Governing Documents and this Exhibit "A", the provisions of this Exhibit "A" will control. In addition to the definitions contained in this Exhibit "A", if any, all definitions set forth in the Declaration (including Article II of and Exhibit "B" to the Declaration) are incorporated by reference herein. The provisions of this Exhibit "A" apply for the full term of the Declaration, including during and after the Development Period.

A2.01 NOTICES: THE NOTICES SET FORTH IN THIS EXHIBIT "A" ARE HEREBY GIVEN TO ALL PROSPECTIVE PURCHASERS, TO ALL OWNERS, TENANTS AND THEIR RELATED PARTIES AND TO ALL OTHER PERSONS ENTERING, OCCUPYING OR USING ANY PART OF THE SUBDIVISION, INCLUDING ANY LOT, OR SUBDIVISION FACILITIES.

A3.01 PROPERTY CONDITIONS AND OTHER MATTERS OF RECORD.

A3.01.1 DEVELOPMENT PERIOD. AS MORE PARTICULARLY DESCRIBED IN EXHIBIT "B" TO THE DECLARATION, THE CONDUCTING OF DEVELOPMENT ACTIVITIES WILL NECESSARILY RESULT IN THE CREATION AND ACCUMULATION OF DUST, CONSTRUCTION MATERIALS AND EQUIPMENT, TRASH AND OTHER DEBRIS, AND ADDITIONAL TRAFFIC, NOISE, VISUAL IMPACT, AND OTHER INCONVENIENCES, DISTURBANCES, ANNOYANCE AND VARIANCES FROM AVERAGE OR NORMAL CONDITIONS WITHIN THE SUBDIVISION. THESE MATTERS AND CONDITIONS WILL NECESSARILY EXIST AND CONTINUE FOR LONGER PERIODS OF TIME AS TO OWNERS, TENANTS AND OTHER OCCUPANTS WHO OCCUPY RESIDENCES EARLY IN THE DEVELOPMENT PERIOD.

A3.01.2 Disruptions Due to Maintenance, Operation or Use. Maintenance, operation and use of Subdivision Facilities in general, and as to reserves, recreational facilities or amenities, guest parking areas, and other areas which are open generally to owners, tenants and/or their Related Parties will necessarily result in additional traffic, noise, visual impact, and other inconveniences, disturbances, annoyance and variances from average or normal conditions within the Subdivision.

A3.01.3 Areas Outside Subdivision. Declarant, the Association and their Related Parties have little or no control over the development, use, occupancy, appearance or any other

conditions regarding any properties adjacent to or within the vicinity of the Subdivision, and have no duties or responsibilities whatsoever regarding the same.

A3.01.4 Environmental Conditions. Environmental conditions may exist within and/or emanate from Subdivision Facilities and/or other areas within or in the vicinity of the Subdivision which may or could affect health, safety or other qualities of life. Declarant, the Association and their Related Parties have no duties or responsibilities whatsoever regarding any of the foregoing. An Owner may mitigate (or consent to mitigation) as to the Owner's Lot and at the Owner's sole cost and expense environmental conditions which are or may become a concern to the Owner, any tenant or any other occupants provided that such mitigation does not damage or interfere with another Lot or the Subdivision Facilities and does not adversely affect Prevailing Community Standards, and subject in all cases to applicable provisions of ARTICLE IV of the Declaration regarding ACC review and approval.

A3.01.5 Intentionally Omitted.

A3.01.6 Other Restrictions. In addition to and without limitation of any provisions of this Declaration or other Governing Documents, each Lot and the Subdivision are subject to and each Owner, tenant and occupant covenants and agrees to comply with all applicable provisions of all Plats, common area agreements, property access easements or agreements, no build restrictions, and any and all other valid and enforceable covenants, conditions, restrictions, easements and all other matters of record, as amended, as heretofore or hereafter established as to the Subdivision and/or as to any Lot or any other properties contained therein.

A4.01 RELEASE AND INDEMNITY: BY ACQUISITION OF ANY RIGHT, TITLE OR INTEREST IN AND/OR BY OCCUPANCY OF ANY LOT WITHIN THE SUBDIVISION, INCLUDING ANY LOT WHICH IS ADJACENT TO OR IN THE VICINITY OF ANY SUBDIVISION FACILITIES OR UPON WHICH ANY SUBDIVISION FACILITIES ARE LOCATED, AND/OR BY ENTRY IN TO OR USAGE OF ANY SUBDIVISION FACILITIES, EACH OWNER, TENANT AND THEIR RELATED PARTIES, AND EACH OCCUPANT AND ALL OTHER PERSONS, ACKNOWLEDGE, CONSENT TO AND ACCEPT ALL PROPERTY CONDITIONS, RESTRICTIONS AND OTHER MATTERS OF RECORD AND ALL OTHER MATTERS AND CONDITIONS AS DESCRIBED OR REFERENCED IN THIS EXHIBIT "A" AND FULLY WAIVES AND RELEASES AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS DECLARANT, ALL DEVELOPMENT PERSONNEL, THE ASSOCIATION AND THEIR RELATED PARTIES FROM ANY AND ALL CLAIMS AND LIABILITIES OF ANY KIND WHATSOEVER AS TO ALL SUCH MATTERS AND CONDITIONED, INCLUDING WITHOUT LIMITATION WITH REGARD TO ANY ENVIRONMENTAL, HEALTH OR SAFETY ISSUES. ABSENT INTENTIONAL AND WILLFUL MISCONDUCT, DECLARANT, ITS RELATED PARTIES AND ALL OTHER DEVELOPMENT PERSONNEL (INCLUDING AS TO ANY AUTHORIZED BUILDER) ARE NOT LIABLE TO ANY OWNER, TENANT OR ANY OTHER OCCUPANT, OR TO THE ASSOCIATION OR ACC, OR TO ANY RELATED PARTIES OF ANY OF THE FOREGOING, OR TO ANY OTHER PERSON FOR ANY CONSEQUENCES OF THE CONDUCTING OF ANY DEVELOPMENT ACTIVITIES.

A5.01 PROVISIONS NOT EXCLUSIVE. THE PROPERTY CONDITIONS AND OTHER MATTERS AND NOTICES AS SET FORTH IN THIS EXHIBIT "A" ARE NOT EXCLUSIVE OR EXHAUSTIVE, AND ARE CUMULATIVE AS TO ALL OTHER APPLICABLE PROVISIONS OF THE DECLARATION, INCLUDING EXHIBIT "B" THERETO, AND OF ALL OTHER GOVERNING DOCUMENTS. THERE MAY BE OTHER CONDITIONS WITHIN OR WITHIN THE VICINITY OF THE SUBDIVISION AND OTHER MATTERS WHICH MAY AFFECT THE SUBDIVISION WHICH ARE NOT SUITABLE FOR PARTICULAR PERSONS. IT IS THE SOLE RESPONSIBILITY OF EACH PROSPECTIVE PURCHASER, OWNER, TENANT AND OTHER OCCUPANT TO INDEPENDENTLY INVESTIGATE AND VERIFY THE PRESENCE OR ABSENCE OF ANY SUCH CONDITIONS OR MATTERS.

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

FOR

CALLAN VILLAGE

EXHIBIT "B": DEVELOPMENT PERIOD

B1.01 Application. Notwithstanding any other provisions of the Declaration or any other Governing Documents to the contrary, the provisions of this Exhibit "B" apply during the Development Period (and thereafter as herein provided). In the event of any conflict between the Declaration or any other Governing Documents and this Exhibit "B", the provisions of this Exhibit "B" will control.

B2.01 Declarant Rights; Declarant Control Period; Architectural Control; Builder Approval.

B2.01.1 Declarant Rights. Notwithstanding any other provisions of the Declaration or any other Governing Documents, during the Development Period (and thereafter as applicable) Declarant is fully authorized to exercise all Declarant rights and authority as provided in or permitted by the Declaration, including this Exhibit "B", and all other applicable Governing Documents, independently and unilaterally, and without the joinder, vote or consent of the Board, the ACC, any other Owner or any other Person.

B2.01.2 Declarant Control Period.

(a) **Appointment of Directors, Officers and ACC Members**. Until the Declarant Control Transfer Date as provided in Section B5.01 of this Exhibit "B" to the Declaration, Declarant has exclusive authority to appoint, reappoint, elect, remove or replace any and all members of, and to otherwise fill any and all vacancy as to, the Board, the ACC (including any designated representative of the ACC) and any officers of the Association. Any provisions of the Declaration or any other Governing Documents which are inconsistent with or contrary to the foregoing, including any provisions regarding qualifications for members of the Board, the ACC or of any officers, are hereby specifically declared inapplicable regarding any such Directors, ACC members or officers who are appointed, reappointed, elected, removed or replaced by Declarant.

(b) **Board Meetings and Action**. Except as otherwise required by Section 209.0051 (l) of the Texas Property Code, and until the Declarant Control Transfer Date as provided in Section B5.01 of this Exhibit "B" to the Declaration, the Board may meet and act in any manner permitted by the Declarant, including this Exhibit "B" to the Declaration, or the Texas Business Organizations Code. The foregoing applies, without limitation to holding of any meetings of the Board, the taking of any vote or action by the Board or the taking of any action by written consent without a meeting, and in any such case without notice to, and without the joinder, vote or consent of any Owner or any other Person except as otherwise expressly required by law.

B2.01.3 Declarant As Member. Declarant is deemed to be a Member of the Association for all purposes during the Development Period whether or not Declarant continues to own any Lot.

B2.01.4 Declarant's ACC Exemption and Authority. DECLARANT IS NOT REQUIRED TO OBTAIN ACC APPROVAL OR OTHERWISE COMPLY WITH ANY PROVISIONS OF ARTICLE IV OF THE DECLARATION UNTIL COMPLETION OF THE INITIAL SALE OF ALL LOTS WITHIN THE SUBDIVISION, WHETHER OR NOT THE INITIAL SALE OCCURS DURING OR AFTER THE DEVELOPMENT PERIOD. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DECLARANT ALSO HEREBY RESERVES AND RETAINS FULL AND EXCLUSIVE AUTHORITY OF THE ACC AS TO EACH LOT AND ANY OTHER PROPERTIES OWNED BY DECLARANT OR AN AUTHORIZED BUILDER, AND THE RIGHT TO ENGAGE IN (AND TO AUTHORIZE ANY AUTHORIZED BUILDER AND ANY DEVELOPMENT PERSONNEL TO ENGAGE IN) ANY AND ALL DEVELOPMENT ACTIVITIES (AS DEFINED IN SECTION B8.01 HEREOF) REGARDING THE SAME, UNTIL COMPLETION OF THE INITIAL SALE OF ALL LOTS WITHIN THE SUBDIVISION (INCLUDING ALL ADDITIONAL PROPERTY ANNEXED INTO THE SUBDIVISION AS PROVIDED FOR HEREIN), WHETHER OR NOT COMPLETION OF THE INITIAL SALE OCCURS DURING OR AFTER THE DEVELOPMENT PERIOD. DECLARANT'S AUTHORITY INCLUDES WITHOUT LIMITATION THE RIGHT TO ASSESS (ON A CASE BY CASE BASIS AND WITHOUT FORMAL ADOPTION OF ARCHITECTURAL GUIDELINES) AND TO RECEIVE PAYMENT OF ARCHITECTURAL REVIEW FEES AS AUTHORIZED BY SECTION 4.02 OF THE DECLARATION.

B2.01.5 Approval of Builder ("Authorized Builder") By Declarant Required.

(a) During the Development Period no builders are permitted to construct any residence or appurtenant improvements upon any Lot or otherwise conduct any Development Activities (as defined in Section B8.01 hereof) within the Subdivision other than those builders (if any, and whether one or more) which have been approved in advance in writing by Declarant (said approved builder or builders sometimes herein referred to as an "Authorized Builder"). Notwithstanding designation of a builder as an Authorized Builder, Declarant expressly reserves the right from time to time and at any time to regulate the activities of any Authorized Builder, and to limit, modify or remove any rights of an Authorized Builder which may otherwise be granted pursuant to the Declaration. Declarant's approval of any builder does not pass to any successor builder, and may not be otherwise transferred or assigned. Declarant's right to approve (or disapprove) any builder during the Development Period may be assigned only to another "Declarant" as so designated in accordance with applicable provisions of the Declaration. Notwithstanding the foregoing, Declarant's approval of an Authorized Builder is not a representation or warranty with regard to any aspect of such Authorized Builder, including but not limited to the business practices, quality of construction, etc., and Declarant hereby disclaims and makes no representation or warranty concerning the Authorized Builder, and each Owner hereby acknowledges and agrees that it shall be each Owner's responsibility to investigate the Authorized Builder and to satisfy itself that said Authorized Builder is suitable for Owner.

(b) Intentionally Omitted.

B2.01.6 "Completion of the Initial Sale" of Lot Defined. As used in the Declaration, including this Exhibit "B", and as to each Lot, "completion of the initial sale" means and occurs upon the sale of the Lot to a Person other than Declarant for use and occupancy of the Lot for a single family residence.

B3.01 Declarant Authority and Exemption as to Assessments.

B3.01.1 DURING THE DEVELOPMENT PERIOD DECLARANT IS ENTITLED TO ESTABLISH ALL ASSOCIATION BUDGETS AND TO SET AND CHANGE THE RATE OF ANY REGULAR ASSESSMENTS AND/OR TO IMPOSE SPECIAL ASSESSMENTS AND/OR TO SET OR IMPOSE SPECIFIC ASSESSMENTS WITHOUT THE JOINDER, VOTE OR CONSENT OF THE BOARD, ANY OWNER OR ANY OTHER PERSON, AND WITHOUT FURTHER FORMALITY THAN GIVING OF NOTICE THEREOF TO THE EXTENT NOTICE BY THE ASSOCIATION WOULD OTHERWISE BE REQUIRED BY THE DECLARATION. DURING THE DEVELOPMENT PERIOD DECLARANT WILL ONLY BUDGET FOR SUCH OPERATING EXPENSES OF THE ASSOCIATION AS DECLARANT DEEMS TO BE ESSENTIAL TO THE OPERATION OF THE ASSOCIATION, AND DECLARANT'S DETERMINATIONS AS TO SAME (AND AS TO ANY OTHER MATTERS PERTAINING TO THE PROVISIONS OF THIS SECTION B3.01) ARE FINAL. IN ADDITION TO AND NOT IN LIMITATION OF THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DURING THE DEVELOPMENT PERIOD DECLARANT IS NOT REQUIRED TO BUDGET FOR OR TO OTHERWISE COLLECT ANY FUNDS FOR PAYMENT OF ANY CAPITAL EXPENDITURES (DETERMINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES), OR FOR PAYMENT TO OR FUNDING OF ANY CAPITAL, CONTINGENCY OR OTHER RESERVES.

B3.01.2 NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DECLARANT IS EXEMPT FROM PAYMENT OF ANY ASSESSMENTS, ANNUAL, SPECIAL OR SPECIFIC (INCLUDING NEIGHBORHOOD ASSESSMENTS). DURING THE DEVELOPMENT PERIOD DECLARANT MAY, BUT SHALL HAVE NO OBLIGATION TO, IN ITS SOLE AND ABSOLUTE DISCRETION, ALSO EXEMPT ANY AUTHORIZED BUILDER (AS DEFINED IN SECTION B2.01) FROM PAYMENT OF REGULAR, SPECIAL OR SPECIFIC ASSESSMENTS AS AFORESAID, IN WHOLE OR IN PART. IN THE EVENT OF RE-AQUISITION OF OWNERSHIP OF ANY LOT BY DECLARANT, THE AFORESAID EXEMPTION AS TO PAYMENT OF ASSESSMENTS WILL AGAIN APPLY IN ACCORDANCE WITH THIS SECTION. The forgoing also applies to any Lot used by Declarant for a model residence or other development, marketing or sales purposes regardless of whether record title remains in Declarant (such as, for example but without limitation, in the case of the sale of a resident to an Owner and lease back to Declarant for use as a model). In such cases, completion of the initial sale as provided in Section B2.01 will not be deemed to have occurred until the first day of the month following termination of any such use of the Lot by Declarant.

B3.01.3 In lieu of payment of assessments, Declarant will pay or contribute to the Association during the Development Period an amount, if any, equal to the Actual Operating

Expenses of the Association less all funds available to the Association regardless of source and regardless of any principles of accrual or other accounting which might otherwise be applicable; **PROVIDED, DECLARANT WILL NEVER BE REQUIRED EITHER DURING OR AFTER THE DEVELOPMENT PERIOD TO PAY OR OTHERWISE CONTRIBUTE MORE THAN AN AMOUNT EQUAL TO ONE-FOURTH OF THE AMOUNT OF REGULAR ANNUAL ASSESSMENTS WHICH WOULD OTHERWISE BE PAYABLE BY DECLARANT AS A NON-DECLARANT OWNER OF ONE OR MORE LOTS.** "Funds available to the Association" includes, without limitation, all assessments received from all other Owners subject to payment of assessments plus all other income received by the Association from any source (such as, for example, interest income). "Actual Operating Expenses" means only those expenses reasonably necessary during the Development Period for the discharge of the Association's functions and duties under the Declaration, and does not include payment of or funding for any capital expenditures (determined in accordance with generally accepted accounting principles), or any capital, contingency or other reserves, or any prepaid items, inventory or similar expenses attributable to periods after expiration or termination of the Development Period. Declarant will contribute to the Maintenance Fund as aforesaid from time to time as Declarant may determine.

B3.01.4 Notwithstanding anything to the contrary herein, Declarant may pay any deficit funding as above provided in services or materials or a combination of services and materials rather than in money (herein collectively called "in kind payment"). The amount of any in kind payment will be the fair market value of the in kind payment.

B3.01.5 DECLARANT MAY DEMAND AND RECEIVE REIMBURSEMENT BY THE ASSOCIATION FROM, OR MAY OTHERWISE RECEIVE REIMBURSEMENT OUT OF, ANY SURPLUS FUNDS OF THE ASSOCIATION FOR ANY AND ALL DECLARANT CONTRIBUTIONS MADE BY DECLARANT DURING THE DEVELOPMENT PERIOD. "SURPLUS FUNDS" MEANS ALL FUNDS AVAILABLE TO THE ASSOCIATION AFTER PAYMENT OF ACTUAL OPERATING EXPENSES. "DECLARANT CONTRIBUTIONS" MEANS ALL DEFICIT FUNDING OR OTHER SUBSIDY PAYMENTS BY DECLARANT, ANY OTHER MONIES PAID BY DECLARANT ON BEHALF OF OR FOR THE BENEFIT OF THE ASSOCIATION AND/OR THE SUBDIVISION, INCLUDING WITHOUT LIMITATION ALL AD VALOREM TAXES AND OTHER ASSESSMENTS IN THE NATURE OF PROPERTY TAXES PAID FOR OR FAIRLY ALLOCABLE TO ANY SUBDIVISION FACILITIES, AND ALL IN KIND PAYMENTS, IF ANY. DECLARANT MAY DEMAND AND RECEIVE REIMBURSEMENT AS AFORESAID FROM TIME TO TIME AND AT ANY TIME EITHER DURING OR WITHIN ONE YEAR AFTER THE EXPIRATION OR TERMINATION OF THE DEVELOPMENT PERIOD UNTIL DECLARANT HAS RECEIVED REIMBURSEMENT FOR ALL DECLARANT CONTRIBUTIONS. ANY REIMBURSEMENT WILL BE DUE AND PAYABLE WITHIN THIRTY DAYS AFTER DEMAND OR SUCH LONGER PERIOD AS MAY BE STATED IN THE DEMAND. REIMBURSEMENT MAY ALSO BE MADE BY THE ASSOCIATION IN INSTALLMENTS PURSUANT TO ONE OR MORE PROMISSORY NOTES OR OTHER REIMBURSEMENT AGREEMENTS. IN SUCH CASE THE INSTALLMENT PAYMENTS MAY EXTEND FOR SUCH PERIOD OF TIME AS IS REQUIRED FOR REIMBURSEMENT, NOT TO EXCEED FOUR YEARS AFTER THE EXPIRATION OR TERMINATION OF THE DEVELOPMENT PERIOD, AND THE PAYMENTS TO BE SO MADE MUST BE INCLUDED IN THE ASSOCIATION'S BUDGET OR BUDGETS UNTIL REPAYMENT IS COMPLETED.

REIMBURSEMENT WILL BE WITHOUT INTEREST IF PAID WITHIN THIRTY DAYS OR SUCH LONGER PERIOD AS STATED IN THE DEMAND, OR AS PROVIDED IN ANY APPLICABLE PROMISSORY NOTE OR AGREEMENT, OR AS OTHERWISE AGREED BY DECLARANT. THEREAFTER, INTEREST WILL ACCRUE AT THE RATE OF EIGHTEEN PERCENT (18%) PER ANNUM OR THE HIGHEST RATE ALLOWED BY LAW, WHICHEVER IS LESS.

B3.01.6 DECLARANT'S GOOD FAITH DETERMINATION OF ACTUAL OPERATING EXPENSES, SURPLUS FUNDS, DECLARANT CONTRIBUTIONS AND ANY OTHER MATTERS PERTAINING TO THE PROVISIONS OF THIS SECTION ARE FINAL.

B4.01 Meetings of Owners; Election of "Owner Directors".

B4.01.1 Annual and Other Meetings. The provisions of this Section B4.01.1 apply to any meeting of Owners until the Declarant Control Transfer Date as defined in Section B5.01.1. Within one year following completion of the initial sale of the first Lot in the Subdivision and annually thereafter, the Board of Directors must call an annual meeting of the Members of the Association. Declarant or the Board may call such other meetings of Owners as determined by either. Until the Declarant Control Transfer Date, each meeting other than the "First Annual Election Meeting of Owners" (as hereafter defined and provided) will be primarily informational in nature. Declarant will set the place, time and date of each meeting of Owners (the "Meeting Date"), and notice thereof must be given to all Owners. Except as hereafter provided regarding the First Annual Election Meeting of Owners, Declarant or the Board will appoint the chairperson for each meeting. The chairperson for each meeting will appoint a secretary for the meeting, and will otherwise determine procedures for and conduct the meeting. The chairperson or secretary may be personnel of Declarant or of the Association's Managing Agent. All costs to call, notice and conduct any meeting of Owners, including the First Annual Election Meeting of Owners, will be paid from the Maintenance Fund.

B4.01.2 Election of Owner Directors.

(a) Owners will elect a Director or Directors ("Owner Director(s)") as hereafter provided. Until the Declarant Control Transfer Date, the Association will be managed by a Board of three Directors. Thereafter, the number of Directors may be changed as provided in the Association's Bylaws. Except as herein provided, Declarant has sole authority to appoint all Directors, and has sole authority to from time to time and at any time remove and replace any Director until the Declarant Control Transfer Date as defined in Section B5.01.1.

(b) Intentionally Omitted.

(c) Declarant will call the first meeting of Owners for election of all members of the Board of Directors (the "First Annual Election Meeting") within 120 days after termination or expiration of the Development Period, or such earlier date as determined by Declarant. The sole purpose of the First Annual Election Meeting is to conduct the election of all members of the Board of Directors by Owners unless otherwise permitted by Declarant in writing.

(d) Declarant will set the place, the time and the date of the First Annual Election Meeting and notice thereof must be given to all Owners. Declarant may appoint any

persons to act as a chairperson and secretary for the First Annual Election Meeting, or, if Declarant does not do so, then the Owners must elect the chairperson and/or secretary, as applicable, for the meeting as the first order of business of the meeting. The First Annual Election Meeting of Owners will be otherwise conducted as provided in the Declaration and in the Bylaws of the Association, and Declarant need not attend the meeting.

(e) If one or more but less than all Owner Directors are elected at the First Annual Election Meeting of Owners, then the Owner Director(s) who have been elected, through less than a quorum, may appoint as many Owner Directors as needed to fill all remaining directorship positions. If no Owner Director is elected at the First Annual Election Meeting of Owners, then at any time until the expiration of 120 days after the Meeting Date of the First Annual Election Meeting, Declarant may appoint one Owner Director who may in turn appoint all remaining Owner Directors. If no Owner Director is elected or appointed as aforesaid, then after expiration of the aforesaid 120-day period any Owner may call, notice and conduct an alternate First Annual Election Meeting of Owners for the sole purpose of electing Owner Directors.

B4.01.3 FAILURE TO ELECT/APPOINT OWNER DIRECTORS. IF THE OWNERS FAIL TO ELECT AND NOTIFY DECLARANT AS HEREIN PROVIDED AND DECLARANT DOES NOT APPOINT AT LEAST ONE OWNER DIRECTOR NOT LATER THAN TWO YEARS PLUS ONE DAY AFTER THE FIRST ANNUAL ELECTION MEETING DATE, THEN ALL FUNDS REMAINING IN THE MAINTENANCE FUND, IF ANY, WILL BE DEEMED ABANDONED AND EXCLUSIVE OWNERSHIP THEREOF WILL BE AUTOMATICALLY TRANSFERRED TO DECLARANT, AND (ii) ANY BOOKS AND RECORDS OF THE ASSOCIATION OR ACC IN THE POSSESSION OR CONTROL OF DECLARANT OR DECLARANT'S RELATED PARTIES MAY BE STORED AT THE EXPENSE OF THE ASSOCIATION AND MAY THEREAFTER BE DESTROYED IN ACCORDANCE WITH THE ASSOCIATION'S DOCUMENTS RETENTION POLICY IN EFFECT AS OF THE FIRST ANNUAL ELECTION MEETING DATE.

B5.01 Transfer of Declarant Control: Effect.

B5.01.1 DATE OF TRANSFER OF DECLARANT CONTROL. THE DATE OF TRANSFER OF DECLARANT CONTROL REGARDING APPOINTMENT, REMOVAL OR REPLACEMENT OF DIRECTORS, ACC MEMBERS AND ASSOCIATION OFFICERS (THE "DECLARANT CONTROL TRANSFER DATE") IS THE DATE OF OCCURRENCE OF THE EARLIER OF (i) ELECTION BY OWNERS OR APPOINTMENT BY DECLARANT OF AT LEAST ONE OWNER DIRECTOR AT THE FIRST ANNUAL ELECTION MEETING OR THEREAFTER AS HEREIN PROVIDED, OR (ii) 120 DAYS AFTER THE FIRST ANNUAL ELECTION MEETING DATE.

B5.01.2 EFFECT OF TRANSFER OF DECLARANT CONTROL. ON THE DECLARANT CONTROL TRANSFER DATE (i) ALL OFFICERS, DIRECTORS AND/OR ACC MEMBERS THERETOFORE APPOINTED OR ELECTED BY DECLARANT (OTHER THAN ANY OWNER DIRECTOR) ARE AUTOMATICALLY REMOVED FROM OFFICE AND FULLY RELIEVED THEREAFTER FROM ANY FURTHER RIGHTS, DUTIES, LIABILITIES AND RESPONSIBILITIES REGARDING THE ASSOCIATION, THE ACC OR THE SUBDIVISION, AND THE ASSOCIATION AND ITS MEMBERS BECOME WHOLLY

AND SOLELY RESPONSIBLE FOR THE MANAGEMENT, MAINTENANCE AND OPERATION OF THE ASSOCIATION AND ACC, AND OF THE SUBDIVISION, INCLUDING WITHOUT LIMITATION FULL AND SOLE ASSUMPTION BY THE ASSOCIATION OF ALL MAINTENANCE RESPONSIBILITIES OF THE ASSOCIATION. TRANSFER OF DECLARANT CONTROL AS PROVIDED IN THIS SECTION OR OTHERWISE DOES NOT TERMINATE THE DEVELOPMENT PERIOD. THE DEVELOPMENT PERIOD WILL TERMINATE, IN WHOLE OR IN PART, ONLY AS EXPRESSLY PROVIDED IN THE DECLARATION.

B5.01.3 Required Notices to Declarant. Until expiration of two years following the Declarant Control Transfer Date, Declarant must be (i) provided with true and correct copies of any and all notices given to Owners or Members and all other documents provided with each notice at the same time each notice and/or other document is given to Owners or Members, and (ii) given written notice of the name, mailing address, and, as applicable, the home, work and facsimile telephone numbers, and the email address of each Owner Director who is elected or appointed by Owners or by Owner Directors within ten days after any applicable election or appointment.

B6.01 Subdivision Facilities: Landscaping.

B6.01.1 REGARDLESS OF DESIGNATION BY ANY PLAT, OR IN THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS OR OTHERWISE, DURING THE DEVELOPMENT PERIOD DECLARANT MAY AT ANY TIME AND FROM TIME TO TIME (i) DESIGNATE, CONSTRUCT, OR EXPAND SUBDIVISION FACILITIES, AND (ii) MODIFY, ELIMINATE, DISCONTINUE, RECONFIGURE, REDESIGN, REDESIGNATE OR IN ANY OTHER MANNER CHANGE THE SUBDIVISION FACILITIES. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT SPECIFICALLY RESERVES THE RIGHT AT ANY TIME DURING THE DEVELOPMENT PERIOD TO SELL OR OTHERWISE DISPOSE OF ANY "RESERVES" AND ANY OTHER SIMILAR AREAS, REGARDLESS OF DESIGNATION OF ANY SUCH AREA BY ANY PLAT OR OTHERWISE AS "RESTRICTED", "UNRESTRICTED", "COMPENSATING OPEN SPACE" OR OTHER DESIGNATION. NEITHER THE FOREGOING NOR ANY OTHER PROVISIONS HEREOF MAY BE CONSTRUED AS IN ANY MANNER CONSTITUTING ANY REPRESENTATION, WARRANTY OR IMPLICATION WHATSOEVER THAT DECLARANT OR ANY BUILDER WILL UNDERTAKE ANY SUCH DESIGNATION, CONSTRUCTION, MAINTENANCE, EXPANSION, IMPROVEMENT OR REPAIR, OR IF AT ANY TIME OR FROM TIME TO TIME UNDERTAKEN, THAT ANY SUCH ACTIVITIES WILL CONTINUE, AND ANY SUCH REPRESENTATION, WARRANTY OR IMPLICATION IS HEREBY SPECIFICALLY DISCLAIMED.

B6.01.2 During the Development Period Declarant may provide and construct such Subdivision Facilities as Declarant may desire. Once provided or constructed, and for so long as the same remain as part of the Subdivision Facilities, all costs and expenses of the operation, management, maintenance, repair and replacement of Subdivision Facilities, including all costs and expenses of insurance thereon and all ad valorem taxes and other assessments in the nature of property taxes covering or fairly allocable thereto, will be paid by the Association (either directly or by reimbursement to Declarant), regardless of whether or not title has been transferred or conveyed to the Association and regardless of whether or not any applicable contract, agreement

or other arrangement for operation, management, maintenance, repair or replacement is in the name of, is procured through or has been transferred or assigned to the Association. The Association will also pay as aforesaid all costs and expenses, regardless of type and including procurement, as to service type Subdivision Facilities such as any patrol, or any garbage or recycling services

B6.01.3 During the Development Period Declarant may obtain water, electrical and other utilities, facilities or services on behalf of the Owners and/or the Association for the benefit of the Subdivision. In connection therewith, Declarant may also install meters and other devices, including without limitation electrical and telephone services for gates, if any, and may obtain water, electric or other services and establish accounts as to any of the same in the name of Declarant. All such utilities, facilities and services are part of the Subdivision Facilities and must be maintained as such. Declarant may transfer any such utilities, facilities or services to the Association or request that the Association do so at any time. Any request for transfer may be made in the notice requesting the Owners call and conduct the First Annual Election Meeting of Owners as provided in Section B4.01 hereof. All such transfers must be made at the sole costs of the Association and/or all Owners other than Declarant. Any deposits, advance payments or similar fees paid by Declarant as to any such utilities, facilities or other services must be refunded to Declarant, either directly or by reimbursement, and the aforesaid costs of transfer must include any deposits, advance payments and similar fees required for continuation of the applicable utilities, facilities or other services. All transfers as requested by Declarant in any notice, including as contained in any request that the Owners call and conduct the First Annual Election Meeting of Owners, must be completed within sixty days after the date of the notice, failing which Declarant may terminate any applicable utilities, facilities or other services, without further notice to the Association, any Owner or any other Person, and obtain or retain any applicable refunds of deposits, advance payments or similar fees. The provisions of this Section B6.01.3 are cumulative of, and without limitation as to, all other applicable provisions of the Declaration and other Governing Documents.

B6.01.4 Without limitation of any other provisions hereof, it is expressly stipulated and agreed that Declarant does not represent, guarantee or warrant the viability, vitality, type, quality, quantity or continued existence, maintenance or replacement of any landscaping within or in the vicinity of the Subdivision, and no Owner or any other Person will ever have any claim whatsoever against Declarant or Declarant's Related Parties regarding, directly or indirectly, any landscaping. The foregoing applies to any and all landscaping, whether natural or pre-existing prior to initiation of any Development Activities (as hereafter defined), whether planted or otherwise maintained as part of Development Activities, and as to any change, removal or other modification of any landscaping. Once planted or otherwise provided, all costs and expenses of maintenance, replacement and/or removal of, and all risk of loss as to, all landscaping within any Subdivision Facilities or which is otherwise maintained by the Association will be the sole responsibility of the Association, subject to Declarant's rights under this Section B6.01 and this Exhibit "B".

B6.01.5 Declarant may transfer, convey or assign any or all Subdivision Facilities to the Association during the Development Period, and must do so within a reasonable time after termination of the Development Period. The Association is obligated to accept any conveyance and any other transfer of ownership of any Subdivision Facilities (as so designated by Declarant

during the Development Period), regardless of whether the conveyance or other transfer occurs during or after the Development Period. The Association's acceptance as aforesaid is conclusively established upon filing of the applicable instrument of conveyance or other transfer in the Official Public Records of Real Property of McLennan County, Texas, or as of the date of delivery of said instrument to the Association.

B6.01.6 ANY RIGHT, TITLE OR INTEREST TO ALL SUBDIVISION FACILITIES, REAL OR PERSONAL, WILL BE TRANSFERRED, CONVEYED OR ASSIGNED TO THE ASSOCIATION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, WITHOUT ISSUANCE OF ANY TITLE INSURANCE OR POLICY, AND, EXCEPT FOR SPECIAL WARRANTY OF TITLE BY, THROUGH OR UNDER DECLARANT, BUT NOT OTHERWISE, WITHOUT ANY COVENANT, WARRANTY, GUARANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, WHETHER COMMON LAW OR STATUTORY, INCLUDING SPECIFICALLY WITHOUT LIMITATION, ANY STATUTORY WARRANTY OF SECTION 5.023 OF THE TEXAS PROPERTY CODE AS NOW OR HEREAFTER AMENDED, AND WITHOUT ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW. THE FOREGOING EXCLUSIONS OF ANY COVENANT, WARRANTY, GUARANTY OR REPRESENTATION INCLUDE, BUT ARE NOT LIMITED TO, (i) ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; (ii) THE SOIL CONDITIONS, DRAINAGE, TOPOGRAPHICAL FEATURES OR CONDITIONS AT OR WHICH AFFECT THE PROPERTY; (iii) ANY FEATURES OR CONDITIONS AT OR WHICH AFFECT THE PROPERTY WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL, OR OTHERWISE; (iv) THE AREA, SIZE, SHAPE, CONFIGURATION, LOCATION, CAPACITY, QUANTITY, QUALITY, VALUE, CONDITION, OR AMOUNT OF THE PROPERTY; (v) ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF THE PROPERTY; (vi) ANY ENVIRONMENTAL, GEOLOGICAL, STRUCTURAL, OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF HERETOFORE, NOW, OR HEREAFTER AFFECTING IN ANY MANNER ANY PART OF THE PROPERTY; (vii) ANY CONSEQUENCES RESULTING FROM THE PROPERTY BEING LOCATED IN ANY AREA (A) DESIGNATED AS A "FLOOD PLAIN" AND/OR (B) THAT IS CAPABLE OF RECEIVING FLOOD WATERS; AND (viii) ALL OTHER EXPRESS OR IMPLIED WARRANTIES AND REPRESENTATIONS WHATSOEVER, EXCEPT SOLELY THE SPECIAL WARRANTY OF TITLE AS AFORESAID.

B7.01 Easements.

B7.01.1 Declarant and any Authorized Builder as so designated by Declarant, and their agents or employees (including any contractor or subcontractor) are entitled during the Development Period to use and exercise all easements set forth in the Declaration for, and Declarant may grant or exercise such additional easements for ingress, egress and usage as is reasonably necessary for, construction of single family residences, providing and development of utilities, Subdivision Facilities and any and all other Development Activities (as hereafter defined).

B7.01.2 In addition to the general easement as provided in the proceeding subsection, until completion of the initial sale (as defined in Section B2.01 hereof) of all Lots, Declarant and any Authorized Builder will have a temporary construction easement upon, under, over, across and above each Lot and all Subdivision Facilities for purposes of installation, construction and completion of the residence, garage and any other structures or improvements upon any adjacent Lot or Subdivision Facilities and the conducting of any other Development Activities (as hereafter defined) in relation thereto, provided that this easement will not extend in any manner to the interior of any residence or garage and may not be utilized in such manner as to block ingress or egress as to the same, and provided further that Declarant or any Authorized Builder utilizing this easement must restore any parts of the Lot or Subdivision Facilities affected by such usage to as nearly as practicable the same condition it was prior to such usage promptly upon completion of such usage.

B8.01 Development Activities, Including Notices and Releases.

B8.01.1 Declarant, Declarant's Related Parties, any Authorized Builder, and the constructors, sub-contractors, suppliers, vendors, sales agents, realtors and all other related personnel of Declarant or an Authorized Builder (all such Persons sometime herein referred to as "Development Personnel") have the right to transact any business and conduct any activities reasonably necessary for all construction within, and all development of, the Subdivision, and for the sale or rental of Lots and single family residences and any other improvements to be constructed within the Subdivision. All such construction, development, sales and all related business and activities, including without limitation as set forth in this Section B8.01, are herein referred to as "Development Activities." **WITHOUT LIMITATION OF ANY OTHER PROVISIONS HEREOF, IT IS EXPRESSLY STIPULATED AND AGREED THAT DECLARANT DOES NOT REPRESENT, WARRANT OR GUARANTEE ANY SPECIFIC PERIOD OF TIME OR DATE DURING OR BY WHICH ANY AMENITIES WILL BE PROVIDED, INSTALLED, OPERATIONAL OR COMPLETED, OR BY WHICH CONSTRUCTION OF ANY RESIDENCES AND RELATED IMPROVEMENTS WILL COMMENCE OR BE COMPLETED, OR BY WHICH ANY OTHER DEVELOPMENT ACTIVITIES WILL COMMENCE OR BE COMPLETED. EXCEPT AS HEREIN EXPRESSLY STATED, BUT OTHERWISE WITHOUT LIMITATION OF ANY OTHER PROVISIONS HEREOF, INCLUDING AS PROVIDED IN SECTION B2.01.4, ALL RIGHTS OF ANY AND ALL DEVELOPMENT PERSONNEL TO CONDUCT ANY AND ALL DEVELOPMENT ACTIVITIES EXTEND TO EACH LOT AND ANY OTHER PROPERTIES OWNED BY DECLARANT OR AN AUTHORIZED BUILDER UNTIL COMPLETION OF THE INITIAL SALE OF ALL LOTS WITHIN THE SUBDIVISION, WHETHER OR NOT COMPLETION OF THE INITIAL SALE OCCURS DURING OR AFTER THE DEVELOPMENT PERIOD.**

B8.01.2 Declarant (and any Authorized Builder, upon the written approval of the Declarant), have the right to maintain models, to have, place and maintain sales and promotional signs, flags, banners and similar promotional devices within the Subdivision, to conduct from time to time an "open house" and similar events for realtors and other persons which may include without limitation leaving limited access gates (if any) open as hereafter provided, and to use for development, sales and/or promotional purposes all or any part of any Lot, including residence or other improvements located thereon, or the Subdivision Facilities, which are owned by Declarant, the Association or an Authorized Builder.

B8.01.3 IF AND TO THE EXTENT THAT ANY PATROL OR ACCESS SERVICES, STRUCTURES OR DEVICES, INCLUDING ANY CONTROLLED ACCESS GATE, GUARDHOUSE AND RELATED STRUCTURES AND DEVICES ("PATROL/ACCESS DEVICES"), ARE PROVIDED FOR THE SUBDIVISION, THEN DURING THE DEVELOPMENT PERIOD, DECLARANT RETAINS FULL AND SOLE AUTHORITY AS TO AND CONTROL OVER THE SAME. DECLARANT'S AUTHORITY AND CONTROL INCLUDES THE RIGHT IN DECLARANT'S SOLE DISCRETION TO DETERMINE THE HOURS, STAFFING AND MANNER OF OPERATION OF ANY AND ALL SUCH PATROL/ACCESS DEVICES, IF ANY. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT IS EXPRESSLY AUTHORIZED DURING THE DEVELOPMENT PERIOD TO DETERMINE IF AND WHEN ANY PATROL/ACCESS DEVICES WILL BE OR BECOME FUNCTIONAL OR OPERATIONAL, INCLUDING THE SOLE RIGHT AND AUTHORITY TO DETERMINE IF AND WHEN ANY CONTROLLED ACCESS GATE WILL BE OR BECOME FUNCTIONAL, AND IF AND WHEN TO LEAVE ANY CONTROLLED ACCESS GATES OPEN FOR ANY PERIODS OF TIME (OR AT ALL TIMES). DURING THE DEVELOPMENT PERIOD DECLARANT MAY ALSO PERMIT, AND AFTER THE DEVELOPMENT PERIOD THE ASSOCIATION AND THE BOARD MUST ALSO PERMIT AND TAKE ALL NECESSARY ACTIONS TO FACILITATE, ACCESS TO THE SUBDIVISION BY ANY DEVELOPMENT PERSONNEL INVOLVED IN ANY DEVELOPMENT ACTIVITIES, BY ANY PROSPECTIVE PURCHASERS, BY ANY SALES AGENTS OR REALTORS AND BY ANY OTHER PERSONS AS DECLARANT REASONABLY DETERMINES IS NECESSARY OR CONVENIENT TO ACCOMMODATE ANY DEVELOPMENT ACTIVITIES. NO PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, AND NO OTHER STATEMENTS OR COMMUNICATIONS BY DECLARANT OR THE ASSOCIATION, OR ANY RELATED PARTIES OF EITHER, WILL EVER CONSTITUTE ANY REPRESENTATIONS OR WARRANTIES BY DECLARANT, THE ASSOCIATION, OR THE RELATED PARTIES OF EITHER, CONCERNING THE HOURS, STAFFING OR MANNER OF OPERATION OF ANY PATROL/ACCESS DEVICES, OR CONCERNING ANY SAFETY OR SECURITY BENEFITS OR PROTECTION REGARDING ANY OF THE SAME, ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES BEING HEREBY EXPRESSLY DISCLAIMED.

B8.01.4 Development Personnel may or will be required to and are hereby specifically authorized to engage in construction activities, to store equipment or materials, to create accumulations of trash and debris, and to otherwise engage in activities and create conditions related to its development of the Subdivision, including the construction and sale of residences and any other improvements in the Subdivision. Any of the foregoing activities may be conducted upon or within multiple Lots, upon or within Subdivision Facilities, including any Subdivision Facilities, and/or upon or within other properties within the Subdivision, excluding any Lot after the initial sale of the Lot to an Owner other than Declarant or an Authorized Builder and occupancy of the Lot by the said other Owner or their tenant. Without limitation of the foregoing, Declarant and any Authorized Builder are specifically authorized to engage in any of the foregoing activities and any other Development Activities at any times and on any days (including Sundays and holidays) as Declarant or the Authorized Builder deems necessary, subject to Declarant's right to regulate Authorized Builders as herein provided.

B8.01.5 During the Development Period, Declarant's Development Personnel (and Development Personnel of any Authorized Builder to the extent expressly permitted by Declarant) may use for any Development Activities, without charge, any Subdivision Facilities, including any Subdivision Facilities.

B8.01.6 Declarant (and any Authorized Builder) may permit temporary toilet facilities, sales and construction offices and storage areas to be used in connection with the construction and sale of residences at such locations as Declarant may direct. Declarant may also authorize usage of garages as sales offices during the Development Period. At or prior to the date of the sale of a Lot to an Owner other than Declarant or an Authorized Builder, any garage appurtenant to the residence located on the Lot used for sales purposes must be fully reconverted to a garage, and any such other Owner or their successors in title will be responsible for completion of the reconversion to any extent the reconversion is not completed as aforesaid.

B8.01.7 Development Personnel may park vehicles at any locations within or in the vicinity of the Subdivision as is necessary to conducting of any Development Activities, excluding the private driveway, if any, as to any residence which is owned by an Owner other than Declarant or an Authorized Builder and which is occupied by the Owner or their tenant.

B8.01.8 Declarant may establish any reasonable regulations as to Owners and tenants, as to the Association, the Board and/or the ACC, as to any Related Parties of any of the foregoing, and as to any other Person, which Declarant deems appropriate to avoid hindrance or interference with any Development Activities, including limiting or denying access to areas of the Subdivision, designating temporary dumping sites, maintenance of metal buildings or structures and use of any Subdivision Facilities, in connection with its Developmental Activities.

B8.01.9 Except as stated in Section B8.01.5, all provisions of this Section B8.01 apply to each Lot owned by Declarant or an Authorized Builder until completion of the initial sale (as defined in Section B2.01) of the last Lot in the Subdivision, whether or not completion of the initial sale occurs during or after the Development Period.

B8.01.10 THE CONDUCTING OF DEVELOPMENT ACTIVITIES WILL NECESSARILY RESULT IN THE CREATION AND ACCUMULATION OF DUST, CONSTRUCTION MATERIALS AND EQUIPMENT, TRASH AND OTHER DEBRIS, AND ADDITIONAL TRAFFIC, NOISE, VISUAL IMPACT, AND OTHER INCONVENIENCES, DISTURBANCES, ANNOYANCE AND VARIANCES FROM AVERAGE OR NORMAL CONDITIONS WITHIN THE SUBDIVISION. THESE MATTERS AND CONDITIONS WILL NECESSARILY EXIST AND CONTINUE FOR LONGER PERIODS OF TIME AS TO OWNERS, TENANTS AND OTHER OCCUPANTS WHO OCCUPY RESIDENCES EARLY IN THE DEVELOPMENT PERIOD. BY ACQUISITION OF OWNERSHIP AND/OR BY OCCUPANCY OF ANY LOT, EACH SUCH OWNER TENANT AND OCCUPANT ACKNOWLEDGES, CONSENTS TO AND ACCEPTS SUCH MATTERS AND CONDITIONS, AND FULLY WAIVES AND RELEASES AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS DECLARANT. ALL DEVELOPMENT PERSONNEL, THE ASSOCIATION AND THEIR RELATED PARTIES FROM ANY AND ALL CLAIMS AND LIABILITIES OF ANY KIND WHATSOEVER AS TO ALL SUCH MATTERS AND CONDITIONED, INCLUDING WITHOUT LIMITATION ALL "CLAIMS," "COMPLIANCE

COSTS" AND "LOSSES" (AS DEFINED IN SECTION 10.02.4 OF THE DECLARATION) AND INCLUDING WITHOUT LIMITATION WITH REGARD TO ANY ENVIRONMENTAL, HEALTH OR SAFETY ISSUES. ABSENT INTENTIONAL AND WILLFUL MISCONDUCT, DECLARANT, ITS RELATED PARTIES AND ALL OTHER DEVELOPMENT PERSONNEL (INCLUDING AS TO ANY AUTHORIZED BUILDER) ARE NOT LIABLE TO ANY OWNER, TENANT OR ANY OTHER OCCUPANT, OR TO THE ASSOCIATION OR ACC, OR TO ANY RELATED PARTIES OF ANY OF THE FOREGOING, OR TO ANY OTHER PERSON FOR ANY CONSEQUENCES OF THE CONDUCTING OF ANY DEVELOPMENT ACTIVITIES.

B9.01 Amendment of Governing Documents: Changes in Composition of Subdivision.

B9.01.1 General. During the Development Period Declarant reserves the sole and exclusive right, without joinder, vote, consent or any other approval of, and without notice of any kind to, the Association, the Board, the ACC, any Owner or any other Person (i) to adopt, amend, modify, revise or repeal, from time to time and at any time, this Declaration and any other governing documents, (ii) to prepare, amend, modify, revise or repeal any Plat covering or to cover the Subdivision, including without limitation elimination, change or reconfiguration of any Lots, reserves, compensating open space, street, easement, or any other parts, features, depictions, descriptions, notes, restrictions and any other aspects of any Plat, or any amendments or revisions thereof, (iii) to designate, construct or expand the Subdivision Facilities, and to modify, eliminate, discontinue, reconfigure, redesign, redesignate, or in any other manner change the Subdivision Facilities, (iv) to grant one or more residential use easements in any part of any reserve in favor of any Owner whose Lot or any part thereof abuts a reserve, in which case the area of land covered by each residential use easement will be appurtenant to and will be subject to all applicable provisions of this Declaration and all other applicable Governing Documents to the same extent as the applicable abutting Lot, and to all other provisions of the residential use easement grant, (v) to combine with, annex in to and/or to otherwise make a part of the Subdivision any other real property, any part of which is adjacent to, or across any street from, or otherwise located within one-half mile from, any part of the Subdivision as configured at the time of the combination or annexation, (vi) with the consent of the owner thereof, to withdraw or remove any real property from the Subdivision, and (vii) as to any or all of the foregoing, to amend this Declaration, any Plat and any other governing documents accordingly.

B9.01.2 Effective Date. Any amendment, modification, revision, repeal, residential use easement, combination, annexation or other matter as provided in this Section will be effective from and after the date of filing of notice thereof in the Official Public Records of Real Property of McLennan County, Texas, except to the extent expressly otherwise provided in the applicable document.

B10.01 Intentionally Omitted.

B11.01 Notice to Declarant. All notices to Declarant, either during or after the Development Period, must be given to Declarant as provided in Section 5.255 of the Texas Business Organizations Code, as amended, at Declarant's registered office or principal office, and as otherwise provided in Section 10.05 of the Declaration.

B12.01 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, NO PROVISIONS OF THIS EXHIBIT "B", AND NO OTHER RIGHTS OR LIMITATIONS OF LIABILITY APPLICABLE TO DECLARANT PURSUANT TO THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, MAY BE AMENDED, MODIFIED, CHANGED OR TERMINATED EITHER DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT.

SCHEDULE 1

FIELD NOTES FOR A 30.330 ACRE TRACT OF LAND LOCATED IN THE L. MARBLE SURVEY, ABSTRACT 880, IN THE CITY OF WACO, MCKENNA COUNTY, TEXAS, BEING ALL OF A CALLED 30.330 ACRE TRACT OF LAND DESCRIBED IN A DEED TO SRO DEVELOPMENT, LLC, RECORDED UNDER MCKENNA COUNTY CLERKS OCCUMENT (M.C.C.D.) 2018018300 OF THE OFFICIAL PUBLIC RECORDS OF MCKENNA COUNTY, TEXAS (O.P.R.M.C.C.T.), ALSO BEING A PORTION OF THE REMAINDER OF A CALLED 181.173 ACRE TRACT DESCRIBED IN A DEED TO LG CALLAN, LLC, RECORDED UNDER M.C.C.D. 2019023183 OF THE O.P.R.M.C.C.T., AND A PORTION OF THE REMAINDER OF A CALLED 21.544 ACRE TRACT DESCRIBED IN A DEED TO LG CALLAN, LLC, RECORDED UNDER M.C.C.D. 2016033578 OF THE O.P.R.M.C.C.T. SAID 30.330 ACRE TRACT BEING MORE PARTICULARLY SHOWN HEREON AND FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEINGING AT 1/2 IRON ROD FOUND (DISTURBED) IN THE WEST LINE OF LOT 1, BLOCK 1, REDEEMER ADDITION, RECORDED UNDER M.C.C.D. 2005018608 OF THE O.P.R.M.C.C.T., HAVING THE SOUTHEAST CORNER OF A CALLED 14.83 ACRE TRACT DESCRIBED IN A DEED TO KUTCH, INC., RECORDED UNDER M.C.C.D. 2002022811 OF THE O.P.R.M.C.C.T., SAME BEING THE NORTHWEST CORNER OF SAID 181.173 ACRE TRACT AND THE MOST NORTHERLY NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 32°42'48" E - 214.18' WITH THE COMMON LINE OF SAID LOT 1, BLOCK 1 AND SAID 181.173 ACRE TRACT TO A 1/2 IRON ROD FOUND MARKING THE SOUTHWEST CORNER OF THE ABOVE MENTIONED LOT 1 AND AN ETL CORNER IN THE HEREIN DESCRIBED TRACT;

THENCE N 87°14'46" E - 282.05' WITH THE SOUTH LINE OF SAID LOT 1, BLOCK 1, SAME BEING THE NORTH LINE OF SAID REMAINDER OF A CALLED 21.544 ACRE TRACT TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE THROUGH THE INTERIOR OF SAID REMAINDER OF THE 21.544 ACRE TRACT THE FOLLOWING 12 CALLS:

- 1) S 28°10'03" E - 209.01' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 2) S 18°48'21" E - 118.85' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 3) S 12°32'35" E - 83.18' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 4) S 08°59'59" E - 83.18' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 5) S 03°08'19" E - 83.18' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 6) S 01°19'04" E - 82.08' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 7) AN ARC DISTANCE OF 82.08' WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 1289.88' AND A CHORD THAT BEARS N 60°13'39" E - 82.08' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A POINT OF COMPOUND CURVATURE;
 - 8) AN ARC DISTANCE OF 61.02' WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 190.04' AND A CHORD THAT BEARS N 69°50'55" E - 60.75' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A POINT OF REVERSE CURVATURE;
 - 9) AN ARC DISTANCE OF 81.15' WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 230.71' AND A CHORD THAT BEARS N 67°18'10" E - 82.04' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A POINT OF REVERSE CURVATURE;
 - 10) AN ARC DISTANCE OF 99.82' WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 1244.88' AND A CHORD THAT BEARS N 71°35'21" E - 89.89' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A POINT OF REVERSE CURVATURE;
 - 11) AN ARC DISTANCE OF 168.28' WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 2563.75' AND A CHORD THAT BEARS N 71°11'05" E - 168.78' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A POINT OF TANGENCY;
 - 12) N 73°04'21" E - 107.05' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET IN THE WEST RIGHT-OF-WAY LINE RTCHIE ROAD (10' WIDE), AS DESCRIBED IN A DEED TO THE CITY OF WACO, RECORDED UNDER M.C.C.D. 2004007440 OF THE O.P.R.M.C.C.T., FOR THE MOST EASTERLY NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;
- THENCE AN ARC DISTANCE OF 114.08' WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 1116.60' AND A CHORD THAT BEARS S 16°52'33" E - 111.00' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR THE MOST EASTERLY SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;
- THENCE THROUGH THE INTERIOR OF SAID REMAINDER OF THE 21.544 ACRE TRACT THE FOLLOWING 10 CALLS:

- 1) S 73°04'21" W - 107.05' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A POINT OF CURVATURE;
 - 2) AN ARC DISTANCE OF 181.48' WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 3444.80' AND A CHORD THAT BEARS S 71°10'56" W - 181.43' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A POINT OF REVERSE CURVATURE;
 - 3) AN ARC DISTANCE OF 100.28' WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 1355.48' AND A CHORD THAT BEARS S 71°28'10" W - 100.74' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR A POINT OF COMPOUND CURVATURE;
 - 4) AN ARC DISTANCE OF 67.98' WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 2330.00' AND A CHORD THAT BEARS S 82°01'03" W - 67.74' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET FOR AN ANGLE POINT IN THE HEREIN DESCRIBED TRACT;
 - 5) S 03°08'39" E - 83.18' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 6) S 09°48'25" E - 73.48' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 7) S 14°44'27" E - 73.48' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 8) S 18°42'29" E - 73.48' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 9) S 28°42'33" E - 73.48' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
 - 10) S 32°42'48" E - 214.18' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET;
- THE CITY OF WACO, RECORDED IN VOLUME 1823, PAGE 103 OF THE DEED RECORDS OF MCKENNA COUNTY, TEXAS (O.P.R.M.C.C.T.), SAME BEING THE NORTHEAST CORNER OF LOT 1, BLOCK 2, STONEHENGE ADDITION, PART ONE, RECORDED IN VOLUME 49, PAGE 748 OF THE O.P.R.M.C.C.T., AND THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;
- THENCE WITH THE NORTH LINE OF SAID STONEHENGE ADDITION, PART ONE THE FOLLOWING 3 CALLS:

1) S 27°20'31" W - 189.33' TO A 3/8 IRON ROD FOUND IN THE WEST RIGHT-OF-WAY LINE OF PADUNGTON WAY (60' WIDE), SAME BEING THE EAST LINE OF LOT 1, BLOCK 3 OF SAID STONEHENGE ADDITION FOR AN ANGLE POINT IN THE SOUTH LINE OF THE HEREIN DESCRIBED TRACT;

2) N 33°01'45" W - 11.83' TO A 1/2 IRON ROD WITH CAP STAMPED WALKER PARTNERS' SET MARKING THE NORTHEAST CORNER OF SAID LOT 1, BLOCK 3 AND AN ANGLE POINT IN THE SOUTH LINE OF THE HEREIN DESCRIBED TRACT;

3) S 57°14'29" W - 143.08' WITH THE NORTH LINE OF SAID LOT 1, BLOCK 3 TO A 3/8" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT,

THENCE THROUGH THE INTERIOR OF SAID 131.173 ACRE TRACT THE FOLLOWING 18 CALLS:

- 1) N 29°05'38" W - 171.60' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 2) N 31°48'41" W - 127.11' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 3) S 89°48'32" W - 80.81' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 4) S 89°18'05" W - 109.05' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 5) N 82°13'44" W - 106.09' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 6) N 78°23'28" W - 106.19' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 7) N 69°07'10" W - 111.50' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 8) AN ARC DISTANCE OF 4.65' WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 1540.00' AND A CHORD THAT BEARS S 30°37'49" W - 4.01' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 9) N 65°17'43" W - 80.00' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 10) N 50°40'43" W - 129.95' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 11) N 36°37'40" W - 113.11' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 12) N 32°53'03" W - 104.88' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 13) N 32°21'00" W - 143.90' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 14) N 42°23'53" W - 54.41' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 15) N 62°41'00" W - 54.42' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 16) N 76°07'19" W - 37.33' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 17) S 83°44'08" W - 201.11' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET,
- 18) S 00°23'02" W - 287.48' TO A 1/2" IRON ROD WITH CAP STAMPED "WALKER PARTNERS" SET IN THE SOUTH LINE OF A CALLED 3.808 ACRE TRACT OF LAND DESCRIBED IN A DEED TO GEORGE MARK BATSON AND WIFE, JOANNE BATSON, DESCRIBED AS TRACT ONE, RECORDED IN VOLUME 1786, PAGE 781 OF THE D.R.M.C.T. FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT,

THENCE N 58°51'04" E - 399.91' PARTWAY WITH THE SOUTH LINE OF SAID 3.808 ACRE TRACT, PARTWAY WITH THE SOUTH LINE OF LOT 6, BLOCK B, OF THE STANFORD OAKS ADDITION, PART III, RECORDED IN VOLUME 1284, PAGE 465 OF THE D.R.M.C.T. TO A 3/8" IRON ROD FOUND MARKING THE SOUTHEAST CORNER OF SAID LOT 6 AND THE SOUTHWEST CORNER OF SAID 14.83 ACRE TRACT FOR AN ANGLE POINT ON THE NORTH LINE OF THE HEREIN DESCRIBED TRACT;

THENCE N 68°53'15" E - 494.49' WITH THE SOUTH LINE OF SAID 14.83 ACRE TRACT RETURNING TO THE POINT OF BEGINNING AND CONTAINING 30.330 ACRES OF LAND.

FILED AND RECORDED

Instrument Number: 2020043552

Filing and Recording Date: 12/07/2020 03:36:18 PM Pages: 103 Recording Fee:

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of McLennan County, Texas.



J. A. "Andy" Harwell, County Clerk
McLennan County, Texas

jonesp