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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR BERNARD MEADOWS

**A RESIDENTIAL SUBDIVISION IN
WHARTON 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 ARTICLE II DEFINITIONS AND SECTION 10.05), (iii) STREET, DRIVEWAY AND OTHER PARKING BY OWNERS, OCCUPANTS AND GUESTS IS LIMITED AND HIGHLY REGULATED (SEE SECTIONS 7.03 & 8.01.2), (iv) SHORT-TERM RENTALS AND TIMESHARING ARE PROHIBITED IN THIS SUBDIVISION (SEE SECTION 7.08), (V) THERE MAY BE CONDITIONS WITHIN OR WITHIN THE VICINITY OF THE SUBDIVISION AND/OR OTHER MATTERS WHICH ARE NOT SUITABLE FOR PARTICULAR PERSONS, INCLUDING AS DESCRIBED IN EXHIBIT "A" HERETO - ALL SUCH MATTERS MUST BE INDEPENDENTLY INVESTIGATED, (vi) DECLARANT RETAINS SUBSTANTIAL RIGHTS UNDER THIS DECLARATION, INCLUDING AS PROVIDED IN EXHIBIT "B" TO THIS DECLARATION AND ESPECIALLY DURING THE DECLARANT CONTROL PERIOD AND/OR THE DEVELOPMENT PERIOD, UNILATERAL RIGHTS, WITHOUT NOTICE TO OR CONSENT OF ANY OWNER OR ANY OTHER PERSON, TO SET RATES FOR REGULAR ASSESSMENTS, AND TO IMPOSE SPECIAL AND SPECIFIC ASSESSMENTS, TO ANNEX ADDITIONAL PROPERTIES INTO AND/OR TO WITHDRAW PROPERTIES FROM THE SUBDIVISION, AND TO AMEND ANY PLAT, AND TO AMEND THIS DOCUMENT AND ANY OTHER "GOVERNING DOCUMENTS," AND (vii) SECTION B10.01 OF EXHIBIT "B" HERETO SETS FORTH MANDATORY PRECONDITIONS TO CERTAIN SUITS, ARBITRATIONS AND OTHER LEGAL PROCEEDINGS, AND PROCEDURES REGARDING MANDATORY DISPUTE RESOLUTION, INCLUDING A REQUIREMENT THAT A "DISPUTE NOTICE" MUST BE GIVEN TO DECLARANT WITHIN 120 DAYS AND ESTABLISHMENT OF A MAXIMUM TWO YEAR STATUTE OF LIMITATIONS. **YOUR RIGHTS TO ASSERT A "DISPUTE" MAY BE LOST IF YOU FAIL TO COMPLY WITH SECTION B10.01.**

AFTER RECORDING RETURN TO:

WILSON, CRIBBS & GOREN, P.C.
Attn: Mr. Lou W. Burton
2500 Fannin Street
Houston, Texas 77002

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR BERNARD MEADOWS

A RESIDENTIAL SUBDIVISION IN WHARTON COUNTY, TEXAS

TABLE OF CONTENTS

ARTICLE I	PROPERTY SUBJECT TO THIS DECLARATION	1
SECTION 1.01	Property Subject to Declaration	1
SECTION 1.02	Annexation; Deannexation.....	1
ARTICLE II	DEFINITIONS	2
ARTICLE III	BERNARD MEADOWS COMMUNITY ASSOCIATION, INC.	7
SECTION 3.01	Establishment of Association	7
SECTION 3.01.1	Organization.....	7
SECTION 3.01.2	Powers	7
SECTION 3.02	Board of Directors	8
SECTION 3.03	Membership	8
SECTION 3.04	Voting Rights of Members	8
SECTION 3.04.1	Calculation of Votes	8
SECTION 3.04.2	Multiple Owners.....	8
SECTION 3.04.3	Cumulative Voting Prohibited	9
SECTION 3.04.4	Right to Vote	9
SECTION 3.05	Association Books and Records	9
SECTION 3.05.1	Maintenance	9
SECTION 3.05.2	Inspection and Copying, and Retention Policies.....	9
SECTION 3.06	Limitation of Liability, Indemnification	9
SECTION 3.06.1	General	9
SECTION 3.06.1(a)	Association Representative(s)	9
SECTION 3.06.1(b)	Limitation of Liability	9
SECTION 3.06.1(c)	Indemnification	9
SECTION 3.06.1(d)	Report to Members	10
SECTION 3.06.2	Criminal Conduct.....	10
SECTION 3.06.3	Subsequent Statutory Authority	10
SECTION 3.06.4	No Impairment	10
ARTICLE IV	ARCHITECTURAL CONTROL COMMITTEE	10
SECTION 4.01	Organization; Compensation.....	10
SECTION 4.02	Function and Powers.....	11
SECTION 4.02.1	Submission of Plans Required	11
SECTION 4.02.2	Architectural Guidelines; Fees	11
SECTION 4.02.3	Architectural Review Criteria	12
SECTION 4.02.4	Responses.	12
SECTION 4.02.4(a)	General; Inspections.....	12
SECTION 4.02.4(b)	Failure to Act; Re-Submission.....	12
SECTION 4.02.5	Notice Regarding Unapproved Regulated Modification	13
SECTION 4.02.6	No Waiver or Estoppel	13
SECTION 4.03	Variances.....	13
SECTION 4.04	Records of Architectural Control Committee	14
SECTION 4.05	Limitations of Liability	14

ARTICLE V	MAINTENANCE FUND	14
SECTION 5.01	Obligation for Payments to Maintenance Fund	14
SECTION 5.01.1	Establishment of Maintenance Fund; Types of Assessments	14
SECTION 5.01.2	Purpose of Maintenance Fund	14
SECTION 5.01.3	Commencement and Proration; Personal Obligation; Transferees	15
SECTION 5.01.4	Statement of Assessments	15
SECTION 5.02	Uniform Rates; Application of Payments	15
SECTION 5.03	Base Rate and Subsequent Computation of Regular Assessments	15
SECTION 5.03.1	Initial Base Rate of Regular Assessments; Due Dates	15
SECTION 5.03.2	Subsequent Computation of Regular Assessments	16
SECTION 5.04	No Waiver or Release	16
SECTION 5.05	Special Assessments	16
SECTION 5.06	Specific Assessments	16
SECTION 5.06.1	Types	16
SECTION 5.06.1(a)	Capitalization Fee	16
SECTION 5.06.1(b)	Interest	17
SECTION 5.06.1(c)	Late Charges	17
SECTION 5.06.1(d)	Compliance Costs	17
SECTION 5.06.1(e)	Other Obligations (Including Transfer and ACC Fees)	17
SECTION 5.06.1(f)	Other Utility or Special Service Assessments	17
SECTION 5.06.2	Payment; Waiver	18
SECTION 5.07	Lien for Assessments	18
SECTION 5.07.1	Establishment of Lien	18
SECTION 5.07.2	Perfection of Lien	18
SECTION 5.07.3	Priority of Lien	18
SECTION 5.07.4	Other Liens	18
SECTION 5.08	Effect of Nonpayment of Assessments	19
SECTION 5.08.1	Delinquency Date	19
SECTION 5.08.2	Automatic Remedies	19
SECTION 5.08.3	Suspension of Service	19
SECTION 5.08.4	Action for Debt, Foreclosure, Including Expedited Foreclosure	19
SECTION 5.09	Miscellaneous Provisions	20
SECTION 5.09.1	Effect of Foreclosure or Bankruptcy	20
SECTION 5.09.2	No Merger	21
SECTION 5.09.3	Assessments as Independent Covenant	21
SECTION 5.09.4	Assessment Collection Policies	21
SECTION 5.10	Declarant and Builder Assessments	21
ARTICLE VI	MAINTENANCE; CASUALTY LOSSES	21
SECTION 6.01	Association Maintenance Responsibilities	21
SECTION 6.01.1	General	21
SECTION 6.01.1(a)	Community Properties	21
SECTION 6.01.1(b)	Suspension or Limitation of Usage Rights	21
SECTION 6.01.2	Common Drainage Systems and Easements	22
SECTION 6.01.2(a)	General	22
SECTION 6.01.2(b)	Included/Excluded Facilities	22
SECTION 6.01.2(c)	Easements	22
SECTION 6.01.2(d)	No Liability	22
SECTION 6.01.3	Other Facilities or Services	23
SECTION 6.01.4	Access; Cooperation	23

SECTION 6.01.5	Owner's Liability for Payment of Association Costs.....	23
SECTION 6.02	Owner Maintenance Responsibilities	23
SECTION 6.02.1	General; Interior Maintenance.....	23
SECTION 6.02.2	Residences and Other Improvements	23
SECTION 6.02.3	Owner Utilities and Easements.....	25
SECTION 6.02.4	Landscaping.....	25
SECTION 6.02.5	Adjacent or Adjoining Owners.....	26
SECTION 6.03	Casualty Losses - Association Responsibilities	26
SECTION 6.04	Casualty Losses - Owner Responsibilities	26
SECTION 6.04.1	Required Repair; Permitted Removal	26
SECTION 6.04.2	Manner of Repair or Removal	27
SECTION 6.04.3	Time Limits	27
SECTION 6.04.4	Utilities	27
SECTION 6.04.5	ACC Approval Required.....	27
SECTION 6.05	Owner Insurance.....	27
SECTION 6.06	Association Insurance	27
ARTICLE VII	USE RESTRICTIONS	28
SECTION 7.01	Residential Use	28
SECTION 7.01.1	Single Family Residential Use Only	28
SECTION 7.01.2	No Business, Professional, Commercial or Manufacturing Use	28
SECTION 7.01.3	Maximum Occupancy	28
SECTION 7.02	Pets, Animals and Livestock	28
SECTION 7.02.1	Permitted Pets; Leashing Required.....	28
SECTION 7.02.2	Removal.	29
SECTION 7.03	Vehicles; Parking.....	30
SECTION 7.03.1	Definitions.....	30
SECTION 7.03.2	Prohibited Vehicles; Covers Prohibited	31
SECTION 7.03.3	Prohibited Parking - General	31
SECTION 7.03.4	Parking – Occupant Vehicles	31
SECTION 7.03.5	Guest Parking	32
SECTION 7.03.6	Parking at Recreational and Similar Facilities	32
SECTION 7.03.7	Temporary Parking, Including Occasional Social Events	32
SECTION 7.03.8	Street Use and Parking; No Obstructions	33
SECTION 7.03.9	Repair, Rental or Sale of Vehicles Prohibited	33
SECTION 7.03.10	Towing; Other Remedies	34
SECTION 7.03.11	Development Period	34
SECTION 7.03.12	Responsibilities of Owners and Tenants.....	34
SECTION 7.03.13	Other Regulations; Variances	34
SECTION 7.03.13(a)	Posted Rules Control.....	34
SECTION 7.03.13(b)	Other Rules and Regulations	34
SECTION 7.03.13(c)	Variances.....	34
SECTION 7.03.14	Limitation of Liability	34
SECTION 7.04	Nuisance; Unsightly or Unkempt Conditions	35
SECTION 7.04.1	General	35
SECTION 7.04.2	Nuisance or Annoyance.....	35
SECTION 7.04.3	Pollutants; Hazardous Materials.....	35
SECTION 7.04.4	Sound Devices; Excessive Noise	35
SECTION 7.04.5	Firearms and Fireworks Prohibited	36
SECTION 7.04.6	Disposal of Trash	36

SECTION 7.04.7	Outdoor Cooking	36
SECTION 7.04.8	Responsibility of Owners, Indemnity and Release	36
SECTION 7.05	Garage, Estate and Similar Sales	36
SECTION 7.06	Garage Usage	37
SECTION 7.07	Leases	37
SECTION 7.07.1	Definition; Restrictions; Certain Limitations	37
SECTION 7.07.2	Default.....	37
SECTION 7.07.3	Joint and Several Liabilities	38
SECTION 7.07.4	Surrender of Use of Community Properties by Lessor(s)	38
SECTION 7.08	Short-Term Rentals and Timesharing Prohibited.....	38
SECTION 7.09	Children and Other Dependents	38
SECTION 7.10	Unoccupied Property	38
SECTION 7.11	Mineral Production	39
SECTION 7.12	Rules and Regulations	39
ARTICLE VIII	ARCHITECTURAL RESTRICTIONS	39
SECTION 8.01	Type of Residence	39
SECTION 8.01.1	Single Family Residence	39
SECTION 8.01.2	Garages and Garage Doors	39
SECTION 8.01.2(a)	General	39
SECTION 8.01.2(b)	Notice of Size Limitation; No Liability	39
SECTION 8.01.3	New Construction and Continued Maintenance Required.....	40
SECTION 8.01.4	Prohibited Homes and Structures.....	40
SECTION 8.02	Living Area Requirements	40
SECTION 8.03	Requirement for and Location of Residence	40
SECTION 8.04	Construction Standards.....	40
SECTION 8.04.1	Applicability	40
SECTION 8.04.2	Maximum Period for Completion of Construction	41
SECTION 8.04.3	New Construction Materials Required	41
SECTION 8.04.4	Storage of Materials, Clean-Up.....	41
SECTION 8.04.5	Drainage, Including Easements.....	41
SECTION 8.04.5(a)	Drainage Devices.....	41
SECTION 8.04.5(b)	Encroachments.....	41
SECTION 8.04.5(c)	Owner Obligations.....	42
SECTION 8.04.6	Exterior Materials	42
SECTION 8.04.6(a)	General	42
SECTION 8.04.6(b)	Roof Materials.....	42
SECTION 8.04.7	Landscaping.....	42
SECTION 8.04.8	Tree Maintenance and Removal.....	43
SECTION 8.04.9	Driveways.....	43
SECTION 8.04.10	Compliance With Laws.....	43
SECTION 8.05	Lot Resubdivision or Combination.....	43
SECTION 8.06	Fences and Walls.....	43
SECTION 8.06.1	ACC Approval Required.....	43
SECTION 8.06.2	General Requirements – Lot Fencing.....	43
SECTION 8.06.3	Ownership and Maintenance of Lot Fencing	44
SECTION 8.06.4	Subdivision Fencing.....	44
SECTION 8.06.5	Easements	45
SECTION 8.07	Antennas and Satellite Dish Systems.....	45
SECTION 8.07.1	General Rule.....	45

SECTION 8.07.2	Prohibited Antenna	45
SECTION 8.08	Signs	45
SECTION 8.08.1	Definition; General Rule	45
SECTION 8.08.2	Prohibited Signs	46
SECTION 8.08.3	Permissible Signs.....	46
SECTION 8.08.3(a)	For Sale or For Lease Signs	46
SECTION 8.08.3(b)	Security Signs and Stickers.....	46
SECTION 8.08.3(c)	Political Signs and Permitted Flags.....	46
SECTION 8.08.4	Other Signs and Regulations	46
SECTION 8.08.5	Development Period	47
SECTION 8.08.6	Default.....	47
SECTION 8.09	Traffic Sight Line Areas	47
SECTION 8.10	Utilities; Lighting	47
SECTION 8.10.1	Maintenance of Utilities Required.....	47
SECTION 8.10.2	Private Utility Lines	47
SECTION 8.10.3	Air Conditioners.....	47
SECTION 8.10.4	Exterior Lighting.....	48
SECTION 8.11	Septic Tanks; Irrigation.....	48
SECTION 8.12	Protected Property Use Policies	48
ARTICLE IX	EASEMENTS	48
SECTION 9.01	Incorporation of Easements.....	48
SECTION 9.02	Association Blanket Access Easement.....	48
SECTION 9.03	Governmental Functions, Utilities and Other Services.....	49
SECTION 9.03.1	Governmental Functions, Removal of Obstructions	49
SECTION 9.03.2	Utilities	49
SECTION 9.04	Egress/Regress to Public Way Required	50
SECTION 9.05	Other Easements	50
SECTION 9.06	Easements Perpetual and Not Conveyed.....	50
ARTICLE X	GENERAL PROVISIONS	50
SECTION 10.01	Development Period	50
SECTION 10.02	Enforcement.....	50
SECTION 10.02.1	Right to Enforce.....	50
SECTION 10.02.2	Liability for Conduct of Others.....	51
SECTION 10.02.3	Fines.....	51
SECTION 10.02.4	Filing of Notices of Non-Compliance.....	51
SECTION 10.02.5	Notice Required Before Enforcement Action	51
SECTION 10.02.6	No Waiver; Cumulative Rights	51
SECTION 10.03	Term	52
SECTION 10.04	Amendment.....	52
SECTION 10.04.1	By Owners.....	52
SECTION 10.04.2	By Association	52
SECTION 10.04.3	Effective Date	53
SECTION 10.04.4	Amendment Defined	53
SECTION 10.05	Notices	53
SECTION 10.05.1	General; Notice Defined.....	53
SECTION 10.05.1(a)	Notice.....	53
SECTION 10.05.1(b)	Delivery	53
SECTION 10.05.1(c)	Deemed Delivery.....	53
SECTION 10.05.2	Owner/Tenant Responsibilities as to Electronic Means.....	53

SECTION 10.05.3	Contact Information Required	54
SECTION 10.05.4	One Address/Number and Delivery Limit.....	54
SECTION 10.06	Any Website to Contain Dedicatory Instruments; Website Notices.....	54
SECTION 10.07	Managing Agent	54
SECTION 10.08	Interpretation.....	55
SECTION 10.09	Severability.....	55
SECTION 10.10	Conflicts In Governing Documents.....	55
SECTION 10.11	Effective Date	55

EXECUTION AND ACKNOWLEDGMENT

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

A1.01:	Application; Definitions	1
A2.01:	Notices	1
A3.01:	Property Conditions and other Matters of Record	1
A3.01.1:	Development Period; Development Plans	1
A3.01.2:	Disruptions Due to Maintenance, Operation or Use.....	2
A3.01.3:	Areas Outside Subdivision, Including Streets and Airports	2
A3.01.4:	Environmental Conditions	2
A3.01.5:	Light and View.....	2
A3.01.6:	Water Runoff, Inundation and Flooding; Flood Insurance Notice	2
A3.01.7:	Short-Term Rentals and Timesharing Prohibited.....	3
A3.01.8:	Other Restrictions	3
A4.01:	Release and Indemnity.....	4
A5.01:	Provisions Not Exclusive	4

EXHIBIT "B": DEVELOPMENT PERIOD

B1.01:	Application.....	1
B2.01:	Declarant Authority	1
B2.01.1:	Declarant Rights.....	1
B2.01.2:	Declarant Control Period	1
(a):	Appointment of Directors and Officers.....	1
(b):	Meetings of Owners	1
(c):	Board Meetings and Actions.....	2
B2.01.3:	Election of Owner Directors.....	2
B2.01.4:	Transfer of Declarant Control	3
B2.01.5:	Notices to Declarant.....	3
(a):	General	3
(b):	Required Notices.....	3
B2.01.6:	Declarant's Veto Authority	4
B2.01.7:	Declarant's Architectural Review Exemptions and Authority ...	4
B2.01.8:	Approval of Builder ("Authorized Builder") By Declarant Required	4
B3.01:	Declarant and Authorized Builder Assessments and Related Matters	4
B3.01.1:	Definitions	4

B3.01.2	Budgets; Setting of Assessments.....	5
B3.01.3	Declarant Assessment Exemption.....	5
B3.01.4	Discretionary Declarant Deficit Funding; Repayment	5
B3.01.5	Builder Assessments	5
B4.01:	Community Properties	5
B5.01:	Development Activities	6
B5.01.1	General	6
B5.01.2	Specifically Included Development Activities	6
B5.01.3	Easements.....	7
B6.01:	Amendment of Governing Documents; Changes in Composition of Subdivision	7
B6.01.1	General	7
B6.01.2	Other Changes or Reconfigurations	8
B6.01.3	Method; Effective Date	8
B6.01.4	Deemed Consent; Waiver; Declarant as Attorney-In-Fact	8
B7.01:	Dispute Resolution; Limitations.....	8
B7.01.1	Dispute Defined; Limitations of Association Authority	8
B7.01.2	Required Preconditions and Procedures	9
B7.01.3	Mediation and Binding Arbitration.....	10
B7.01.4	Notice of Dispute Required; Limitations.....	11
B7.01.5	Other Disputes	11
B8.01:	Limitation of Liability; No Impairment	11

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

FOR

BERNARD MEADOWS

A RESIDENTIAL SUBDIVISION IN WHARTON COUNTY, TEXAS

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

WHEREAS, the undersigned **BSR PROPERTIES V, LLC**, a Texas limited liability company ("**Declarant**"), is the current owner of all that certain real property located in Wharton County, Texas, as more particularly described in **Section 1.01** hereof, and the said owners desires to create and carry out a general and uniform plan for the establishment, development, improvement, maintenance, occupancy and use of a residential community within the property as set forth in **Article I** hereof for the mutual benefit of the Owners thereof.

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 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 Wharton County, Texas, more particularly described as follows, to wit:

BERNARD MEADOWS, an addition in Wharton County, Texas according to the map or plat thereof filed under Clerk's File No. 2017-00006162, Official Public Records of Real Property of Wharton County, Texas, and recorded in Book 1078, Page 83, Slide No. 3146, Map Records of Wharton County, Texas.

SECTION 1.02 Annexation; De-Annexation. Without limitation of **Section B9.01** of Exhibit "B" to this Declaration, during the Development Period Declarant and only Declarant (i) may annex and add any real property, including any Lot, in to and make the same a part of the

Subdivision, (ii) may de-annex, 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 this Declaration. Subject to Exhibit "B" hereto, after the Development Period the Owners may, by amendment of this 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 de-annex and remove any real property, including any Lot, from the Subdivision. Any such annexation or de-annexation must be evidenced by Filing of Record of, and is effective from the date of Filing of Record of an amendment of this Declaration evidencing the annexation or de-annexation, or such later date as stated in the amendment.

ARTICLE II **DEFINITIONS**

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

"Applicable Law" means all statutes, public laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments or their agencies having jurisdiction as to the Subdivision, including applicable zoning, building codes, fire codes, health codes or safety codes, or permitting or licensing requirements, which are in effect at the time a provision of the Declaration or other Governing Document is applied, and pertaining to the subject matter of the provision. References to specific Applicable Law in this Declaration or other Governing Documents do not apply if and to the extent the same thereafter cease to apply, in whole or in part, by operation of law.

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

"Architectural Guidelines" means aesthetic, environmental, architectural or design guidelines, rules, standards, requirements, limitations, policies or procedures as to the application, supplementation, interpretation or implementation of the Governing Documents, including as provided **Article IV** of this Declaration, regardless of nomenclature or manner of designation, and which may include Rules and Regulations. Architectural Guidelines may include without limitation (i) minimum construction or design standards, including acceptable exterior materials, colors, finishes and similar standards, requirements or limitations (ii) landscaping, appearance or maintenance standards, requirements or limitations, and (iii) Protected Property Use Policies.

"Association" means **Bernard Meadows Community Association, Inc.**, a Texas nonprofit corporation, to be incorporated for the purposes contemplated by this Declaration, and its successors (by merger, consolidation or otherwise) and assigns. The failure of the Association to maintain its corporate charter or good standing as a corporation from time to time does not affect the existence or legitimacy of the Association which derives its authority from the Declaration and other applicable Governing Documents, and Applicable Law.

"Assessment(s)" (whether or not capitalized) means and includes any monetary obligations levied, charged or assessed against a Lot or Owner or otherwise owed by any Owner or tenant to the Association as permitted or required by the Governing Documents or by Applicable Law, including all regular, special and specific assessments as provided in **Article V** of this Declaration.

"Authorized Builder" means those builders, if any and whether one or more, which have been approved in advance in writing by Declarant, in the sole and absolute discretion of Declarant, as provided in **Section B2.01** of Exhibit "B" to this Declaration.

"Board" or **"Board of Directors"** means the Board of Directors of the Association, each member thereof being a **"Director"**.

"Bylaws" means the Bylaws of the Association which are interrelated regulations and rules for governance by the Association. The initial Bylaws may be adopted by Declarant or by the Board.

"Community Properties" means all properties, real or personal, and all facilities and services owned, leased, built, installed, maintained, operated or provided by or through the Association for the general benefit of the Subdivision. WITHOUT ANY REPRESENTATION, WARRANTY, OBLIGATION OR IMPLICATION WHATSOEVER THAT ANY PARTICULAR PROPERTIES, FACILITIES OR SERVICES WILL BE ACQUIRED, BUILT, INSTALLED, MAINTAINED, OPERATED OR PROVIDED, AND SUBJECT TO ALL RIGHTS OF DECLARANT DURING THE DEVELOPMENT PERIOD AND OF THE BOARD THEREAFTER AT ANY TIME TO ADD TO, MODIFY, REMOVE DISCONTINUE, SELL OR DISPOSE OF ANY OF THE SAME AS PROVIDED HEREIN OR IN THE GOVERNING DOCUMENTS, COMMUNITY PROPERTIES INCLUDE:

(1) all common areas so designated herein or by a Plat intended for the common use or benefit of the Owners, including the areas designated on the Initial Plat as "Detention Pond" and "Drainage & Access Reserve Easement", and all amenities and other Improvements, if any, upon or within any such common areas;

(2) the **"Common Drainage Systems"** as provided in or permitted by **Section 6.01**, and all **"Drainage Devices"** specifically designated as Community Properties as provided in or permitted by **Section 8.04**, if any;

(3) 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; and

(4) 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, the Owners and/or the Subdivision, together with all Improvements thereon and appurtenances thereto.

"Declarant" means **BSR PROPERTIES V, 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.

"Declarant Control Period" means the period during which Declarant retains exclusive authority and control as to the management and operation of the Association, including all governance and budgetary functions of the Association. The Declarant Control Period begins on the date of Filing of Record of this Declaration and ends upon occurrence of the "Declarant Control Transfer Date" as defined and as provided in Exhibit "B" to this Declaration. The Development Period and the Declarant Control Period are independent periods which may or may not end on the same date.

"Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements for Bernard Meadows, and all lawful amendments thereto.

"Development Activities" means and includes all activities regarding construction, development, marketing and sale of all Lots and of all other land within the Subdivision and all related Improvements, providing for and construction and development of utilities and other facilities, and conducting of all other construction, development, marketing and sales activities by Declarant, by Declarant's Related Parties, or by any Development Personnel as herein provided and/or as otherwise deemed necessary, convenient or appropriate in Declarant's sole discretion for the completion of all development of the Subdivision, including without limitation as provided in Exhibit "B" to this Declaration.

"Development Period" means the period of time, beginning on the date of Filing of Record of this Declaration, during which Declarant retains and reserves either rights to facilitate the development, construction, and marketing of the Subdivision, or rights to direct the size, shape, and composition of the Subdivision, and ending on the earlier occurrence of (i) 180 days after the Initial Sale of the last Lot in the Subdivision; or (ii) upon the date of Filing of Record 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.

"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 the 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 the 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. 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 THE GOVERNING DOCUMENTS, INCLUDING **SECTION 10.05** OF THIS DECLARATION.

"Emergency" means any condition or exigent circumstances which may or does present an imminent and substantial risk of harm or damage to any Lot or Community Properties or any residence or other improvements thereon, or to any Owners or occupants thereof, including (i) any health, fire or safety hazard, including infestation by termites, rats or other vermin, and (ii) water infiltration. As applicable, the determination of Declarant or the Association that an Emergency exists is final.

"Filed of Record" or "Filing of Record" means an instrument that has been fled in, or the filing of an instrument in, the Official Public Records of Real Property of Wharton County, Texas, or filed or filing in other public records as the context otherwise specifies or requires.

"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 Owner, tenant or their Related Parties pertaining thereto, or to the Association, the Board or the ACC, including without limitation this Declaration, the Bylaws and Certificate of Formation of the Association, 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.

"Improvement" means, without implication that any particular matter is permitted or prohibited by this Declaration and without limitation as to **Article IV** hereof, any and all physical enhancements, alterations or modifications (by addition or deletion) within or to the Subdivision, including any Lot, and including without limitation (i) any grading, clearing, site work, utilities, landscaping, tree removal, irrigation, flatscape, hardscape, exterior lighting, establishment or alteration of drainage patterns or flow, drainage facilities, drainage devices, ponds, including detention or retention ponds, water features, appurtenances of every type and kind, whether temporary or permanent in nature, and (ii) any residences, garages, driveways, patios, decks, balconies, terraces, awnings, buildings, outbuildings, storage sheds, tennis courts, sport courts, recreational facilities, swimming pools, parking areas and/or facilities, storage buildings, sidewalks, walkways, trails, fences, gates, screening, retaining or any other walls, mailboxes, exterior air conditioning equipment or fixtures, any uses or devices as provided in Protected Property Use Policies, and appurtenances of every type or kind.

"Initial Sale" means and occurs as to each Lot (i) upon substantial completion of the construction of a single family residence and related Improvements upon the Lot, and (ii) the completion of the sale and the Filing of Record of the instrument(s) evidencing conveyance of title as to the Lot to a Person other than Declarant or an Authorized Builder, regardless of the order in which any of the foregoing occurs.

"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 Community Properties (including any Lot or part thereof which is designated for the general use or benefit of the Owners and/or occupants of the Subdivision or otherwise designated as or included in the Community Properties at any time by Declarant before or during the Development Period), and does not include any commercial or other unrestricted reserves so designated by a Plat, if any.

"Managing Agent" means one or more Persons as from time to time retained, hired, employed or contracted with to provide management services to the Association as provided in **Article X**.

"Member" means every Person who is an Owner and holds a membership in the Association. Every Member who is not a natural person must designate a representative of such entity who is a natural person as provided in the Association's Bylaws.

"Owner" means, whether one or more Persons (i) the owner as evidenced by instrument(s) Filed of Record of the fee simple title to a Lot, and (ii) the holder or purchaser from any mortgagee or other Person holding a lien, encumbrance or other security interest as of the date upon which any such holder or purchaser acquires title pursuant to any judicial or nonjudicial foreclosure, or any proceedings in lieu thereof. "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.

"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.

"Plat" means the initial maps or plats of the Subdivision as described in **Section 1.01** which initial maps or plats are 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 of Record, and all lawful modifications, amendments and/or replats of any of the foregoing.

"Posted Rules" means Rules and Regulations which are posted or otherwise displayed within the Subdivision if and as authorized by Declarant, the Board or Applicable Law, and which are not readily capable of or are not customarily Filed of Record. Posted Rules need not be Filed of Record and notice of Posted Rules is deemed to have been given immediately upon the posting or other display of the same. Posted Rules include for example but without limitation parking, speed limit and other traffic regulation or control signage, regulations as to access to or usage of any Community Properties, including any recreational center rules and/or other restricted entry or usage signage, and warning or caution signage. IN THE EVENT OF CONFLICT. POSTED RULES CONTROL OVER OTHER RULES AND REGULATIONS.

"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 Improvement, 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 Law.

"Protected Property Use Policies" means the policies of the Association regarding protected property uses and devices adopted pursuant to Chapters 202, 209 and other applicable provisions of the Texas Property Code or other Applicable Law, including as provided in **Section 8.12**.

"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 other 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.

"Related Parties" means and applies as follows:

(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 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) **Association, Board and ACC.** Related Parties of the Association, the Board and the ACC include their respective officers, directors, committee members, servants, agents,

representatives and employees regarding all acts or omissions related to any of the foregoing representative capacities.

(3) **Declarant.** Related Parties of Declarant include (i) as to Declarant, its affiliated companies, subsidiaries, partners and co-venturers and all of their "affiliates", "owners" and "governing persons" (as defined in the Texas Business Organizations Code), and (iii) as to all of the foregoing, their respective officers, directors, committee members, servants, agents, representatives and employees regarding all acts or omissions related to any of the foregoing representative capacities. Related Parties of Declarant have no authority to act on behalf of or to bind or obligate Declarant except as expressly authorized by Declarant.

"Rules and Regulations" means all rules, standards, requirements, limitations, policies or procedures as to the application, supplementation, interpretation or implementation of the Governing Documents, including as provided in **Section 7.12** of this Declaration, regardless of nomenclature or manner of designation, and which may include Architectural Guidelines. Rules and Regulations may include without limitation rules, policies and procedures concerning or regulating (i) the appearance, maintenance, operation, use or occupancy of the Subdivision or any Lot or Community Properties therein, including as permitted or required by the Texas Property Code, and (ii) the rights or obligations of Owners regarding the Subdivision or the Association.

"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.

ARTICLE III
BERNARD MEADOWS
COMMUNITY 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 Community Properties 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 nonprofit corporation, (ii) to exercise all powers of a property owners association pursuant to Section 204.010 of the Texas Property Code, as amended, the provisions of which are incorporated by reference herein, 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. Unless the Governing Documents or Applicable Law expressly reserve a right, action or decision to another party, such as the Owners or Declarant, the Board acts in all instances on behalf of the Association and may exercise all rights, authority, powers, privileges, prerogatives and responsibilities of the Association. Unless the context otherwise requires, references in the Governing Documents to the "Association" means the Association acting through its Board of Directors. Without limitation, the Association 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 Association may determine, and the decisions of the Board as to any of the foregoing are final and conclusive. DECLARANT WILL APPOINT ALL MEMBERS OF THE BOARD OF DIRECTORS AND IS ENTITLED TO REMOVE (WITH OR WITHOUT CAUSE) AND REPLACE ANY OF THE SAME UNTIL EXPIRATION OR TERMINATION OF THE DECLARANT CONTROL PERIOD. 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 instruments Filed of Record in determining such status as an Owner. The Association may require submission to the Board or Managing Agent 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 Lot, including Declarant, will have one vote for each Lot owned.

(b) In addition to the vote or votes to which Declarant is entitled by reason of Declarant's ownership of one or more Lots as provided in **Section 3.04.1(a)**, for every one vote outstanding in favor of any Owner other than Declarant, Declarant will have four 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 Lot, all such Persons are Members, but in no event will they be entitled to more than one vote with respect to each particular Lot 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. 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.

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, except as otherwise permitted by law.

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 documents inspection and copying policies and documents retention policies will be adopted by Declarant. Declarant during the Development Period or the Board at any time may adopt and amend the aforesaid policies and such other policies regarding Association books and records as either may deem to be necessary or appropriate.

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, including Declarant and Declarant's Related Parties whenever acting for or on behalf of the Association.

(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 Members, 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 Criminal Conduct. SECURITY IS THE SOLE RESPONSIBILITY OF LOCAL LAW ENFORCEMENT AGENCIES AND OF INDIVIDUAL OWNERS, TENANTS AND THEIR RELATED PARTIES. 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 MATTERS OF ANY KIND, INCLUDING WITHOUT LIMITATION ANY MATTERS REGARDING OR RELATING TO ANY THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, CRIMINAL HISTORY OR BACKGROUND OF ANY PERSON, OR CRIMINAL INVESTIGATIONS BY LAW ENFORCEMENT AGENCIES OR BY ANY OTHER PERSON (ALL SUCH MATTERS HEREIN REFERRED TO AS "**CRIMINAL CONDUCT**"). DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES ARE NOT LIABLE FOR, AND EACH OWNER, TENANTS AND THEIR RELATED PARTIES MUST INDEMNIFY, DEFEND AND HOLD HARMLESS DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES AS TO AND FROM, ANY CLAIM, DEMAND, INJURY, LOSS, DAMAGES, COURT COSTS AND ATTORNEY'S FEES OF ANY KIND WHATSOEVER REGARDING ANY PERSON OR PROPERTY AND PERTAINING TO OR ARISING, DIRECTLY OR INDIRECTLY, OUT OF ANY CRIMINAL CONDUCT. The Association may (but has no obligation to) from time to time disclose and/or transmit information concerning Criminal Conduct to Owners, tenants, and any other occupants of Lots and/or any Community Properties, to any law enforcement agencies, and to any other Person. 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 Conduct then involved or as to any other current or future Criminal Conduct.

3.06.3 Subsequent Statutory Authority. If the Texas Business Organizations Code, Texas Nonprofit Corporation Law, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code or any other Applicable Law, 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 all rights to indemnification will be expanded to the fullest extent permitted by such construction or amendment.

3.06.4 No Impairment. Any amendment of this **Section 3.06** may not adversely affect any rights or protection existing at the time of the amendment. All rights and remedies set forth in this **Section 3.06** are cumulative.

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 OR ITS DESIGNEE(S) WILL ACT AS THE ACC DURING THE DEVELOPMENT PERIOD (and

thereafter as provided in Exhibit "B", as applicable). 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 Declarant or the Board; provided that the ACC may employ architects, engineers and other professionals to serve on the ACC, and may compensate any such members of the ACC for their professional services as may be approved by Declarant or the Board.

SECTION 4.02 Function and Powers.

4.02.1 Submission of Plans Required. No Regulated Modification may be commenced, constructed, erected, placed, modified, altered (by addition or deletion), demolished, rebuilt or reconstructed, maintained, made or permitted to remain 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, as applicable, copies of all required permits and any other approvals required by Applicable Law must be submitted with each request for ACC 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) a survey or site plan showing the locations of current structures and other Improvements, and the location(s) of all proposed Regulated Modifications in relation to all current structures and other Improvements;
- (b) the dimensions, nature, kind, shape, height, and color scheme and textures 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;
- (d) parking area, driveway and sidewalk plans;
- (e) all exterior lighting, including photometric plan, and all screening, including as to each size, location and method, as applicable;
- (f) intended uses; and
- (g) any other information or documentation as may be requested by the ACC and/or as provided in any applicable Architectural Guidelines.

4.02.2 Architectural Guidelines; Fees.

(a) Declarant during the Development Period and the ACC at any time may adopt or amend reasonable Architectural Guidelines applicable to the Subdivision, including Lots, as deemed appropriate to maintain or reasonably enhance Prevailing Community Standards of the Subdivision at the time of adoption or amendment. Architectural Guidelines serve only as an outline and minimum guidelines as to the matters covered thereby. The ACC has full authority in its sole discretion as to interpretation, implementation and applicability or inapplicability of Architectural Guidelines in each individual case.

(b) Without limitation of subsection (a), Architectural Guidelines may include the amount and manner of payment of any fees or charges to cover administrative costs, fees for architectural, engineering, construction, legal or other expert advice, consultation or other services, 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 or the ACC without the necessity for adoption of Architectural Guidelines as to the same. Architectural Review Fees must be paid as directed by the ACC, and processing of any request for ACC approval may be conditioned upon payment of the same. Any unpaid Architectural Review Fees may be specifically assessed to the applicable Lot and Owner.

(c) 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 may not 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. Architectural Guidelines must be Filed of Record, and Filing of Record is notice to all Owners, tenants and their Related Parties as to the same.

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, and compliance with this Declaration and with 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.

(a) General; Inspections. The ACC has full and complete authority to approve, conditionally approve or disapprove any request for ACC approval in accordance with this **Article IV**, and its judgment is final and conclusive. ANY CONDITIONAL APPROVAL IS SUBJECT TO STRICT COMPLIANCE WITH THE STATED CONDITIONS AND IS VOID IN THE EVENT OF ANY FAILURE TO COMPLY THEREWITH. After reasonable notice by telephone, Electronic Means or in any other manner permitted by the Governing Documents, the ACC or its representatives may, at any time during or after completion of any work approved or conditionally approved by the ACC, enter the applicable Lot for purposes of inspection of the work in progress and/or the completed work. As to any work regarding any approval or conditional approval, including pursuant to any such inspection, the ACC may require such modifications, additions, removals and/or restorations as to the work as deemed necessary by the ACC to obtain full compliance with the Governing Documents, including applicable approvals or conditional approvals.

(b) Failure to Act; Re-Submission. If the ACC fails to approve, conditionally approve or disapprove a request for ACC approval within thirty days after the date of submission to the ACC, then the request is deemed to have been disapproved. In such event the applicant may re-submit the identical request for ACC approval within sixty days after the original date of submission. The ACC must approve, conditionally approve or disapprove a re-

submitted request for ACC approval within thirty days after re-submission, failing which the re-submitted request is deemed to be approved. A REQUEST FOR ACC APPROVAL IS CONSIDERED TO BE SUBMITTED OR RE-SUBMITTED TO THE ACC ONLY UPON RECEIPT BY THE ACC OF (i) A FULLY COMPLETED, DATED AND SIGNED REQUEST FOR ACC APPROVAL AND ALL REQUIRED PLANS, SPECIFICATION AND OTHER APPLICABLE INFORMATION AND DOCUMENTATION AS TO THE SAME, AND (ii) PAYMENT IN FULL OF APPLICABLE ARCHITECTURAL REVIEW FEES, IF ANY.

4.02.5 Notice Regarding Unapproved Regulated Modification. ANY OWNER OR AUTHORIZED BUILDER (OR OTHER BUILDER OR PERSON) WHO COMMENCES, CONSTRUCTS, ERECTS, PLACES OR MAINTAINS ANY REGULATED MODIFICATION UPON ANY LOT OR ELSEWHERE WITHIN THE SUBDIVISION WITHOUT OBTAINING PRIOR WRITTEN APPROVAL OF THE ACC ASSUMES SOLE LIABILITY FOR ALL THE DAMAGES, COSTS AND ATTORNEY'S FEES RELATING, DIRECTLY OR INDIRECTLY, TO THE UNAPPROVED REGULATED MODIFICATION. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT OR THE ACC MAY REQUIRE THAT THE UNAPPROVED REGULATED MODIFICATION BE REMOVED IN ITS ENTIRETY AND THAT ALL AREAS AFFECTED THEREBY BE RESTORED TO THEIR ORIGINAL CONDITION, OR THAT ANY REGULATED MODIFICATION BE ALTERED OR CHANGED AS DEEMED NECESSARY BY THE ACC TO OBTAIN APPROVAL, ALL AT THE SOLE COST OF THE APPLICABLE OWNER.

4.02.6 No Waiver or Estoppel. EXCEPT FOR COMPLIANCE WITH THE PLAN APPROVAL PROVISIONS OF THIS ARTICLE IV, NO APPROVAL (EXPRESS OR IMPLIED) OR CONDITIONAL APPROVAL AND NO OTHER ACTION OR OMISSION OF THE ACC, INCLUDING ANY INSPECTION OR FAILURE TO INSPECT AS HEREIN PROVIDED, WILL EVER CONSTITUTE A WAIVER AS TO ANY OTHER PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, OR PRECLUDE BY WAIVER, ESTOPPEL OR OTHERWISE FULL ENFORCEMENT THEREOF.

SECTION 4.03 Variances. Declarant during the Development Period or the Board thereafter may grant specific variances to Architectural Guidelines, to Rules and Regulations 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, amendment or repeal of any of the provisions of this Declaration or other Governing Documents except for the limited purpose(s) of and only to the extent of the specific variance expressly granted. A variance may be granted only upon specific findings (i) 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 the Board determines a variance will result in a material enhancement to the applicant's Lot and/or to the Subdivision, and (ii) 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 EXTENDS ONLY FOR THE PERIOD OF TIME DURING WHICH, AND CONTINUES TO APPLY ONLY TO THE EXTENT THAT, THE CIRCUMSTANCES WHICH FORMED THE BASIS THEREFOR CONTINUE TO EXIST. THE BOARD 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 years. The ACC must also maintain a record of all current Architectural Guidelines and must provide copies to Owners upon written request and at the Owner's expense.

SECTION 4.05 Limitations of Liability. Except as otherwise expressly provided in this Declaration, Declarant, the Association, the Board, the ACC and their respective Related Parties are not liable to any Owner, tenant, the Related Parties of either, or to any other Person for any acts or failure to act or in connection with any approval, conditional approval or disapproval of any request for approval or request for variance. The foregoing limitations of liability apply without limitation to mistakes in judgment, negligence, malfeasance, or nonfeasance. No approval or conditional approval or any other act or omission of the ACC 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 Law, or as to any matters relating to the health, safety, workmanship or suitability for any purpose of the Regulated Modification. Each Owner is wholly and solely responsible for compliance with all building codes, permitting requirements and other Applicable Law. No approval, conditional approval or any other act or decision of Declarant, the Association, the Board, the ACC or any of their Related Parties pursuant to the Governing Documents may even be deemed a representation, warranty or guarantee regarding any such compliance.

ARTICLE V

MAINTENANCE FUND

SECTION 5.01 Obligation for Payments to Maintenance Fund.

5.01.1 Establishment of Maintenance Fund; Types of Assessments. 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 Lot, 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, 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 and replacement as applicable of all Community Properties (including as required by any Applicable Law), (ii) providing of water and other utilities, 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 judgment 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) Except as to builder assessments as provided in **Section B3.01** of Exhibit "B" hereto, the obligation to pay assessments commences as to each Lot upon the Initial Sale of each Lot. Assessments will be prorated at the time of closing on the Initial Sale of each Lot, and at the time of closing on each subsequent sale of the Lot, 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 Lot 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) is entitled to a statement from the Association setting forth all assessments due as of the date of the written request as provided in Chapter 207 of the Texas Property Code. The request must be in writing, must be addressed to the Association and must be delivered by Electronic Means, 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 the same. Except for fraud or misrepresentation, if the Association fails to respond to a proper written request for a statement of indebtedness in accordance with Chapter 207 of the Texas Property Code, and upon submission of confirmation of receipt by Electronic Means, or by 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 Lot transferred is not subject to a lien for, any unpaid assessments against the Lot which have accrued 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 Lots must be fixed at a uniform rate and must be determined on a per Lot 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, (ii) then to payment of all special assessments; and (iii) finally to payment of all regular assessments. 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 THREE HUNDRED FIFTY AND NO/100 DOLLARS (\$350.00) 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 DECLARANT CONTROL PERIOD, DECLARANT IS ENTITLED TO ADOPT ANY BUDGETS REGARDING AND 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 estimated 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 the same will be payable annually, semi-annually, quarterly or monthly. Written notice must be given to the 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 A VOTE OR THE APPROVAL OF ANY OWNER; PROVIDED, AT LEAST THIRTY DAYS WRITTEN NOTICE MUST BE GIVEN TO THE OWNERS OF ALL LOTS IN THE SUBDIVISION 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 Specific Assessments.

5.06.1 Types. Specific assessments must be assessed against individual Lots and the Owner(s) thereafter at the time liability for same accrues as follows:

(a) Capitalization Fees. At the time of closing on the sale of each Lot, a "**Capitalization Fee**" must be paid to the Association as herein provided. At the time of

closing as to the Initial Sale of each Lot an initial Capitalization Fee must be paid to the Association in an amount equal to fifty percent (50%) of the then amount of the regular annual assessment, rounded up to the next whole dollar. At the time of closing as to each subsequent sale of each Lot a Capitalization Fee must be paid to the Association in the same amount as aforesaid, or such other amount as from time to time set by adoption of applicable Rules and Regulations. The buyer must pay the applicable Capitalization Fee unless otherwise agreed between buyer and seller. Capitalization Fees will be deposited in the Maintenance Fund and may be used by the Association for general operations, funding of any reserves or as otherwise determined by the Board. Capitalization Fees are nonrefundable and are not to be deemed in any manner as an advance payment of any other assessments.

(b) Interest. Interest from the due date at the rate of the lesser of eighteen percent (18%) per annum or the maximum legal rate, or such other rate or rates as from time to time determined by the Board or as set by the Association's assessment collection policies not to exceed the maximum rate allowed by law, will be charged on all delinquent assessments, annual, special or specific, as to each assessment account for each Lot which is not paid in full by the end of each month.

(c) Late Charges. A late charge in the amount of TWENTY FIVE AND NO/100 DOLLARS (\$25.00) per month, or such other reasonable amount or amounts as from time to time determined by the Board or as set by the Association's assessment collection policies, is hereby imposed as to each assessment account for each Lot which is not paid in full by the end of each month.

(d) Compliance Costs. All expenses reasonably attributable to or incurred by reason of a breach or violation of or to obtain compliance with any provisions of this Declaration or other Governing Documents must be assessed against the Owner who occasioned the incurrence of such expenses, including reasonable attorney's fees whether incurred prior to, during the pendency of or after successful completion of any actions in a court of competent jurisdiction. The foregoing includes, without limitation, all costs, expenses and reasonable attorney's fees incurred in connection with the judicial or nonjudicial foreclosure of the Association's assessment lien, including prosecution or defense of any claims or actions relating to any such foreclosure proceedings.

(e) Other Obligations (Including Transfer and ACC Fees). All other monetary obligations established by or pursuant to this Declaration or other Governing Documents or which are otherwise permitted or authorized by law, and which are intended to apply to one or several but not all Lots must be assessed against the applicable Owner(s). Except for fines, the Board may from time to time contract with Managing Agents to provide statements of assessments or other charges or resale certificates, or to process changes of ownership or tenancy or applications for architectural approval, and in connection therewith (but subject to authority of the Board to waive any specific assessment as herein provided) may by contract or resolution assign to such Managing Agent the right to set the amount of fees or charges for any such services and to receive payment of the applicable charge.

(f) Other Utility or Special Service Assessments. Additional utility or other special services to be provided by or through the Association (such as, for example, for cable or satellite television services) may be approved by Declarant during the Development Period, and may be approved thereafter by majority vote of the Owners at any special meeting of Owners called for such purpose. NOTICE OF APPROVAL OF ANY SUCH ASSESSMENT MUST BE FILED OF RECORD.

5.06.2 Payment; Waiver. Specific assessments are due and payable as provided in this Section or otherwise immediately upon the occurrence of the event giving rise to liability for payment of the same. Failure of the Association to impose or collect any specific assessment is not grounds for any action against the Association, or any Director, officer, agent or employee thereof, and does not constitute a waiver of the Association's right to exercise its authority to collect any specific assessments in the future. For good cause shown as determined in the sole opinion of the Board, the Board may waive, wholly or partially, imposition of any specific assessment; provided, any such waiver is conditioned upon payment in full of all remaining monetary obligations then owed to the Association or receipt of written commitment that same will be paid within a specified period of time.

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, 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 as to any one or more Lots, the Association may, but is not required to, from time to time prepare one or more written notices of default in payment of assessments to be Filed of Record, 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 Applicable 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) the obligation for payment of which accrues from or after the date the applicable First Lien is duly Filed of Record, 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, 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) will be added to and included in the amount of any such assessment except as otherwise expressly provided herein;

(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 Suspension of Service. If any assessments are not paid within thirty days after the due date, then 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 Community Properties, 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 or the Owners Lot but the Association may otherwise require full compliance with and otherwise fully enforce all applicable Governing Documents, including Posted Rules, regarding the same.

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 nonjudicially by power of sale; and (iii) a continuing power of sale in connection with the nonjudicial 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. 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. The Association has the right and power to bid on any Lot at any foreclosure sale, either judicial or nonjudicial, 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 law, and will sell and convey 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. After foreclosure, either judicial or nonjudicial, 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 is full proof and evidence of the matters therein stated, that all prerequisites of the foreclosure sale are presumed to have been performed, and that the foreclosure sale made under the powers herein granted is 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 any part of this **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, vote or consent of any Owner or any other Person.

SECTION 5.09 Miscellaneous Provisions.

5.09.1 Effect of Foreclosure or Bankruptcy. The effect of judicial or nonjudicial 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. 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.

5.09.2 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.

5.09.3 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 off-set, credit, waiver, diminution or abatement may be claimed by any Owner to avoid or diminish the obligation for payment of assessments for any reason.

5.09.4 Assessment Collection Policies. The Association will adopt assessment collection policies consistent with this Declaration and in accordance with applicable provisions of the Texas Property Code. Declarant during the Development Period and the Board at any time may adopt and amend any such assessment collection policies as may be deemed to be necessary or appropriate.

SECTION 5.10 Declarant and Builder Assessments. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, ALL PROVISIONS SET FORTH IN EXHIBIT "B" HERETO APPLY REGARDING PAYMENT OF ASSESSMENTS BY DECLARANT OR ANY BUILDER.

ARTICLE VI

MAINTENANCE; CASUALTY LOSSES

SECTION 6.01 Association Maintenance Responsibilities

6.01.1 General

(a) Community Properties. The Association will maintain, repair and replace all Community Properties, 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 Community Properties. All such maintenance will be provided in such manner and detail as determined by the Board. NO COMMUNITY PROPERTIES, INCLUDING ANY LAWN OR LANDSCAPING OR ANY OTHER IMPROVEMENTS THEREIN, MAY BE REMOVED, ADDED TO, ALTERED OR IN ANY OTHER MANNER CHANGED EXCEPT BY OR WITH THE PRIOR WRITTEN CONSENT OF THE BOARD.

(b) Suspension or Limitation of Usage Rights. If any Owner, tenant, Related Parties of either or any of their guests or invitees fail to fully comply with the Governing Documents regarding the use of any Community Properties, including as to all recreational facilities, if any, or with any Posted Rules regarding the same, then the Association may suspend, limit or restrict any or all usage rights regarding the same as to the Owner, tenant, Related Parties of either and/or any of their guests or invitees. On the same basis the Association may require any Owner, tenant, Related Parties of either or their guests or invitees to immediately vacate any Community Properties, including any recreational facility or other

applicable areas, due to conduct, activities or other violations which are disruptive, disorderly or otherwise infringe upon the rights of others to quiet enjoyment. 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 or the Owners Lot but the Association may otherwise require full compliance with and otherwise fully enforce all applicable Governing Documents, including Posted Rules, regarding the same.

6.01.2 Common Drainage Systems and Easements.

(a) General. Subject to any other provisions herein regarding Owner maintenance and to the extent not otherwise maintained by any governmental or quasi-governmental authority or utility provider, the Association will maintain, operate, regulate, repair and replace any common storm water drainage or detention systems located within and which service the Subdivision (the "**Common Drainage Systems**"). Except as provided below, 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 Common Drainage Systems.

(b) Included/Excluded Facilities. The Common Drainage Systems include only (i) the main storm water lines from the points of connection to the main lines maintained by any governmental authority or utility provider to the points of connection to lines which service individual Lots, (ii) storm water gutters and drains located within any street within the Subdivision, if any, (iii) any irrigation system maintained by the Association within or as to any Community Properties, if any (iv) the "Detention Pond" and each of the areas designated as "Drainage and Access Reserve Easement" as so designated on the Initial Plat, and associated water features such as fountains, and (v) any storm water pumps, water interceptors, pollution, control or filtration systems, pipes, lines, wires, conduits, valves, manholes, and other components, equipment or facilities which are an integral part of any of the foregoing.

(c) Easements. Without limitation as to any other applicable easements, Declarant hereby reserves in favor of Declarant, the Association, their Related Parties and applicable public or quasi-public authorities, utility providers and their agents and personnel blanket easements upon, under, over and across the Subdivision, including each Lot, for the installation, maintenance, repair, operation, removal and/or replacement of the Common Drainage Systems.

(d) No Liability. The Detention Pond and Drainage and Access Reserve Easements are subject to erosion, storm water runoff, water drainage, water overflow, flooding and water inundation resulting from the occurrence of natural phenomena. Such areas may also be affected by construction or maintenance therein of structures or devices which may improve drainage, or in connection with other permitted uses or regulations of the areas as determined by applicable governmental authorities or the Association. Properties in the proximity of the Detention Pond or a Drainage and Access Reserve Easement, including Lots, may be more susceptible to such consequences. Declarant, the Association and their Related Parties are not liable for any injuries to persons or property or any damages of any kind regarding the design, construction, maintenance, operation, regulation, repair or replacement of the Common Drainage Systems, or any usage thereof or any limitations or failures as to the same to mitigate or prevent any erosion, water runoff, water drainage, water overflow, flooding or water inundation. The foregoing provisions are cumulative, including as to the provisions in Exhibit "A" hereto regarding water runoff, inundation, flooding and flood insurance.

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 or amend any such contracts or agreements on behalf of the Association, and to bind the Association thereto. The Owners may also approve as herein provided the providing of other Community Properties, including other facilities and/or services to be provided by or through the Association and specific assessments as to the same, 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. 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 Community Properties, or (iii) increase costs of maintenance, repair, replacement, management, operation or discharge of any other obligations of the Association, including as to any Community Properties or any other areas maintained by the Association. Regardless of availability of insurance coverage, the Association may charge to each responsible Owner, 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.

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 applicable Governing Documents. Without limitation of the foregoing, each Owner must properly maintain, at each Owner's sole cost and expenses, 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 and garage. Without limitation of the foregoing, each Owner must

provide maintenance and repair 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, 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 such fences

and walls must otherwise be maintained as provided herein or in other applicable Governing Documents.

(j) All recreational equipment, which may be installed if and only if approved by the Architectural Control Committee, must be maintained to prevent any unsightly or unkempt condition, including for example but without limitation, proper maintenance of swing sets to prevent rust and corrosion, and proper maintenance of basketball goals to prevent rust and corrosion and by replacement as needed of torn or worn nets.

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 provider.

(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, and may be specifically assessed all costs thereof to the applicable Owner(s), in whole or in part, as determined by the Board.

(e) UTILITY LINES, DEVICES AND RELATED FACILITIES FOR OWNER UTILITIES WHICH SERVICE EACH LOT MAY CROSS LOT OR OTHER PROPERTY LINES AND MAY BE LOCATED UPON MULTIPLE LOTS AND/OR COMMUNITY PROPERTIES 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 THE SAME. SUBJECT TO REASONABLE, EACH LOT AND THE COMMUNITY PROPERTIES ARE SUBJECT TO BLANKET EASEMENTS FOR PURPOSES OF THE INSTALLATION, MAINTENANCE, REPAIR AND/OR REPLACEMENT OF ALL SUCH UTILITY LINES, DEVICES AND RELATED FACILITIES BY DECLARANT OR THE ASSOCIATION, AS APPLICABLE, BY ANY APPLICABLE OWNER, AND BY THEIR RESPECTIVE RELATED PARTIES.

6.02.4 Landscaping.

(a) All maintenance, including irrigation, of all lawn and landscape areas as to each Lot, including without limitation all shrubbery, trees, flower and other landscaping beds, vegetation and all other landscaping, either natural or artificial, must be properly maintained by and at the sole cost of the Owner of each Lot. Such maintenance for

each Lot must be in accordance with the seasons and 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 cause or create any unsanitary condition or become a harborage for rodents, vermin, pests or any wood or other infestations.

(b) Maintenance for each Lot as provided in subsection (a) must include as applicable and without limitation: (i) regular mowing and edging of grass and lawn areas, (ii) regular trimming and pruning of plants, shrubs, trees and all other landscaping as applicable, (iii) prompt treatment and control as to any rodent, vermin, pests or any wood or other infestations, including as to fleas, ticks, mosquitoes, caterpillars, billbugs, grubs, snails, worms, termites, bees, wasps or bee hives, mice, rats, squirrels or gophers, (iv) prompt treatment and control as to any lawn or landscape diseases, including as to large patch, brown patch, leaf spots, fungus, mold, mildew, rust and smut (v) prompt removal and replacement of like kind and quality of any dead, diseased or materially damaged grass or lawn areas, plants, shrubs, trees and any other landscaping, (v) proper utilization and operation of any irrigation system for the Lot, and proper maintenance and prompt repair or replacement of any damaged, defective or improperly functioning parts thereof, and (vi) full compliance with all other lawn and landscape maintenance obligations in accordance with the Governing Documents, including this Section and **Section 8.04** regarding tree maintenance and removal and any reasonable requests by the Association as to the same.

(c) In any case where a Lot abuts a street the owner must irrigate and maintain all lawn and landscaping to the curb or edge of the street regardless of whether the Lot line in fact extends to the curb or edge of the street.

(d) No lawn or landscaping upon any Lot may be materially changed unless and until prior written approval of the ACC is obtained in accordance with **Article IV** of this Declaration.

6.02.5 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 Community Properties, or any Improvements on any such Lot or the Community Properties.

SECTION 6.03 Casualty Losses - Association Responsibilities. Except as hereafter provided, in the event of damage by fire or other casualty to the Community Properties 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 substantially restore the Community Properties 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 Members 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 6.04 Casualty Losses - Owner Responsibilities.

6.04.1 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 (a "**Damaged Improvement**") the Damaged

Improvement must be repaired, reconstructed or replaced in its entirety, or it must be demolished and removed as hereafter provided.

6.04.2 Manner of Repair or Removal. All repair, reconstruction or replacement of any 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 as to 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 any 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.

6.04.3 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. If such work cannot be completed within the applicable period of time, then the work must be commenced within such period and completed within a reasonable time thereafter as determined by the Board. In all events, all such work must be completed within one hundred eighty days as to a 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 by the Board.

6.04.4 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 Community Properties must be repaired or replaced as soon as practical. All due diligence must be exercised to complete all such repairs or replacements, including 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 Community Properties.

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

SECTION 6.05 Owner Insurance. NOTWITHSTANDING ANY PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, OBTAINING AND MAINTAINING OF LIABILITY AND PROPERTY INSURANCE REGARDING AND FOR EACH LOT AND ALL IMPROVEMENTS THEREON AND OCCUPANTS THEREOF IS THE SOLE RESPONSIBILITY OF THE OWNER, TENANT AND OTHER OCCUPANT THEREOF. The foregoing obligations of Owners include obtaining and maintaining of insurance regarding the residences and appurtenant structures and the contents thereof, and of flood insurance (see "Water Runoff, Inundation and Flooding, and Flood Insurance Notice" in exhibit "a" to this Declaration). Declarant, the Association and their Related Parties have no obligation whatsoever to confirm obtaining or maintenance of any insurance as aforesaid and have no other responsibilities regarding any of the same.

SECTION 6.06 Association Insurance. To the extent reasonably available, the Association will maintain property insurance on all insurable Community Properties 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 and all other matters pertaining to all insurance policies. DECLARANT, THE ASSOCIATION 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 THE SAME IF SUCH FAILURE IS DUE TO UNAVAILABILITY OR TO EXCESSIVE COSTS AS DETERMINED IN THE SOLE GOOD FAITH OPINION OF DECLARANT OR THE BOARD, OR FOR ANY OTHER REASON BEYOND THE REASONABLE CONTROL OF DECLARANT OR THE BOARD.

ARTICLE VII USE RESTRICTIONS

SECTION 7.01 Residential Use.

7.01.1 Single Family Residential Use Only. Each and every Lot is hereby restricted to single family residential use only. No residence may be occupied by more than one single family. As used in this Declaration the term "**residential use**" is to be construed to prohibit the use of any Lot or the residence thereon for apartment houses or other type of dwelling designed for multi-family dwelling, or use for or operation of a boarding or rooming house or residence for transients, or the use of any permitted outbuilding as an apartment or residential living quarters.

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 home office, including for a professional business such as for a certified public accountant or attorney, but if and only if such business activity (i) does not require additional parking or materially increase traffic within the Subdivision, and (ii) 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).

7.01.3 Maximum Occupancy. In no event may a single family residence be occupied by more persons than the product of the total number of bona fide bedrooms contained in the single family residence multiplied by two. The "**number of bona fide bedrooms**" means the number of separate bedrooms contained in the applicable single family residence as originally constructed, plus any additional bedroom which may thereafter be added and which has been specifically approved in writing for such use by the ACC, if any.

SECTION 7.02 Pets, Animals and Livestock.

7.02.1 Permitted Pets; Leashing Required.

(a) No animals, hogs, pigs (including pot belly or pot-bellied pigs), horses, livestock, reptiles, fish, birds, poultry, fowl or insects of any kind may be raised, bred, kept or maintained on any Lot at any time except "**Permitted Pets**" which are domesticated dogs, cats and other domesticated, usual and customary household pets. Notwithstanding the

foregoing, the following are hereby excluded as Permitted Pets and are not allowed upon any Lot or at any other place within the Subdivision: (i) any dog or cat which in fact exhibits viciousness or ill temper, or which in fact has caused injury to any person or to any other Permitted Pet, and (ii) any animal of any kind that has venom or poisonous or capture mechanisms, or if let loose would constitute vermin. All Permitted Pets must be kept on a leash, carried or otherwise maintained under the control of a responsible person when outside of a residence, or when not maintained in an enclosed yard from which the Permitted Pet cannot escape.

(b) NOT MORE THAN TWO PERMITTED PETS ARE ALLOWED PER LOT EXCEPT AS MAY BE AUTHORIZED BY A SPECIFIC VARIANCE GRANTED IN ACCORDANCE WITH THIS SECTION AND **ARTICLE IV**, OR AS MAY BE AUTHORIZED BY APPLICABLE RULES AND REGULATIONS. Each variance, if any, must be limited to a specific Owner or tenant, to specific pets and to a specific timeframe and specific circumstances to which the variance applies. For example, if an Owner is granted a variance to keep three dogs, the variance is limited to that specific Owner and to the specific pets kept by the Owner at the time of the variance, and the variance will automatically terminate after any one dog ceases for any reason to be kept at the Lot and thereafter the two pet limit will again apply.

(c) No Permitted Pets may be raised, bred, kept or maintained for commercial purposes. Subject to other applicable provisions of this **Section 7.02** and to **Section 7.04**, the above 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 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.

(d) Owners of a Permitted Pet must immediately remove and dispose of in a sanitary manner all 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 all 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 will be allowed to cause or create any nuisance, annoyance, or unreasonable disturbance or noise. Each Owner must also fully comply with all Applicable Law regarding each and all of the Owner's Permitted Pets, including without limitation all licensing and vaccination requirements.

(e) The Association may adopt Rules and Regulations, including Posted Rules, to further regulate Permitted Pets, including without limitation 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 and regulations as to areas outside a residence where Permitted Pets are permitted or from which they are excluded.

7.02.2 Removal. The Association may cause any animals, livestock, hogs, pigs (including pot belly or pot-bellied pigs), horses, livestock, reptiles, fish or poultry of any kind which are not permitted within the Subdivision, including any Lot or Community Properties, to be removed from the Subdivision. The Association may cause any Permitted Pet to be removed from the Subdivision due to any violation of applicable provisions of this **Section 7.02**, this Declaration or other Governing Documents, and may prohibit the return of any of the same to the Subdivision. This includes any Permitted Pet which is allowed to roam free, or which in the sole judgment of the Association endanger health or safety, make objectionable noise, or constitute a nuisance, annoyance or inconvenience to the Owners or occupants of any other Lots or any Community Properties. Removal as aforesaid will be at the sole cost and expense of the responsible Owner or Owner's tenant, and without liability of any kind whatsoever to the

Association, their Related Parties, or any Person which the Association may direct to remove any such animal, livestock or Permitted Pet.

SECTION 7.03 Vehicles; Parking.

7.03.1 Definitions. As used in this **Section 7.03**, and in this Declaration and other Governing Documents as applicable, the following definitions apply:

"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 or trailer, and including without limitation of the foregoing such other devices as from time to time specified by applicable Rules and Regulations.

"Inoperable Vehicle" means any Vehicle which (i) does not have physically and properly displayed on the Vehicle both a current and valid license plate and current and valid state inspection sticker as required by Applicable Law, or (ii) which is not for any reason capable of lawful operation on the any public streets, or (iii) as otherwise determined by the Association or by applicable Rules and Regulations.

"Commercial Vehicle" means any type of self-propelled or towed Vehicle (i) used for transportation of goods or passengers for compensation, or for transporting of hazardous materials as defined by Applicable Law, or (ii) which has commercial signage, graphics, designs, artwork or other displays on or attached to the exterior of the Vehicle or which is visible from the exterior of the Vehicle, whether temporary or permanent. Commercial Vehicles include without limitation semi-trucks or trailers, Snap-On tool and similar step vans, limousine, taxi and similar transport Vehicles and such other Commercial Vehicles as may be specified by applicable Rules and Regulations. The foregoing does not prohibit temporary travel or parking of Commercial Vehicles within the Subdivision as hereafter provided.

"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.

"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.

"Unused Vehicle" means any Vehicle which remains in the same general location on a street, or in a driveway within the Subdivision, for seven or more consecutive days or seven or more days in any fourteen-day period, or as otherwise determined by the Association or applicable Rules and Regulations.

"Unsightly Vehicle" means any Vehicle as reasonably determined by the Association (i) with exterior signage, graphics, designs, artwork or other displays which are not professionally applied, or which are vulgar, obscene, gaudy, or otherwise offensive to persons of ordinary sensibilities, or (ii) which due to damage, disrepair or dilapidation is offense in appearance to persons of ordinary sensibilities.

7.03.2 Prohibited Vehicles; Covers Prohibited. The following Vehicles may **not** be parked, stored or kept at any time at any location within the Subdivision, including without limitation upon any street, or upon any part of any Lot, unless such Vehicle is stored completely within a garage: (i) boat, sailboat or other similar watercraft; (ii) boat or truck rigging; (iii) truck larger than a three-quarter ton pick-up; (iv) mobile home, trailer, recreational vehicle or bus; (v) Commercial Vehicle; (vi) Unused Vehicle or Inoperable Vehicle of any kind, (vii) Oversized Vehicle; (viii) any Unsightly Vehicle; and (ix) any 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 an annoyance or nuisance, as may be determined in the sole judgment of the Association. Use of Vehicle covers of any kind (except for Vehicles parked completely in a garage) is prohibited.

7.03.3 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 in to 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.

7.03.4 Parking - Occupant Vehicles.

(a) Parking of Occupant Vehicles as to each Lot is permitted only if and as permitted by and otherwise only in strict compliance with this Section and only at the following locations: (i) wholly within the garage, (ii) wholly within a driveway or (iii) wholly within a street.

(b) Occupant Vehicles as to each Lot may be parked within the driveway only if the number of Vehicles the garage is designed to accommodate for parking, minus one, are first parked in the garage. For example, if a Lot has a two-car garage, then at least one Occupant Vehicle must be parked in the garage before any other Occupant Vehicle is parked within the driveway. Such driveway parking is also permitted only if the Occupant Vehicle can be parked wholly within the driveway without any part of the Occupant Vehicle extending in to or over any sidewalk or street, and only if such parking does not otherwise violate applicable provisions of this Section.

(c) Parking of any Occupant Vehicle as to each Lot upon any street within or in the vicinity of the Subdivision is prohibited during any time when parking within the garage or the driveway of the Lot as provided in subsection (b) is available. For example, if a Lot has a two-car garage and a driveway of sufficient size to permit parking of two Occupant Vehicles thereon in accordance with this Section, then at least three Occupant Vehicles must be parked in the garage and on the private driveway before any other Occupant Vehicle as to that Lot is parked upon any street within or in the vicinity of the Subdivision. If and only during such times as Occupant Vehicles are parked in the garage and driveway of a Lot as aforesaid, then not more than two additional Occupant Vehicles may be parked parallel to the curb area along the front of, and between the side lot lines of, the Lot.

(d) Except as above provided or as to temporary parking as hereafter permitted, no Occupant Vehicle of any kind may be parked or stored at any time at any location upon any street within the Subdivision. Occupant Vehicles must otherwise be parked or stored outside of the Subdivision.

(e) Parking of Occupant Vehicles upon area public streets located outside of the Subdivision is permitted, subject to the above provisions and subject to the right of applicable governmental authorities to restrict or prohibit the same at any time.

7.03.5 Guest Parking. Declarant does not anticipate it will provide for, and Declarant and the Association have no obligation whatsoever to provide for, any guest parking areas within the Subdivision or otherwise. Guest parking within the Subdivision is therefore restricted to (i) the permitted areas for parking of Occupant Vehicles as applicable to the Lot the guest is visiting, or (ii) temporary parking for occasional social events as provided in **Section 7.03.7(d)**.

7.03.6 Parking at Recreational and Similar Facilities. Parking at any recreational area, park or other similar facilities owned or operated by the Association, if any, is only for the use of Association personnel as to the facility, and for Members and their permitted guests. Such parking is permitted only during the normal business hours of the applicable facility, or in accordance with applicable hours as posted at the facility. Such parking is also subject to all other applicable Rules and Regulations, including all Posted Rules.

7.03.7 Temporary Parking, Including Occasional Social Events.

(a) **"Temporary Parking"** means parking only for so long a period 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 as is reasonably required with the exercise of due diligence to commence and complete the activity. Temporary Parking is permitted only if parking is not available within the garage or driveway of the applicable Lot. Temporary Parking may include Commercial Vehicles or Oversized Vehicles. Any parking more than thirty consecutive minutes or more than a total of one hour in any day is presumed not to be temporary. Temporary Parking also includes guest parking for occasional social events as provided in subsection (d)

(b) Temporary Parking upon a street is permitted (i) by permitted Occupant Vehicles, guests and invitees, and by pick-up or delivery services, but solely for purposes of loading and unloading of passengers or cargo, and (ii) by other Vehicles in connection with and only during the conducting of work as to the maintenance, repair or reconstruction of a residence or other Improvement.

(c) Pick-up or deliveries (such as moving in or out of a residence) or maintenance, repair or reconstruction requiring longer than thirty consecutive minutes or more than a total of one hour in any day must be coordinated with the Association, must be conducted in such manner as to minimize interference with traffic and pedestrian ingress, egress or travel, must otherwise be conducted in accordance with directives of the Association and applicable Rules and Regulations, including all Posted Rules.

(d) Guest parking for occasional social events is permitted upon the streets within the Subdivision if and only to the extent parking is not available as above provided regarding permitted areas for parking of Occupant Vehicles as applicable to the Lot the guest is visiting. Guest parking for occasional social events may be more particularly defined and regulated by applicable Rules and Regulations.

(e) IF ANY TEMPORARY PARKING IMPEDES OR IMPAIRS INGRESS, EGRESS OR REGRESS AS TO ANY LOT OR THE SUBDIVISION, THEN A CONTACT PERSON MUST BE AVAILABLE DURING THE ENTIRE TEMPORARY PARKING

PERIOD FOR PURPOSE OF PROMPTLY MOVING THE VEHICLE, SO THAT ANY SUCH IMPEDANCE OR IMPAIRMENT IS ELIMINATED. THE CONTACT PERSON MUST BE AVAILABLE EITHER IN PERSON AT THE VEHICLE OR VIA A MOBILE TELEPHONE NUMBER WHICH IS SECURELY FIXED TO AND CONSPICUOUSLY DISPLAYED ON THE DRIVER'S SIDE WINDOW OF THE VEHICLE.

(f) All Temporary Parking is subject to applicable provisions of this **Section 7.03** not inconsistent with this **Section 7.03.7**, or applicable Rules and Regulations (including Posted Rules) or Applicable Law (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).

7.03.8 Street Use and Parking; No Obstructions.

(a) All streets within or in the vicinity of the Subdivision are restricted to use for vehicular ingress, egress and regress, parking of Vehicles to the extent (and only 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, barbeque 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 AND TENANTS, AND THEIR RELATED PARTIES, ASSUME SOLE RESPONSIBILITY FOR ALL CONSEQUENCES OF ANY USE OF ANY STREET, INCLUDING AS TO ANY VIOLATIONS OF THE FOREGOING, AND INCLUDING AS TO ALL DAMAGES, PERSONAL INJURIES OR OTHERWISE, AND MUST INDEMNIFY, DEFEND AND HOLD HARMLESS DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES AS TO ANY AND ALL SUCH CONSEQUENCES.

(b) WHEN PARKING OF ANY VEHICLES IS ALLOWED ON A STREET AS HEREINABOVE 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 OR OTHER INVITEE IS VISITING OR WHICH THE TEMPORARY PARKING PERTAINS, OR AS CLOSE THERETO AS CIRCUMSTANCES PERMIT.

7.03.9 Repair, Rental or Sale of Vehicles Prohibited. No repair or other work of any kind may be performed at any time on any Vehicle within the Subdivision. The foregoing prohibition includes any such activities on any streets within or in the vicinity of the Subdivision, each Lot and the private driveway on each Lot and all Community Properties. The foregoing prohibition does not include temporary emergency repairs or other work required in order to promptly remove an Inoperable Vehicle or disabled Vehicle from the Subdivision or a street in the vicinity of 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 Vehicle, including any Occupant Vehicle, is prohibited. Without limitation of the foregoing, no Vehicle repair or mechanic's shop of any kind, and no Vehicle 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 at any other location within the Subdivision.

7.03.10 Towing; Other Remedies. The Association or its designated representative(s) may cause any Vehicle which is parked, stored or maintained in violation of this Declaration or other Governing Documents, or in violation of any Applicable Law, to be booted or removed from the Subdivision to any vehicle storage facility within the County in which the Subdivision is located, or within 100 miles of any part of the Subdivision regardless of County. Any such booting or removal will be 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 booting or 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 "**Designated Towing Company**") to provide requisite signage and other notices, and for the booting and/or towing of vehicles parked or otherwise kept or stored in violation of the Governing Documents. All rights and remedies as aforesaid are cumulative of any other rights or remedies of the Association or its Related Parties.

7.03.11 Development Period. All Development Personnel are exempted from the provisions of this **Section 7.03**. Declarant is also authorized to regulate traffic and parking to the fullest extent deemed necessary or appropriate by Declarant for the conducting of any and all Development Activities, including as provided in Exhibit "B" to this Declaration.

7.03.12 Responsibilities of Owners and Tenants. OWNERS AND THEIR TENANTS MUST OBTAIN FULL COMPLIANCE WITH THE PROVISIONS OF THIS **SECTION 7.03** (INCLUDING RULES AND REGULATIONS ADOPTED PURSUANT TO THIS DECLARATION) BY THEIR RESPECTIVE RELATED PARTIES, AND EACH IS JOINTLY AND SEVERALLY LIABLE FOR ALL VIOLATIONS BY THEIR RESPECTIVE RELATED PARTIES.

7.03.13 Other Regulations; Variances.

(a) Posted Rules Control. POSTED RULES (AS DEFINED IN **ARTICLE II**) CONTROL IN THE EVENT OF ANY CONFLICT WITH THIS **SECTION 7.03** OR ANY OTHER GOVERNING DOCUMENTS. ALL OWNERS, TENANTS AND THEIR RELATED PARTIES AND ALL OTHER PERSONS ENTERING OR OCCUPYING THE SUBDIVISION MUST FULLY COMPLY WITH ALL POSTED RULES.

(b) Other Rules and Regulations. The Association may (but has no obligation to) adopt Rules and Regulations pertaining to this **Section 7.03**, including establishment and enforcement of fines as to and/or procedures for the removal of any Vehicle or any other item, thing or device which is kept, operated, stored or parked in violation of any such Rules and Regulations or other Governing Documents.

(c) Variances. The Board may (but has no obligation to) grant variances regarding parking or other provisions of this **Section 7.03** in individual cases to accommodate unusual circumstances or to alleviate undue hardship. Any variance may be limited in duration or otherwise as determined by the Board. In all events any such variance will terminate immediately at such time and to the extent the unusual circumstances or hardships are or with reasonable diligence could be alleviated.

7.03.14 LIMITATION OF LIABILITY. DECLARANT, THE ASSOCIATION, THEIR RELATED PARTIES, AND ANY "DESIGNATED TOWING COMPANY" (AS ABOVE DEFINED) AND ANY OTHER AUTHORIZED PERSON WHO EXERCISE ANY RIGHTS OR REMEDIES REGARDING ANY VEHICLE AS HEREIN PROVIDED (THE "**INDEMNITEES**")

HAVE NO LIABILITY WHATSOEVER IN CONSEQUENCE THEREOF. THE PERSON OWNING EACH AFFECTED VEHICLE (INCLUDING AS TO ANY 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 INDEMNIFY, DEFEND AND HOLD ALL SUCH INDEMNITEES HARMLESS FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LIABILITIES OR DAMAGES ARISING, DIRECTLY OR INDIRECTLY, AS A RESULT OF THE EXERCISE OF ANY SUCH RIGHTS OR REMEDIES. THE PROVISIONS HEREOF ARE CUMULATIVE.

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 unhealthy, unsafe, unclean, 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, including any Lot or Community Properties, 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, 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, THE ASSOCIATION, THE ACC OR ANY OF THEIR 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 or other exterior audio or video device, and no horn, whistle, bell or other sound device may be located, placed, operated or used upon any Lot or improvement thereon except as expressly permitted by this Section and subject in all cases to strict compliance with applicable Rules and Regulations. All such devices may be installed, maintained, operated and used only in such manner as to not

create or to constitute an annoyance or nuisance to other residents of ordinary sensibilities as may be determined by the Association.

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 any 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 in plastic bags which are tied or otherwise tightly secured, or as otherwise required by the trash collection service provider and/or applicable Rules and Regulations. All trash receptacles must be kept in a clean and sanitary condition and must comply with all Applicable Law. Except when placed for regular pickup as herein provided, all trash receptacles must be kept within a garage, or, if and to the extent permitted by applicable Rules and Regulations, in an area as to each Lot that is adequately screened from public view. All trash and other prohibited matter must be removed from each Lot at regular intervals, including by the Owner if not removed or removable by a regular trash collection service. Trash and garbage for pickup by a regular service must be placed in such area or areas as the Association may from time to time direct, or as the applicable service may require. TRASH AND TRASH RECEPTACLES MAY NOT BE PLACED FOR PICKUP EARLIER THAN EIGHT HOURS PRIOR TO A SCHEDULED PICKUP DAY, AND ALL RECEPTACLES AND ANY REMAINING TRASH 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. Outdoor cooking is permitted on each Lot, but only in the back-yard area of each Lot, subject in either case to strict compliance with this Section. Outdoor cooking is permitted only in equipment especially constructed for the same, only in strict compliance with all Applicable Law, including fire codes, 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 Community Properties unless authorized by the Association. All outdoor cooking equipment must be properly maintained and must be stored in an area screened from public view when not in use.

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 7.04.8** are cumulative.

SECTION 7.05 Garage, Estate and Similar Sales. The advertising for, conducting of and any other matters incident to the barter, sale or exchange of any new or used personal or other property upon any Lot, or upon or within any residence, garage or other improvement

thereon, or at any other place or location within the Subdivision, is strictly prohibited unless sponsored by the Association, or unless authorized in advance in writing by the Association or pursuant to applicable Rules and Regulations. The foregoing includes without limitation any garage sale, yard sale, rummage sale, moving sale, attic sale, estate sale, or any similar type of sale (a "**garage/estate sale**"). Any written authorization for a garage/ estate sale or applicable Rules and Regulations may specify requirements, conditions and limitations regarding any garage/estate sale in general, or specific garage/estate sales in particular.

SECTION 7.06 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 7.07 Leases.

7.07.1 Definition; Restrictions; Certain Limitations.

(a) As used herein (or in other Governing Documents, as applicable), "**lease**," "**leased**," "**leasing**" or equivalent means occupancy of any part of a Lot or the residence thereon by any Person other than an Owner and the Owner's single family members, with the Owner's consent, express or implied, and 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. "**Tenant**" includes any occupant as aforesaid pursuant to a lease.

(b) No Lot may be leased other than for use for residential purpose by a single family as herein provided and defined, or for occupancy or use which is otherwise in violation of the Governing Documents. No Owner may lease a Lot and attendant use of the residence and Improvements thereon for transient or for hotel, motel or any similar 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 the Governing Documents (whether or not expressly stated in a lease). SUBLEASING OF ANY KIND IS PROHIBITED.

(c) The Association may not adopt or enforce any provisions pursuant to the Governing Documents that (i) requires a lease or rental applicant or a Tenant to be submitted to and approved for tenancy 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. Except as provided in this subsection, nothing herein prohibits the Association from adoption or enforcement of restrictions, including Rules and Regulations, relating to occupancy or leasing.

7.07.2 Default. Any failure by a Tenant or the Tenant's Related Parties to comply with the Governing Documents will be a default under the lease. In the event of default under any lease due to violation of the Governing Documents, the Association may (but has no obligation to) (i) require prompt termination of the lease by the Owner and eviction of the Tenant

and all occupants at the Owner's sole cost and expense, or (ii) initiate any proceedings, actions or litigation under the lease to enforce compliance or to terminate the lease and/or for eviction. For purposes of any such action by the Association each Owner irrevocably appoints the Association or its designated representative as their attorney-in-fact, agrees to indemnify, defend and hold harmless the Association and its Related Parties and agrees to be solely responsible for all costs thereof. NO PROCEEDINGS, ACTION OR LITIGATION UNDER THIS SECTION OR ANY OTHER PROVISIONS OF THE 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 Tenant(s) are jointly and severally liable for the observance and performance of all terms and provisions of the Governing Documents. The foregoing includes without limitation joint and several liability for all damages, fines, costs, expenses and any other applicable assessments resulting from any violation and with respect to all other rights and remedies regarding enforcement of the Governing Documents.

7.07.4 Surrender of Use of Community Properties by Lessor(s). During all periods of time during which a Lot is occupied by any Tenant, lessor(s) automatically surrender all of lessors' rights as an Owner to the use of the Community Properties unto such Tenant(s), including without limitation all rights of use of recreational facilities, if any. The foregoing does not impair the Lessor's voting rights, ingress, egress or regress rights or any right to inspect the leased premises, or any other rights or remedies of a Lessor customarily reserved for the protection of a lessor.

SECTION 7.08 Short-Term Rentals and Timesharing Prohibited. Short-term rentals of any kind, including Airbnb, Home Away and VRBO type rentals, and timesharing, fraction-sharing or a similar program whereby the right to exclusive use of any part of any Lot or the residence or any other improvements thereon rotates among members of the program on a fixed, floating or other time schedule are strictly prohibited as to any part of any Lot or the residence or any other improvements thereon or as to any other part of the Subdivision.

SECTION 7.09 Children and Other Dependents. All Owners and tenants must insure that their children and other dependents, and the children and other dependents of any of their Related Parties, are properly supervised at all times, and may not permit their children or other dependents to engage in any activity or conduct in violation of this Declaration or other Governing Documents. Owners and tenants are liable for all consequences of any lack of supervision or violations.

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 Mineral Production. No drilling, development operations, refining, quarrying or mining operations of any kind is permitted upon any Lot. No oil well, tank, tunnel, mineral excavation or shaft is permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas is permitted upon any Lot.

SECTION 7.12 Rules and Regulations. Declarant during the Development Period and the Association at any time may adopt and amend reasonable Rules and Regulations. Rules and Regulations may not be enacted retroactively, provided that if any existing use, condition or activity is subsequently covered by Rules and Regulations and such use, condition or activity ceases at any time and for any duration of time after enactment of the Rules and Regulations covering the same, then the Rules and Regulations will apply to the use, condition or activity thereafter. Rules and Regulations must be Filed of Record. Except for Post Rules, notice of adoption or amendment of Rules and Regulations must be given to all Owners within a reasonable time after Filing of Record of the same (certification by the Association that proper notice was given in accordance with this Section to be conclusive absent proof of fraud).

ARTICLE VIII

ARCHITECTURAL RESTRICTIONS

SECTION 8.01 Type of Residence.

8.01.1 Single Family Residence. No more than one single family residence may be constructed, placed or permitted to remain on each Lot. No permitted residence may exceed two stories, exclusive of chimneys and of roof vents and similar roof extrusions. Without limitation of the foregoing, the term "**single family residence**" prohibits duplex houses, garage apartments, apartment houses, and any other multi-family dwelling.

8.01.2 Garages and Garage Doors.

(a) General. All single family residences must have an enclosed attached or detached garage for parking of not less than two or more than three cars. Each such garage must contain a minimum of three hundred fifty (350) square feet of interior floor space. The garage must be architecturally similar and compatible to the appurtenant residence, including as to the roof line and appearance. Except for porte-cocheres if and as approved by the ACC, 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 without prior written approval of the ACC. 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.

(b) NOTICE OF SIZE LIMITATION; NO LIABILITY. GARAGES MAY NOT BE OF SUFFICIENT SIZE TO PERMIT PARKING THEREIN OF THE SAME NUMBER OF LARGE VEHICLES AS THE CUSTOMARY DESCRIPTION OF THE GARAGE. FOR

EXAMPLE, A "TWO-CAR GARAGE" MAY NOT BE LARGE ENOUGH TO PERMIT PARKING THEREIN OF TWO LARGE SEDANS, TWO SUV'S OR TWO OTHER LARGE VEHICLES. THIS SIZE LIMITATION IS NOT A BASIS FOR NON-COMPLIANCE WITH APPLICABLE PROVISIONS OF THIS DECLARATION OR OTHER GOVERNING DOCUMENTS (INCLUDING APPLICABLE RULES AND REGULATIONS), AND IS NOT A BASIS FOR ANY CLAIM WHATSOEVER AGAINST DECLARANT OR THE ASSOCIATION, OR THEIR RELATED PARTIES.

8.01.3 New Construction and Continued Maintenance Required. All residences, buildings and structures must be of new construction, and no residence, building or structure may be moved from another location to any Lot without prior written approval of the ACC. All residences, buildings and structures must be kept in good repair, must be painted (as applicable) when necessary to preserve their attractiveness and must otherwise be maintained in such manner as to obtain and maintain Prevailing Community Standards.

8.01.4 Prohibited Homes and Structures. No tent, shack, mobile home, or other structure of a temporary nature may be placed or maintained upon any Lot or elsewhere in the Subdivision. Manufactured homes, industrialized homes, industrialized buildings and any other type of prefabricated residential structure, including any garage, which is constructed or assembled other than primarily on site are not permitted on any Lot. No residence, building or structure may be moved from another location to any Lot without prior written 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 written approval of the ACC.

SECTION 8.02 Living Area Requirements. The living area (air-conditioned space) for each single family residence may not be less than 1,600 square feet. In addition, 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 as originally constructed. Square footage of living area is to be measured to the outside of exterior walls (i.e., outside of brick, siding stone, or stucco); stairs and two-story spaces are counted only once. A/C returns, pipe chases, fireplaces and non-structural voids are excluded. Square footage of living area is exclusive of porches, servants' quarters, customary outbuildings and garages.

SECTION 8.03 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, and as established by this Declaration, applicable Architectural Guidelines or Applicable Law. Eaves, roof overhangs, steps, fireplaces, chimneys, bay windows, unroofed terraces and similar architectural details which are a part of a permitted residence or garage are not to be considered for the purposes of this Section.

SECTION 8.04 Construction Standards.

8.04.1 Applicability. Except as may be otherwise authorized in writing by the ACC and in addition to all other applicable requirements of this Declaration and other Governing Documents, initial construction of all single family residences and appurtenant structures must be in accordance with, and such residences and appurtenant structures must thereafter be maintained to the extent applicable in accordance with, the provisions of this **Section 8.04**.

8.04.2 Maximum Period for Completion of Construction. Upon commencement of construction of a single family residence, the work thereon must be prosecuted diligently to the end that the same will not remain in a partly finished condition any longer than reasonably necessary for completion thereof. In any event construction must be substantially completed within nine months after pouring of the slab for a single family residence. The foregoing period will be extended in the event of and only for the duration of delays due to strikes, war, acts of God or other good causes beyond the reasonable control of Declarant, an authorized Builder or other applicable Owner.

8.04.3 New Construction Materials Required. Only new construction materials (except for used brick if approved by the ACC) may be used.

8.04.4 Storage of Materials; Clean-Up. No building materials of any kind or character may be placed or stored upon any Lot more than thirty days before construction is commenced. Except as otherwise permitted by the ACC, all materials permitted to be placed on a Lot must be placed within the boundaries of the Lot. Upon completion of construction, any unused materials must be promptly removed from the Lot and the Subdivision and in any event not later than thirty days after construction is completed.

8.04.5 Drainage, Including Easements.

(a) 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, for any Authorized Builders to the extent so authorized by Declarant and for 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 (the "**Drainage Easements**"), provided that no Drainage Easement 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. Any Drainage Devices which are expressly designated herein to be included within the Community Properties will be maintained by the Association. In addition, Declarant during the Development Period and the Board thereafter may designate any Drainage Devices as part of the Community Properties 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 DOES NOT 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 THE SAME IS HEREBY SPECIFICALLY DISCLAIMED.

(b) 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 is 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.

(c) 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 pro rata 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.

8.04.6 Exterior Materials.

(a) General: Painting. All exterior walls of each residence, including the garage, must be stone, stucco, brick or cementitious siding, as approved by the ACC. The exterior of any structure of any kind which incorporates exterior cementitious siding or incorporates other exterior wooden siding if and as approved by the ACC must receive at least two coats of paint at the time of construction except as to exterior redwood, cedar or other material intended to have an exposed natural finish as approved by the ACC.

(b) Roof Materials. Roofs of all residences must be constructed so that the exposed material is composition type shingles, or such other material which is compatible in quality and appearance to the foregoing 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 in accordance with the applicable policies and/or Architectural Guidelines. Architectural metal roofs not to exceed 10% of the total roof are allowed as otherwise approved by the ACC.

8.04.7 Landscaping. All initial landscaping installed on any Lot must be in accordance with plans and specifications approved by the ACC. Initial Lot landscaping must be completed no later than thirty days after the Initial Sale of the Lot except as otherwise approved by the ACC. All Lot landscaping must be properly maintained on a continuous basis. New or additional landscaping, or changes to existing landscaping of a substantial nature, must be approved by the ACC. Each request for approval of landscaping must be submitted with a plot

plan which shows the locations of all buildings and fences, and the location(s), size and species of all existing and all proposed landscaping.

8.04.8 Tree Maintenance and Removal. No living tree with a trunk diameter of six inches or greater may be cut down or removed from any Lot without the prior written approval of the ACC. Any such request for ACC approval must include any permit if and as required by Applicable Law. The foregoing does not apply as to any tree (i) within the footprint of a single family residence to be constructed on the Lot, or (ii) within five feet of the footprint of a single family residence to be constructed on the Lot, or such greater distance if and as may be required by Applicable Law. Where a tree overhangs a street the tree must be trimmed and maintained such that at all times there is a clearance space (including as to any limbs or branches) under the tree that is not less than twelve feet (12') above the road surface and not less than eight feet (8') above the sidewalk surface, or in either case such greater distance if and as may be required by Applicable Law. Dead or damaged trees which may create a hazard to property or persons within the Subdivision must be promptly removed or repaired at the Owner's sole cost and expense. The ACC may require replacement of any tree which is removed or of any tree which is substantially damaged, as determined by the ACC and at the Owner's sole cost and expense.

8.04.9 Driveways. Each Lot must contain a private driveway or other means of ingress and egress for vehicles from the garage to an abutting street. All driveways must be constructed of concrete or concrete pavers, or as otherwise approved by Declarant or by the ACC. Driveways which cross any drainage ditch or other drainage device must be constructed to keep the drainage ditch or other drainage device clear of obstructions to operation and maintenance, and in accordance with applicable provisions of **Section 8.04.5** regarding drainage and Applicable Law.

8.04.10 Compliance with Laws. All construction of any single family residence must be in compliance with Applicable Law, including applicable building codes and permit or licensing requirements.

SECTION 8.05 Lot Resubdivision or Combination. No Lot as originally conveyed by Declarant to any other Person, including any builder, may be thereafter subdivided or combined with any other Lot, or the boundaries thereof otherwise changed. The foregoing does not preclude use of an "Adjacent Lot" for "residential purposes" if and only to the extent expressly permitted by and subject to strict compliance with all provisions of Section 209.015 of the Texas Property Code and applicable policies of the Association regarding the same as provided in **Section 8.12.**

SECTION 8.06 Fences and Walls.

8.06.1 ACC Approval Required. No fences or walls of any kind may be constructed, placed or maintained on any Lot or at any other location within the Subdivision without prior written approval of the ACC.

8.06.2 General Requirements – Lot Fencing. All fencing on any Lot ("**Lot Fencing**"), including any walls or hedge type fencing barriers, must comply with the following:

(a) Lot Fencing other than hedge type fencing may not exceed six feet (6') in height. Hedge type fencing may not exceed four and one-half feet (4' 6") in height. Fence height is to be measured from the highest point of grade along the applicable fence line.

(b) Except for hedge type fencing, all Lot Fencing must be constructed of cedar pickets with treated pine (or equivalent) posts and supports, as approved by the ACC.

(c) Chain link fencing is prohibited.

(d) Side yard Lot Fencing may not extend past the front exterior corners of the main residence except Open Face Fencing as provided below.

(e) Any fencing which separates a Lot from any reserve or other Community Properties is to be considered Lot Fencing of the Lot Owner who is solely responsible for the maintenance thereof unless the fencing is specifically designated as Subdivision Fencing or unless otherwise determined by Declarant or the Board.

(f) "Open Face Fencing" (as hereafter defined) may be permitted at locations nearer to and/or in front of the front exterior corners of a residence as above provided, beyond a front building setback line or at other locations within the Subdivision, but only if and as approved by Declarant or the ACC.. **"Open Face Fencing"** means fencing (i) which is constructed of ornamental wrought iron or tubular steel, or substantial equivalent as approved by Declarant or the ACC, (ii) which has a black finish, (iii) the design of which must incorporate post and picket caps, and may not incorporate use of more than three horizontal rails or of vertical pickets with spacing of less than four inches (4") or more than five inches (5") edge to edge, and (iv) no part of which may exceed four and one-half feet (4' 6") in height, measured from the highest point of grade along the applicable fence line.

8.06.3 Ownership and Maintenance of Lot Fencing. 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. PAINTING OR STAINING OF WOODEN FENCES IS PROHIBITED UNLESS APPROVED IN WRITING BY THE ACC. Except as next provides, 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 must be shared equally by, the adjoining Owners. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and fences and liability for property damage due to negligence or willful acts or omissions apply to shared or common Lot Fencing. Except as aforesaid, 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.

8.06.4 Subdivision Fencing.

(a) **"Subdivision Fencing"** means (i) all entry, exit and any other Subdivision signs or identification monuments, and any fences, walls and/or other landscaping or features which are an integral part thereof, (II) all fencing along the common boundary of and which separates each Lot from the Detention Pond as so designated on the Initial Plat, and (iii) all other fences and freestanding fence type walls as may be specified by Declarant during the Development Period or by the Board thereafter.

(b) No Subdivision Fencing may exceed six feet (6') in height as measured from the highest point of grade along the applicable fence line. Subdivision Fencing may be constructed of the same materials as above permitted for Lot Fencing, or as otherwise determined by Declarant or the Board. Notwithstanding the foregoing, all fencing along the common boundary of and which separates each Lot from the Detention Pond as so designated

on the Initial Plat must be metal Open Face Fencing as above provided which may not exceed four and one-half feet (4' 6") in height.

(b) All Subdivision Fencing is a part of the Community Properties 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.

8.06.5 Easements. During the Development Period Declarant is specifically authorized to locate, establish, approve, construct and maintain any and all Lot Fencing and 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 and constructing any such fencing. In addition, and without limitation of any other applicable easements as herein provided, specific easements are hereby reserved in favor of Declarant and the Association upon, over, across and under each Lot for purposes of construction, inspection, maintenance, repair, reconstruction and replacement of any Subdivision Fencing.

SECTION 8.07 Antennas and Satellite Dish Systems.

8.07.1 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 at any time, may adopt and amend Architectural Guidelines or policies regarding any antenna or satellite dish system in accordance with this Declaration, subject to the aforesaid laws.

8.07.2 Prohibited Antenna. No antenna, "dish" or other device may ever 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") 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. The ACC may condition granting of any such variance upon placement of the applicable antenna in the attic of a residence

SECTION 8.08 Signs.

8.08.1 Definition; General Rule. As used in this **Section 8.08**, "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 8.08.3**. 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 8.08**.

8.08.2 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 as defined in **Section 8.09**. No Owner, Owner's tenant or their Related Parties, is permitted to place any sign on another Owner's Lot or upon any Community Properties. No sign may be placed upon or within, or attached to, any Community Properties 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.

8.08.3 Permissible Signs. Signs as set forth in this **Section 8.08.3** 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 (Prohibited During Development Period). Subject to **Section 8.08.5** 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 and upon the applicable 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 must be fastened only to a stake in the ground in the front yard area of the applicable Lot, 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 Service Signs and Stickers. Security/monitoring service signs and stickers are permitted as follows: (i) no more than one security/monitoring 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/monitoring sticker is permitted on each entry door to the residence, no more than one security/monitoring sticker is permitted on one window on the front, each side and the back of the residence and no security/monitoring sticker may exceed 4"x4" in size; (iii) no security/monitoring signs or stickers may be illuminated, and (iv) only security/monitoring signs or stickers as printed, prepared and provided by a commercial security, monitoring or alarm company are permitted.

(c) Political Signs and Permitted Flags. "**Political Signs**" and "**Permitted Flags**" are permitted if and only to the extent expressly permitted by and subject to strict compliance with all provisions of Sections 202.009 and 202.012, respectively, of the Texas Property Code and applicable policies of the Association regarding the same as provided in **Section 8.12**.

8.08.4 Other Signs and Regulations. Without limitation of any other applicable provisions hereof, the ACC is also hereby specifically authorized to adopt Architectural Guidelines 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.

8.08.5 Development Period. During the Development Period no signs of any kind 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 prior written approval is obtained from Declarant. The foregoing applies to "For Sale" and "For Lease" signs of any kind, but does not apply to security/monitoring signs or stickers, Political Signs or Permitted Flags as otherwise permitted by this Section. This Section also does not apply to any signs placed within the Subdivision by Declarant, or by an Authorized Builder as permitted by Declarant, including as to any signs as provided in Exhibit "B" to this Declaration regarding any Development Activities.

8.08.6 Default. Any sign of any kind placed or displayed within the Subdivision in violation of this Section 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 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 8.09 Traffic Sight Line Areas. No fence, wall, hedge, tree, shrub planting or any other thing or device which obstructs sight lines at elevations between two and eight feet (2' & 8') above a street is permitted (i) on any corner Lot within the triangular area formed by the two boundary lines thereof abutting the corner streets, and a line connecting them at points twenty-five feet (25') from their intersection, or (ii) on any Lot within the triangular area formed by the boundary line abutting a street, the edge line of any driveway pavement and a line connecting them at points ten feet (10') from their intersection. Notwithstanding the foregoing, wrought-iron fencing which incorporates vertical bars spaced not less than four inches apart (measured from center to center of each bar) may be placed within either of the aforesaid sight-line areas. The foregoing also does not prohibit construction of any residence or garage at any location permitted by this Declaration, the Plat or Applicable Law even if the residence or garage encroaches upon either of the aforesaid sight line areas.

SECTION 8.10 Utilities; Lighting.

8.10.1 Maintenance of Utilities Required. All utility services intended to be provided to each single family residence as originally constructed, including without limitation water, sewage, electric and gas services, must be maintained by the Owner at all times when a residence is occupied.

8.10.2 Private Utility Lines. All electrical, telephone and other utility lines and facilities which are located on a Lot and which are not owned and maintained by a governmental entity or a utility provider must be installed underground unless otherwise approved in writing by Declarant during the Development Period or the ACC, and must be maintained at all times by the Owner of the Lot upon which same is located.

8.10.3 Air Conditioners. No window, wall or exterior roof mounted type air conditioners or heating units, or any part thereof, and no air conditioners or heating units, or any part thereof, which is visible from any street is permitted. Notwithstanding the foregoing, during the Development Period Declarant may place or approve placement of air conditioner condensing units and related pads, wiring, conduits and devices (an "A/C Unit") such that the

A/C Unit is visible from a street, provided that shrubbery must be maintained around the A/C Unit to minimize the visual impact of the A/C Unit as determined by Declarant during the Development Period or the ACC thereafter.

8.10.4 Exterior Lighting. Excepting customary Christmas lighting, any exterior lighting of a residence or Lot must be approved by the ACC in accordance with **Article IV**. No exterior lighting (including Christmas lighting) may be directed outside property lines of the Lot upon which same is located. All lighting fixtures (except Christmas lighting) must be compatible in style and design to the residence where located. Christmas lighting and related decorations and ornamentation may be displayed between November 15 and January 10. The ACC may in particular instances or through Architectural Guidelines permit other holiday or special event lighting, decorations and ornamentation. The Association is authorized to fully regulate any such lighting to avoid any annoyance, nuisance, safety hazard or unsightly condition or appearance.

SECTION 8.11 Septic Tanks; Irrigation. No septic tank, private water well or similar private sewage or water system is permitted upon any Lot. No sprinkler or irrigation systems of any type which draw upon water from creek, stream, river, lake, pond, canal or any other ground or surface water 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 to Community Properties will be maintained by the Association. No other sprinkler or irrigation system may be installed upon any Lot or elsewhere in the Subdivision unless approved by Declarant during the Development Period or by the ACC. The foregoing does not preclude use of a "**Rainwater Harvesting System**" if and only to the extent expressly permitted by and subject to strict compliance with all provisions of Section 202.007 of the Texas Property Code and applicable policies of the Association regarding the same as provided in **Section 8.12**.

SECTION 8.12 Protected Property Use Policies. Without limitation of any other provisions hereof regarding Architectural Guidelines or otherwise, Declarant during the Development Period or the Board at any time may adopt policies regarding protected property uses and devices pursuant to Chapters 202, 209 and other applicable provisions of the Texas Property Code, including with regard to energy efficient roofing, political signs, flags, rainwater harvesting systems, solar energy devices, compost sites, xeriscaping, and standby electric generators.

ARTICLE IX EASEMENTS

SECTION 9.01 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 which affect the Subdivision or any Lots and which are Filed of Record, 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. In the event of any conflict between any of the foregoing filed after the date of filing of this Declaration and any provisions of this Declaration, the provisions of this Declaration control. The foregoing does not in any manner give effect to any instrument of record which would not otherwise be effective or other than in accordance with the instrument and Applicable Law.

SECTION 9.02 Association Blanket Access Easement. The Association and its Related Parties (including the ACC) have a continuing non-exclusive easement upon, over,

under and across each Lot, and as to the exterior of the residence and garage thereon, and as to the exterior and interior of any other improvement thereon, to the extent reasonably necessary for the performance of any of the functions or duties of the Association or its Related Parties, for the exercise of any of their rights 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 by attaching the notice to the front door of the applicable residence, or in any other manner as permitted by **Section 10.05**. In the 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 reasonably soon as practicable. Promptly after completion of usage, the accessed area must be thoroughly cleaned, repaired and/or restored as needed to substantially restore the accessed area to at least the same condition that existed at the time of commencement of usage.

SECTION 9.03 Governmental Functions; Utilities and Other Services.

9.03.1 Governmental Functions; Removal of Obstructions. Blanket non-exclusive easements and rights-of-way are hereby granted to all applicable governmental authorities, 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 personnel, 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. APPLICABLE GOVERNMENTAL AUTHORITIES AS AFORESAID ARE ALSO SPECIFICALLY AUTHORIZED TO REMOVE OBSTRUCTIONS IF NECESSARY FOR EMERGENCY OR SERVICE VEHICLE ACCESS, AND TO ASSESS ALL COSTS OF REMOVAL TO THE OWNER OF OR WHO CAUSED THE OBSTRUCTION.

9.03.2 Utilities.

(a) Easements as shown on any Plat or which is otherwise Filed of Record are reserved, together with reasonable working space and all necessary rights of access, ingress, egress and regress, for purposes of the installation, maintenance, operation, inspection, repair or replacement of utilities and/or drainage facilities. Within these easements, no structure, planting or other materials may be placed or permitted to remain which may damage or interfere with any of the aforesaid purposes. All such easement areas within each Lot and all Improvements therein or thereon must be maintained by the Owner of the Lot, except for improvements of a public or quasi-public authority or utility which are maintained by such authority or utility. The title to a Lot does not include title to any utility facilities located within any such easements. No public or quasi-public authority or utility is liable for any damage of any kind to any Improvements located within any such easements resulting from any use thereof for any of the aforesaid purposes, provided that the surface of any area used must be restored to substantially the same condition as existed before such usage and as otherwise required by Applicable Law.

(b) For any purpose as provided in subsection (a) above Declarant may establish or grant easements for and may otherwise authorize, locate, install and maintain any utilities within the Subdivision, including at any location upon, under or across any Lot or Community Properties. The foregoing includes street lighting, if any, water or storm sewer lines, drain inlets or basins, utility boxes, fire hydrants, water meters, water meter banks, electrical meter banks, water vaults, manholes and covers, water quality facilities, manholes and cover, submeters, backflow valves and any other lines, pipes, conduits, cables, lines, equipment, devices or facilities related thereto. DECLARANT EXPRESSLY DISCLAIMS ANY

REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE TYPES OR LOCATIONS OF ANY UTILITIES OR RELATED FACILITIES.

(c) After the Development Period the Association may at any time extend any part of or all of the Drainage Easements (as defined and provided in **Section 8.04**) to permit temporary or permanent usage of the same for any purpose as provided in subsections (a) or (b) above.

(d) Declarant, either during or after termination of the Development Period, or the Association at any time may, but are not required to, File of Record a formal easement or easements covering any of the utilities, facilities or other services as provided or permitted in subsections (a), (b) or (c).

SECTION 9.04 Egress/Regress to Public Way Required. All single family residences must be constructed, and thereafter the same 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 Law.

SECTION 9.05 Other Easements. Declarant during the Development Period and the Association at any time have the right to grant, dedicate, reserve or otherwise create, easements for public, quasi-public or private utility purposes, including, without limitation, gas, electricity, telephone, sanitary or storm, cable television and similar services, along, over, above, across and under the Subdivision and any Lot; provided, such additional easements may not be located in such manner as to encroach upon the footprint or foundation of any then existing building (including any residence) or any swimming pool. Any such easement is not effective unless and until notice thereof is Filed of Record.

SECTION 9.06 Easements Perpetual and Not Conveyed. Title to any Lot does not in any event include the title to any easement established by or pursuant to this Declaration, including this **Article IX**. Such easements include without limitation all easements as to any roadways, or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way, or any pipes, lines, poles, or conduits on or in any utility facility, service equipment or appurtenances thereto. Once established or obtained, no such easements may be thereafter adversely affected 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 Applicable Law.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01 Development Period. All provisions as set forth in Exhibit "B" attached hereto and entitled "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 "B" apply during the Development Period (and thereafter as therein provided).

SECTION 10.02 Enforcement.

10.02.1 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. All

compliance costs and/or losses attributable to any violation and enforcement costs, including costs and attorneys' fees incurred by Declarant, the Association or their Related Parties, will be assessed as specific assessments, and are secured by the continuing lien established by **Article V** hereof. All such sums are due and payable upon demand as applicable by Declarant, the Association or their Related Parties. Subject to **Section 10.02.3**, fines may be imposed as specific assessments by the Association for any violation of this Declaration or other Governing Documents except non-payment of assessments.

10.02.2 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 and each Owner's tenant is jointly, severally and strictly liable for all consequences of any such violation by their respective Related Parties. To the same extent as aforesaid each Owner and each tenant must indemnify, defend and hold and save harmless as applicable Declarant, the Association and their Related Parties from any Claim, Compliance Costs or Loss made or asserted by Related Parties of the Owner or the Owner's tenant attributable, directly or indirectly, to any such violation, said indemnification to be secured and paid as provided in this Section.

10.02.3 Fines. Subject to **Section 10.02.5**, fines may be imposed as specific assessments by the Association for any violation of the Governing Documents except non-payment of assessments. The Association may fix the amount of a fine for each violation on a case by case basis, or the Association may adopt fining schedules and other applicable Rules and Regulations regarding fines. In all cases the Association retains full authority to set or adjust any fines as in its sole judgment the circumstances in any case, including the nature, frequency, severity or effect of the violation(s), may require. Fines may be progressive in amounts over time and/or as to repeat violations. Unless otherwise determined as aforesaid, a fine in the amount of \$75.00 will be assessed as to each violation as noted in each violation notice which is given to an Owner (and tenant as applicable). Notice of an accruing fine or fine(s) may be given in the form of account statements or delinquency notices. All fines are specific assessments, the payment of which is secured by the Association's continuing assessment lien as set forth herein. The Association may not foreclose its assessment lien on a debt consisting solely of fines. Fines are in addition to any administrative charges by the Association's Managing Agent, and any other charges, costs or attorneys' fees which may be due to the Association as provided in the Governing Documents.

10.02.4 Filing of Notices of Non-Compliance. At any time the Association determines there exists any noncompliance with any provisions of the Governing Documents, the Association may at its option direct that a notice as to the noncompliance be Filed of Record 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.

10.02.5 Notice Required Before Enforcement Action. Before the Association may suspend an Owners right to use any Community Properties, 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.

10.02.6 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 10.03 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 of Record, after which time said covenants, conditions, restrictions, reservations, easements, liens and charges will be automatically extended for successive periods of ten years each.

SECTION 10.04 Amendment.

10.04.1 By Owners. Except as otherwise expressly herein provided, and subject to applicable provisions of Exhibit "B" hereto, the Owners of sixty-seven percent (67%) of the total number of Lots then contained within the Subdivision always 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 called for consideration of any such amendment, or (iii) by any combination of the foregoing.

10.04.2 By Association. Subject to applicable provisions of Exhibit "B" hereto, the Board of Directors has the right in its sole judgment 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 must 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, regulation or other Applicable Law, or to any decisions of the courts regarding the same, including, without limitation 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 or other Applicable Law.

10.04.3 Effective Date. Except for correction amendments which will be effective as stated therein, any amendment of this Declaration will be effective from and after Filing of Record the amending instrument, or such later date as may be stated in the amending instrument.

10.04.4 "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, termination or release as to or of any provisions of this Declaration or other Governing Documents.

SECTION 10.05 Notices.

10.05.1 General: "Notice" Defined.

(a) "Notice" means all notices or other communications permitted or required under this Declaration, as amended. Any notice is deemed properly given only if given in accordance with this **Section 10.05** 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. Notices by mail must be by deposit of the notice, enclosed in a postpaid properly addressed wrapper, in a post office or official depository 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). Personal delivery may be acknowledged either by the recipient or by a third-party delivery service or common carrier.

(c) Deemed Delivery. REFUSAL BY ANY OWNER OR TENANT TO RECEIVE OR ACCEPT DELIVERY OR TRANSMISSION OF ANY NOTICE GIVEN IN ACCORDANCE WITH THIS **SECTION 10.05**, 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 10.05**.

10.05.2 Owner/Tenant Responsibilities as to Electronic Means. 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 10.05.4**, 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, the bylaws 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, and in accordance with the bylaws and other Governing Documents.

10.05.3 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. Not later than thirty days after any Person acquires 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. Upon written request, an Owner must also provide to the Association in accordance with the request the name(s) of any other person(s) occupying the Lot other than the Owner and each such person's relationship to the Owner. 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 DAYS FROM THE DATE OF THE REQUEST OR SUCH LATER DATE AS MAY BE STATED IN THE REQUEST.

10.05.4 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.

SECTION 10.06 Any Website to Contain Dedicatory Instruments; Website Notices. If the Association has, or the Managing Agent on behalf of the Association maintains, a publicly accessible or Member accessible website, then the Association must make its dedicatory instruments relating to the Association or Subdivision which are Filed of Record available on the website. The foregoing includes this Declaration, the Certificate of Formation, the Bylaws, Architectural Guidelines and Rules and Regulations. SUBJECT TO SECTION 209.006 OF THE TEXAS PROPERTY CODE OR UNLESS OTHERWISE EXPRESSLY REQUIRED BY APPLICABLE LAW, NOTICE BY POSTING ON AN ASSOCIATION WEBSITE IS NOTICE TO ALL OWNERS, TENANTS AND THEIR RELATED PARTIES FOR ALL PURPOSES.

SECTION 10.07 Managing Agent. Declarant during the Development Period or the Association at any time may retain, hire, employ or contract with one or more Persons to provide management services to 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 may be retained, hired, employed or contracted for on such terms and conditions as Declarant or the Board, as applicable, may determine; provided, the Association retains the right in all cases and

as to any Managing Agent to remove the Managing Agent, with or without cause, upon not more than sixty days written notice. The right to remove any Managing Agent applies whether or not provided for in any applicable contract or agreement, and notwithstanding any contrary provisions in any contract or agreement.

SECTION 10.08 Interpretation. The provisions of this Declaration and of all other Governing Documents 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. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. In particular and without limitation, the division of use restrictions under **Article VII** hereof and architectural restrictions under **Article VIII** hereof are for convenience of reference, it being the intent that all such provisions be given full effect in an integrated manner in light of the general purposes and objectives of this Declaration and the scheme of development accomplished thereby. 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.

SECTION 10.09 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 10.10 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) certificate of formation; (iv) bylaws; (v) Board and Member resolutions; and (vi) all others.

SECTION 10.11 Effective Date. This Declaration is effective from and after the date of Filing of Record of the same, subject to amendment as herein provided.

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

EXECUTED this 6th day of August, 2020.

BSR PROPERTIES V, LLC,
a Texas limited liability company
"Declarant"

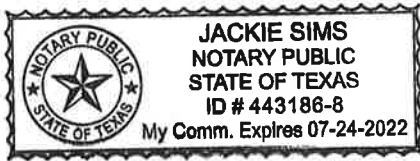
By: Brett Rowley
Brett Rowley, Managing Member

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF WHARTON §

This instrument was acknowledged before me on the 6th day of August, 2020, by Brett Rowley, as the Managing Member of BSR PROPERTIES V, LLC, a Texas limited liability company, on behalf of the company.

[SEAL]



Jackie Sims
Notary Public, State of Texas
Print Name: Jackie Sims
My Commission Expires: 7/24/2022

EXECUTION AND ACKNOWLEDGMENT
(DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR BERNARD MEADOWS)

The undersigned Owner, as the current Owner (whether one or more) of that certain real property located in BERNARD MEADOWS, an addition in Wharton County, Texas according to the map or plat thereof as more particularly described below, hereby acknowledges receipt and review of the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for Bernard Meadows (the "**Declaration**") prior to closing as to the purchase of the property and hereby votes for, adopts, consents to, ratifies and approves the Declaration on behalf of Owner and Owner's successors and assigns, effective as of the date of Owner's receipt and review of the Declaration prior to closing, to wit:

Lot One (1), in Block One (1), of BERNARD MEADOWS, an addition in Wharton County, Texas according to the map or plat thereof filed under Clerk's File No. 2017-00006162, Official Public Records of Real Property of Wharton County, Texas, and recorded in Book 1078, Page 83, Slide No. 3146, Map Records of Wharton County, Texas.

EXECUTED this 25 day of August, 2020

"Owner"



JAMES L. ANDERSON



ROSA J. FEBUS

ACKNOWLEDGMENT

STATE OF TEXAS

§
§
§

COUNTY OF WHARTON

This instrument was acknowledged before me on the 25 day of August, 2020, by JAMES L. ANDERSON and ROSA J. FEBUS.

[SEAL]





Notary Public, State of Texas

Print Name: Kimberly Arnett

My Commission Expires: 4-2-21

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

FOR

BERNARD MEADOWS

**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, as applicable.

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 COMMUNITY PROPERTIES. IT IS THE SOLE RESPONSIBILITY OF EACH PROSPECTIVE PURCHASER, AND OF EACH OWNER, TENANT AND OTHER OCCUPANT, TO INDEPENDENTLY INVESTIGATE AND VERIFY THE PRESENCE OR ABSENCE OF ANY AND ALL CONDITIONS AND MATTERS REFERENCED HEREIN, AND TO DETERMINE SUITABILITY OF RESIDENCY OR OCCUPANCY WITHIN THE SUBDIVISION.

A3.01 Property Conditions and Other Matters of Record.

A3.01.1 Development Period; Development Plans.

(a) 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, vibration, visual impact, and other inconveniences, disturbances, annoyance and variances from average or normal conditions within the Subdivision, and may include without limitation the creation of noxious, toxic or corrosive fumes or gases, obnoxious odors and temporary interruption of utilities and/or other services. 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. No such Development Activities may ever be deemed a nuisance, or a violation of the Declaration or any other Governing Documents.

(b) As more particularly described in the Declaration, including Exhibit "B" to the Declaration, Declarant may, unilaterally and at any time, amend the Declaration and any other Governing Documents, may annex and/or withdraw properties from the Subdivision, may add to, remove and/or otherwise change the Community Properties, and may change or reconfigure the Subdivision, including without limitation with respect to costs for or the price range of Lots, residences and other Improvements, and/or the size, appearance, type, grade or configuration of any Lot, and/or the size, square footage, appearance, style, types or grades of

residences and/or roofing or exterior or other materials, color scheme or any other features of any residence or any other Improvements. Any advertising materials, brochures, renderings, drawings, and any other representations, information or documentation as to the same are merely approximations as of the date provided, and do not in any manner limit any of Declarant's aforesaid rights. In addition but without limitation of the foregoing, Declarant expressly disclaims any representations or warranties whatsoever as to the locations of any utilities, including utility boxes, street lighting, fire hydrants, or water or storm sewer lines, drain inlets or basins, or any related devices or facilities.

A3.01.2 Disruptions Due to Maintenance, Operation or Use. Maintenance, operation and use of Community Properties 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, Including Streets and Airports. 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. For example, but without limitation, area streets and thoroughfares may be affected by traffic and noise and may be improved and/or widened in the future.

A3.01.4 Environmental Conditions. Environmental conditions may exist within and/or emanate from one or more Lots, the Community Properties, Improvements upon or within one or more Lots or the Community Properties, and/or within or from any 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 environmental conditions, including without limitation as to the outdoor or indoor air quality, construction materials, air filters, mechanical, heating, ventilating or air conditioning systems, cleaning or pest control, odors, animal dander, dust, dust mites or any other pests, mold or mycotoxins or any other organisms, pollen, tobacco smoke, or the transmission of any of the foregoing. An Owner may mitigate (or consent to mitigation) as to the Owner's Lot, 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 may not damage or interfere with another Lot or the Community Properties and may 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 Light and View. The natural light available to and views from any Lot or residence may change over time due to various factors, including without limitation, additional development and the removal or addition of landscaping within or in the vicinity of the Subdivision. Natural light and views are not protected, and Declarant makes no representations or warranties regarding the same.

A3.01.6 Water Runoff, Inundation and Flooding; Flood Insurance Notice.

(a) The Subdivision may be subject to erosion, water runoff, water overflow, flooding or other water inundation during unusually intense or prolonged periods of rain. Water may pond on various portions of the Subdivision, especially in areas having impervious surfaces. Risk factors as to flooding as a result of overflow of inland or tidal waters, and/or flooding, flood pooling, water overflow or discharge from dams, reservoirs and other

water storage, management or reclamation projects or other water inundation are necessarily greater as to properties located near or in the areas of inland or coastal waters, or near or in the areas where dams, reservoirs or other water storage, management or reclamation projects are or may be located. Site specific information as to the locations of and risk factors concerning the foregoing are widely available, including on the Internet, and should be consulted by any prospective purchaser, Owner, tenant or other occupant as to any properties within the Subdivision. *See also* **Section 6.01** of the Declaration regarding the Common Drainage Systems and Easements.

(b) **HOMEOWNER INSURANCE POLICIES DO NOT COVER LOSSES DUE TO FLOODS.** Owners can insure their residences and contents and tenants can insure their possessions through the Federal Emergency Management Agency ("FEMA") and the National Flood Insurance Program. As of the date of this Declaration there is a 30-day waiting period before a flood insurance policy takes effect. Lenders may require flood insurance. Owners and tenants are in any case strongly advised to obtain flood insurance. As of the date of this Declaration additional information is available at www.floodsmart.gov, and other FEMA websites.

(c) **DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HAVE NO RESPONSIBILITIES, DUTIES OR LIABILITIES WHATSOEVER REGARDING ANY POTENTIAL OR ACTUAL WATER RUNOFF, PONDING, FLOODING, FLOOD POOLING, OVERFLOW, WATER INUNDATION, WATER POLLUTION, OR RELATED HEALTH, SAFETY OR ENVIRONMENTAL MATTERS WITHIN OR IN THE VICINITY OF THE SUBDIVISION, ANY POTENTIAL OR ACTUAL IMPACT OF OR MITIGATION REGARDING ANY WATER RUNOFF, PONDING, FLOODING, FLOOD POOLING OR OVERFLOW, OR ANY OTHER WATER INUNDATION, OR OBTAINING OR MAINTAINING OF ANY FLOOD INSURANCE BY ANY OWNER, TENANT OR THEIR RELATED PARTIES, ANY LIENHOLDER, OR ANY OTHER PERSON.**

A3.01.7 Short-Term Rentals and Timesharing Prohibited. Short-term rentals of any kind, including Airbnb, Home Away and VRBO type rentals, and timesharing, fraction-sharing or a similar program whereby the right to exclusive use of any part of any Lot or the residence or any other improvements thereon rotates among members of the program on a fixed, floating or other time schedule are strictly prohibited as to any part of any Lot or the residence or any other improvements thereon or as to any other part of the Subdivision.

A3.01.8 Other Restrictions.

(a) 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 applicable instruments as Filed 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.

(b) Without limitation of subsection (a), other restrictions include restrictions set forth in that certain General Warranty Deed filed under Clerk's File No. 2016-00006118, Official Public Records of Real Property of Wharton County, Texas, including the prohibition therein as to any mobile homes or portable buildings except as may be used temporarily.

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 COMMUNITY PROPERTIES OR UPON WHICH ANY COMMUNITY PROPERTIES ARE LOCATED, AND/OR BY ENTRY IN TO OR USAGE OF ANY LOT OR COMMUNITY PROPERTIES, 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 THE DECLARATION, INCLUDING 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, DEMANDS, LIABILITIES, ACTIONS AND CAUSES OF ACTION OF ANY KIND WHATSOEVER AS TO ALL SUCH MATTERS AND CONDITIONED, INCLUDING WITHOUT LIMITATION WITH REGARD TO ALL DEVELOPMENT ACTIVITIES AND 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.

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

FOR

BERNARD MEADOWS

EXHIBIT "B": DEVELOPMENT PERIOD

B1.01 Application. Notwithstanding any other provisions of the 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 Governing Documents and this Exhibit "B", the provisions of this Exhibit "B" will control.

B2.01 Declarant Authority.

B2.01.1 Declarant Rights. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE GOVERNING DOCUMENTS, DURING THE DEVELOPMENT PERIOD (AND THEREAFTER AS APPLICABLE) DECLARANT MAY EXERCISE ALL RIGHTS, AUTHORITY, POWERS, PRIVILEGES AND PREROGATIVES OF DECLARANT AS PROVIDED IN OR PERMITTED BY THE GOVERNING DOCUMENTS, INCLUDING THE DECLARATION AND THIS EXHIBIT "B" THERETO, INDEPENDENTLY AND UNILATERALLY, WITHOUT NOTICE TO, AND WITHOUT THE JOINDER, VOTE OR CONSENT OF THE ASSOCIATION, THE ACC, ANY OTHER OWNER OR ANY OTHER PERSON. IN LIKE MANNER AND TO THE SAME EXTENT, DURING THE DECLARANT CONTROL PERIOD DECLARANT MAY INDEPENDENTLY EXERCISE ANY RIGHTS, AUTHORITY, POWERS, PRIVILEGES OR PREROGATIVES OF THE ASSOCIATION, INCLUDING THE BOARD, THE ACC OR ANY OF THEIR RELATED PARTIES. DECLARANT MAY EXERCISE ANY AND ALL SUCH RIGHTS, AUTHORITY, POWERS, PRIVILEGES AND PREROGATIVES IN DECLARANT'S SOLE AND ABSOLUTE DISCRETION AND IN DECLARANT'S SOLE INTEREST, AND DECLARANT OWES NO DUTY OF ANY KIND WHATSOEVER TO ANY OTHER PERSON OR ORGANIZATION REGARDING ANY OF THE SAME. EXCEPT AS OTHERWISE PROVIDED IN THE GOVERNING DOCUMENTS, INCLUDING THE DECLARATION AND THIS EXHIBIT "B" THERETO, SUCH RIGHTS, AUTHORITY, POWERS, PRIVILEGES AND PREROGATIVES OF DECLARANT AS THE DECLARANT WILL TERMINATE UPON TERMINATION OF THE DECLARANT CONTROL PERIOD OR THE DEVELOPMENT PERIOD AS APPLICABLE AND AS PROVIDED IN THE DECLARATION, INCLUDING THIS EXHIBIT "B".

B2.01.2 Declarant Control Period.

(a) Appointment of Directors and Officers. During the Declarant Control Period Declarant has exclusive authority to appoint, reappoint, elect, remove (with or without cause) or replace any and all Directors and officers of the Association, and to otherwise fill any and all vacancy regarding the same. Any provisions of the Governing Documents which are inconsistent with or contrary to the foregoing, including any provisions regarding qualifications of any Directors or officers, are hereby specifically declared inapplicable regarding any such Directors or officers who are appointed, reappointed, elected, removed or replaced by Declarant.

(b) Meetings of Owners. The provisions of this subsection apply to any meeting of Owners during the Declarant Control Period. Within one year following completion of

the Initial Sale of the first Lot in the Subdivision and annually thereafter, the Board 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. During the Declarant Control Period each meeting (other than the First Annual Election Meeting) will be primarily informational in nature. Declarant will set the place, time and date of each meeting of Owners, and may determine all matters regarding the conducting of each meeting. Notice of each meeting must be given to all Owners. All costs to call, notice and conduct any meeting of Owners, including the First Annual Election Meeting, will be paid from the Maintenance Fund.

(c) Board Meetings and Actions. During the Declarant Control Period meetings of the Board are permitted but are not required. Except as otherwise required by Section 209.0051(i) of the Texas Property Code, during the Declarant Control Period the Board may meet and act in any manner permitted by the Declaration, including this Exhibit "B" thereto, the Bylaws, or the Texas Business Organizations Code. The foregoing includes without limitation holding of any meetings, the taking of any vote or the taking of any other action by the Board by written consent without a meeting, and in any such case without notice to, and without the joinder, vote or consent of any Member or Owner or of any other Person.

B2.01.3 Election of Owner Directors.

(a) 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 Bylaws. Except for Owner Directors elected by Owners as provided below, during the Declarant Control Period Declarant has sole authority to appoint and from time to time and at any time to remove (with or without cause) and replace any Directors.

(b) The Declaration does not include the number of Lots that may be created and made subject to the Declaration. If the Owners other than Declarant have not previously done so by the tenth anniversary after the date the Declaration was Filed of Record, then at least one-third of the Board of Directors must be elected by Owners other than Declarant by the said tenth anniversary. Any such Owner Director will serve until the next annual meeting of Owners at which a successor will be elected by Owners other than Declarant, or until the First Annual Election Meeting, whichever first occurs.

(c) **"First Annual Election Meeting"** means the first meeting of Owners called by Declarant for election by Owners, including Declarant as applicable, of all members of the Board of Directors. Declarant must call the First Annual Election Meeting within 90 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 Owner Directors. At the First Annual Election Meeting all Owners, including Declarant as applicable, will have one vote for each Lot owned as to election of Owner Directors.

(d) Declarant will set the place, the time and the date of the First Annual Election Meeting (the **"First Annual Election Meeting Date"**) and notice thereof must be given to all Owners. At the First Annual Election Meeting Owners will elect all Owner Directors. If one or more but less than all Owner Directors are elected at the First Annual Election Meeting, 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 Director positions. If no Owner Director is elected at the First Annual Election Meeting, then at any time until the expiration of 90 days after the First Annual Election Meeting Date 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 90-day period any Owner may call, notice and

conduct an alternate First Annual Election Meeting for the sole purpose of electing Owner Directors.

(e) IF NO OWNER DIRECTOR IS APPOINTED OR ELECTED NOT LATER THAN TWO YEARS PLUS ONE DAY AFTER THE FIRST ANNUAL ELECTION MEETING DATE, THEN (i) 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 THE 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.

B2.01.4 Transfer of Declarant Control. "**Declarant Control Transfer Date**" means the date of occurrence of the earlier of the election by Owners or appointment by Declarant of at least one Owner Director at or after the First Annual Election Meeting, or 90 days after the First Annual Election Meeting Date. ON THE DECLARANT CONTROL TRANSFER DATE (i) ALL OFFICERS, DIRECTORS AND ANY ACC DESIGNEE THERETOFORE APPOINTED OR ELECTED BY DECLARANT ARE AUTOMATICALLY REMOVED FROM OFFICE AND FULLY RELIEVED THEREAFTER FROM ANY FURTHER RIGHTS, DUTIES, LIABILITIES AND RESPONSIBILITIES REGARDING THE ASSOCIATION OR THE SUBDIVISION, AND (ii) THE ASSOCIATION AND ITS MEMBERS BECOME WHOLLY AND SOLELY RESPONSIBLE FOR THE MANAGEMENT, MAINTENANCE, OPERATION OF AND ARCHITECTURAL CONTROL AS TO THE ASSOCIATION AND OF THE SUBDIVISION, INCLUDING WITHOUT LIMITATION FULL AND SOLE ASSUMPTION BY THE ASSOCIATION OF ALL GOVERNANCE, BUDGETARY AND MAINTENANCE RESPONSIBILITIES OF THE ASSOCIATION. THE FOREGOING IS SUBJECT TO **SECTION B2.01.7** REGARDING DECLARANT'S ARCHITECTURAL REVIEW EXEMPTIONS AND AUTHORITY, AND SUCH EXEMPTION AND AUTHORITY WILL CONTINUE AS THEREIN PROVIDED. TERMINATION OF THE DECLARANT CONTROL PERIOD DOES NOT TERMINATE THE DEVELOPMENT PERIOD OR ANY RIGHTS OR AUTHORITY OF DECLARANT APPLICABLE TO THE SAME. THE DEVELOPMENT PERIOD WILL TERMINATE, IN WHOLE OR IN PART, ONLY AS EXPRESSLY PROVIDED IN THE DECLARATION.

B2.01.5 Notices to Declarant.

(a) General. 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 this Section.

(b) Required Notices. 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 documents provided with each notice prior to or 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, contact telephone numbers and the email address of each Owner Director who is elected or appointed by Owners within ten days after any applicable election or appointment.

B2.01.6 Declarant's Veto Authority. During the Declarant Control Period and the Development Period Declarant has continuing and unilateral authority to veto any decisions or actions of the Owners, the Association and any of their Related Parties. The foregoing applies throughout the Development Period even if the Declarant Control Period ends prior to termination of the Development Period.

B2.01.7 Declarant's Architectural Review Exemptions and Authority. 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 (i) Declarant is not required to obtain approvals of any kind from the Association, the Board or the ACC or to otherwise comply in any manner with any architectural review or approval provisions of the Governing Documents,, including **Article IV** of the Declaration, and (ii) as to each such Lot, Declarant will act as the ACC as to and reserves and retains full and exclusive architectural authority, and the right to engage in (and to authorize any Authorized Builder to engage in) any and all Development Activities. 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. Declarant is exempt from payment of any architectural review fees. Declarant's retained architectural review authority as aforesaid may result in a division of authority as to the ACC. In any such case, any request for ACC approval which pertains to Declarant's retained authority must be submitted to Declarant, either directly or by immediate forwarding to Declarant by the Association, the ACC or other party initially receiving the same, and is deemed submitted only upon receipt by Declarant.

B2.01.8 Approval of Builder ("Authorized Builder") By Declarant Required. During the Development Period no builder is permitted to construct any residence or appurtenant Improvements upon any Lot or to otherwise conduct any Development Activities within the Subdivision other than a builder which has been designated in writing by Declarant as an Authorized Builder (if any, and whether one or more). Declarant expressly reserves the right at any time to extend any rights of Declarant regarding the conducting of any Development Activities to any Authorized Builder, to regulate any and all activities of any Authorized Builder or any other builder, and to limit, modify or remove any such rights of any Authorized Builder or any other builder. Declarant's designation of any builder as an Authorized Builder does not pass to any successor builder or to any other Person and may not be otherwise transferred or assigned. Declarant's right to designate (or not designate) any builder as an Authorized Builder may be assigned only to another "Declarant" as so designated in accordance with applicable provisions of the Declaration.

B3.01 Declarant and Builder Assessments, and Related Matters.

B3.01.1 Definitions. As used in this Section the following definitions apply:

(a) **"Actual Operating Expenses"** means only those expenses reasonably necessary during the Declarant Control Period for the discharge of the Association's functions and duties under the Declaration as determined by Declarant. Actual Operating Expenses do not include payment of or funding for any capital expenditures, or of any capital, contingency or other reserves, or of any expenses attributable to periods after expiration or termination of the Declarant Control Period.

(b) **"Deficit Funding"** means any payments by Declarant advanced, loaned or paid to or on behalf of the Association. Deficit Funding may include in kind payments in services, labor or materials, or any combination thereof. The amount of any in kind payment will be the fair market value of the in-kind payment as determined by Declarant.

B3.01.2 Budgets; Setting of Assessments. During the Declarant Control Period Declarant may establish all Association budgets and may set and change the rates of any regular assessments and/or impose special assessments and/or 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 this Declaration. During the Declarant Control Period Declarant will only budget for Actual Operating Expenses of the Association.

B3.01.3 Declarant Assessment Exemption. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DECLARANT IS EXEMPT FROM PAYMENT OF ANY ASSESSMENTS AS TO ANY LOT OR ANY OTHER PROPERTY OWNED BY DECLARANT WITHIN THE SUBDIVISION, BOTH DURING AND AFTER THE DECLARANT CONTROL PERIOD AND THE DEVELOPMENT PERIOD.

B3.01.4 Discretionary Declarant Deficit Funding; Repayment. During the Declarant Control Period if there is a deficit in funding as to Actual Operating Expenses of the Association, then Declarant *may* provide Deficit Funding to the Association. Providing of Deficit Funding at any time or from time to time will not obligate Declarant to thereafter provide any Deficit Funding. Declarant may demand and receive repayment from the Association as to any Deficit Funding at any time and from time to time within one year following the expiration or termination of the Development Period. As to any such demand Declarant may require that the Association execute and deliver to Declarant one or more promissory notes and/or other instruments evidencing the Association's repayment obligation(s). No such promissory notes or other instruments may be secured by a lien on any of the Community Property but may be secured by a security interest in any assessments payable or to become payable to, and any other receivables of, the Association. So long as demand is made within one year following termination or expiration of the Development Period as aforesaid, promissory notes and/or other instruments may be executed and payments, including any installment payments, may extend for such period(s) of time as is required for repayment, whether during or after the Declarant Control Period or the Development Period. All payments to be so made must be included in the operating budget or budgets of the Association until repayment is completed. Any such promissory note or other instrument will be without interest if paid within thirty days after demand, and otherwise for such period of time, at such interest rate not to exceed ten percent (10%) and on such other terms as provided in any applicable promissory note or other instrument as determined by Declarant.

B3.01.5 Builder Assessments. Declarant may exempt any Authorized Builder from payment of any regular or special assessments, in whole or in part. In the absence of any such exemption, all Authorized Builders, and in all cases any builder who is not an Authorized Builder, if any, must pay all assessments as to each Lot owned, beginning on the date of purchase, at the full rate applicable to Owners other than Declarant.

B4.01 Community Properties. Regardless of designation by any Plat or any other Governing Documents, during the Development Period Declarant may at any time and from time to time (i) designate, construct, or expand any Community Properties, and (ii) modify, sell, eliminate or otherwise dispose of, discontinue, reconfigure, redesign, re-designate or in any other manner change the Community Properties. Declarant makes no representations, warranties or guarantees of any kind whatsoever regarding any of the foregoing, all of which are hereby specifically disclaimed. Once provided or constructed, regardless of whether or not title has been transferred or conveyed to the Association and for so long as the same remain a part of the Community Properties, all costs and expenses of the operation, management,

maintenance, repair and replacement of all Community Properties must be paid by the Association, either directly or by reimbursement of Declarant. ANY RIGHT, TITLE OR INTEREST TO ALL COMMUNITY PROPERTIES, 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, WITHOUT ANY COVENANT, WARRANTY, GUARANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, WHETHER COMMON LAW OR STATUTORY, AND INCLUDING SPECIFICALLY WITHOUT LIMITATION, ANY STATUTORY WARRANTY OF SECTION 5.023 OF THE TEXAS PROPERTY CODE, AS AMENDED.

B5.01 Development Activities.

B5.01.1 General. During the Development Period and through the Initial Sale of all Lots within the Subdivision, whether or not completion of the Initial Sale occurs during or after the Development Period, Declarant, Declarant's Related Parties and all Development Personnel have the right and authority to conduct any and all Development Activities during any times and on any days which in Declarant's sole discretion may be necessary or appropriate as to any of the same. "**Development Personnel**" means all constructors, sub-contractors, suppliers, vendors, sales agents, realtors and all other related personnel and designees of Declarant to the extent authorized or permitted by Declarant to conduct any Development Activities. The conducting of any Development Activities at any time or place, or in any manner, will not constitute any violation of any Governing Documents. WITHOUT LIMITATION OF ANY OTHER PROVISIONS HEREOF, DECLARANT DOES NOT REPRESENT, WARRANT OR GUARANTEE ANY SPECIFIC PERIOD OF TIME OR DATE DURING OR BY WHICH ANY AMENITIES WILL BE PROVIDED, INSTALLED, BECOME OPERATIONAL OR BE 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.

B5.01.2 Specifically Included Development Activities. Without limitation of **Section B5.01.1** or any other provisions of the Governing Documents, including this Exhibit "B", Development Activities include all rights, authority, powers, privileges and prerogatives as follows:

(a) to provide for or permit access to the Property by Development Personnel, by prospective purchaser, by real estate brokers or agents and by any other persons which in Declarant's sole discretion may be necessary, appropriate or convenience to the conducting of any Development Activities;

(b) to maintain models within the Subdivision;

(c) to have, place and maintain sales and promotional signs, flags, banners and similar promotional devices within the Subdivision, whether or not illuminated;

(d) to conduct from time to time an "open house" and similar events for brokers, agents and other persons which may include without limitation leaving limited access gates (if any) open as hereafter provided;

(e) to use for development, sales and/or promotional purposes or as to any other Development Activities all or any part of any Lot, including the residence or other Improvements located thereon, which is owned by Declarant or an Authorized Builder;

(f) to use during the Development Period for any Development Activities, without charge, any Community Properties;

(g) to permit temporary toilet facilities, sales and construction offices and storage areas to be used in connection with any Development Activities, including usage of garages as sales or construction offices, provided that at or prior to the date of the Initial Sale of a Lot such garage must be fully reconverted to a garage, and any such other Owner or their successors in title will be responsible for completion of the reversion to any extent the reversion is not completed as aforesaid;

(h) to permit parking by any Development Personnel at any locations within or in the area of the Subdivision, excluding any Lot after the Initial Sale thereof;

(i), to impose temporary rules, regulations and parking policies and procedures and to designate and post by signage or otherwise "no parking" areas and/or other applicable rules, regulations and procedures as deemed necessary or appropriate by Declarant for the conducting of any Development Activities;

(j) to conduct Development Activities during the Development Period on any days and during any hours as deemed necessary or convenient in the sole discretion of Declarant for the conducting of any Development Activities; and

(k) to impose and enforce such rules, regulation and procedures by means of Posted Rules or otherwise as deemed necessary or appropriate in the sole discretion of Declarant for the completion of any Development Activities and to avoid hindrance or interference with any Development Activities, including limiting or denying access to areas of the Subdivision, designating temporary dumping sites and maintenance of metal buildings or structures.

B5.01.3 Easements. Declarant, Declarant's Related Parties and all Development Personnel are entitled during the Development Period to use all easements set forth in the Declaration and to exercise all rights as to the same for, and Declarant may grant such additional easements and rights regarding the same for ingress, egress and usage for, the conducting of any and all Development Activities as determined by Declarant. In addition, temporary construction easements upon, under, over, across and above all Community Properties and each Lot are reserved and dedicated in favor of Declarant, Declarant's Related Parties and all Development Personnel for purposes of the conducting of any such Development Activities.

B6.01 Amendment of Governing Documents; Changes in Composition of Subdivision.

B6.01.1 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, including as to size or boundaries, of any Lots, reserves, compensating open space, streets, easements, or any other parts, features, depictions, descriptions, notes, restrictions and any other aspects of any Plat, or any amendments or revisions thereof, (iii) 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 applicable Governing Documents to the same extent as the applicable abutting Lot, and to all other provisions of the residential use easement grant, (iv) 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, (v) with the consent of the owner thereof, to withdraw or remove any real property from the Subdivision, and (vi) as to any or all of the foregoing, to amend any Governing Documents accordingly.

B6.01.2 Other Changes or Reconfigurations. 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, to change or reconfigure any Subdivision Improvements, including without limitation (i) with respect to costs for or the price range of Lots, residences and other Improvements, and/or the size, appearance, type, grade or configuration of any Lot, and/or the size, square footage, height, appearance, style or types of residences and/or roofing, siding or any other exterior materials, color scheme or any other features of any residence or any other Improvements, and (ii) to designate, construct or expand the Community Properties, and to modify, eliminate, discontinue, reconfigure, redesign, re-designate, or in any other manner change the Community Properties.

B6.01.3 Method; Effective Date. Any amendment, modification, revision, repeal, residential use easement, combination, annexation or other matter as provided in **Section B6.01.1** may be made by execution by or with the authority of Declarant of the appropriate instrument or instruments, and will be effective from and after the date of Filing of Record of the applicable document or such later date as expressly provided in the applicable document. Any changes or reconfigurations as provided in **Section B6.01.2** may but are not required to be made in like manner.

B6.01.4 Deemed Consent; Waiver; Declarant as Attorney-In-Fact. By acceptance of any right, title or interest in any Lot or other properties within the Subdivision, including as to any lien or other security interest as to the same, the Association, each Owner and their Related Parties and each holder of a lien or other security interest as to each Lot or other properties thereby (i) consent to all Declarant's rights, authority and prerogatives as set forth in this **Section B6.01**, (ii) irrevocably designate Declarant as their attorney-in-fact for purposes of consenting to, approving, executing and Filing of Record of any plats and any amendments, modifications and/or replats thereof, and any other instruments deemed necessary or appropriate in Declarant's sole and absolute discretion for the exercise of any or all rights, authority or prerogatives as aforesaid, and (iii) waive and release any and all claims, demands, actions and causes of action whatsoever regarding all of the foregoing.

B7.01 Dispute Resolution; Limitations.

B7.01.1 Dispute Defined; Limitations of Association Authority.

(a) "**Dispute**" means any claim, demand, action or cause of action, and all rights and remedies regarding the same, claimed or asserted by a "Dispute Claimant" (as hereafter defined) against or adverse to Declarant or to any Related Parties of Declarant ("**Declarant Parties**") regarding (i) any Development Activities within or regarding the Subdivision, including without limitation the construction, design, marketing, sale, maintenance or repair of any Community Properties or any Improvements thereon, or of any Lot or the residence or any other Improvements thereon, (ii) the establishment, operation or management

of the Association, including any maintenance, governance, budgetary, financial or any other functions of the Association, and/or any other acts or omissions of the Association, (iii) the construction, operation, application or enforcement of any provisions of, or otherwise arising out of or relating to, the Governing Documents, or to the breach thereof, and (iv) all other matters relating directly or indirectly to any of the foregoing. A "**Dispute Claimant**" means the Association, the Association's Related Parties and any other Person asserting a Dispute on behalf of, or by, through or under, the Association by derivative action or otherwise.

(b) "**Legal Proceedings**" means any suit, counterclaim or third-party action in any suit, or any mediation or arbitration proceedings or any other legal proceedings. The Association and its Related Parties have no authority to and may not in any case file, maintain or intervene in or act in any manner as a Dispute Claimant in any Legal Proceedings on behalf of any or all Owners or any or all of their Related Parties based on any Dispute, including without limitation any alleged defects or any other matters or condition as to any Lot or the residence or any other Improvements thereon, or based on any alleged defects or any other matters or conditions as to any Community Properties or any Improvements thereon, or based on any damages allegedly sustained by any Owner or any Related Parties of any Owner by reason of any of the foregoing. Any such Legal Proceedings, if any, may be instituted or maintained only by the Owner who owns the applicable Lot, or who is served by the applicable Community Properties or who allegedly sustained such damages.

B7.01.2 Required Preconditions and Procedures.

(a) Before a Dispute Claimant may file, initiate or maintain any Legal Proceedings as to any Dispute, the Dispute Claimant must give written, dated and signed notice (a "**Dispute Notice**") to the Declarant Parties and to any other Person subject to the Dispute. The Dispute Notice must fully identify and describe the Dispute, including in specific detail all incomplete, defective or damaged property and all other matters and conditions regarding the Dispute, and all modifications, maintenance, repairs and any other remedial action required as to the Dispute. The Dispute Notice must be based on one or more written, dated and signed reports from an independent engineer, certified public accountant or other independent professionals qualified to make the report. A copy of each such report which the Dispute Claimant intends to rely upon must be included with the Dispute Notice.

(b) The Dispute Claimant must allow the Declarant Parties and each other Person subject to the Dispute at least ninety days after the Dispute Notice and all applicable reports are received by all such parties to inspect and correct any condition or other matter identified in the Dispute Notice. If any condition or other matter cannot reasonably be corrected within ninety days, then the work thereon must be commenced within ninety days and must thereafter be prosecuted diligently through completion. Any Declarant Parties and any other Person subject to the Dispute may request, and the Dispute Claimant must promptly schedule and fully cooperate in the conducting of, any inspections, testing, examinations or reviews regarding the Dispute Notice. The Declarant Parties or any other Person subject to the Dispute may require the presence at any such inspections, testing, examinations or reviews of any experts or other authors of any reports the Dispute Claimant intends to rely upon regarding the Dispute Notice, including any experts or other authors who prepared any of the reports included with the Dispute Notice. The Declarant Parties or any other Person subject to the Dispute may also require such experts or authors to point out or otherwise specifically identify all incomplete, defective or damaged property and any other matters or conditions regarding the Dispute, and all modifications, maintenance, repairs and any other remedial action required as to the Dispute.

(c) After expiration of all applicable inspection and cure periods as above provided but before the Dispute Claimant may file any suit or initiate, file or maintain any Legal Proceedings as to any Dispute, the Dispute Claimant must obtain approval as to the same at a special meeting of the Owners by the Owners of not less than a majority of the Lots in the Subdivision. Not later than thirty days before the date the special meeting of Owners is held, and notwithstanding any other provisions of the Governing Documents, the Dispute Claimant must give to each Owner, and to the Declarant Parties and to any other Person subject to the Dispute, a written and dated notice of the date, time and place of the special meeting. The notice of the special meeting must be prepared by a qualified attorney as provided in subsection (e). The Declarant Parties and any other Person subject to the Dispute may attend and participate in the special meeting, in person or by agent.

(d) The notice of the special meeting as required by subsection (c) must include copies of all applicable Dispute Notices and all reports as required by subsections (a) and (e), and descriptions of (i) all relief sought regarding the Dispute, (ii) estimated costs of all remedial action, (iii) the anticipated duration of prosecuting the suit and/or mediation or arbitration proceedings, (iv) all steps previously taken by the Dispute Claimant to resolve the Disputes, (v) all attorney's fees, consultant fees, expert witness fees, court costs and any other costs for which the Dispute Claimant may be liable as a result of prosecuting any suit and/or mediation or arbitration proceedings, and the likelihood of success, and (vi) the manner in which the Dispute Claimant proposes to fund the costs of prosecuting the suit and/or any mediation or arbitration proceedings.

(e) As applicable, the notice as required by subsection (c) must be based on a written, dated and signed report from an independent attorney who is qualified to make the report. The attorney that prepares and signs the report must also be a person who is not (i) the attorney who represents or will represent the Association as to the Dispute, (ii) a member of the law firm of the attorney who represents or will represent the Association as to the Dispute, or (iii) employed by or otherwise affiliated with the firm of the attorney who represents or will represent the Association as to the Dispute.

(f) The provisions of this Section **B7.01.2** are subject to and without limitation of any other provisions of this **Sections B7.01** and **Section B8.01**.

B7.01.3 Mediation and Binding Arbitration.

(a) Any Declarant Party may, by written request, require that any Dispute be submitted to mediation or binding arbitration to be conducted in the County in which the Subdivision is located. THE DISPUTE CLAIMANT MUST THEN OBTAIN OWNER APPROVAL AS REQUIRED BY **SECTION B7.01.2**, FAILING WHICH ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION REGARDING THE DISPUTE WILL BE WAIVED, BARRED, RELEASED AND FOREVER DISCHARGED. Unless the parties otherwise mutually agree, any binding arbitration must be conducted in accordance with the Construction Industry Arbitration Rules (or substantial equivalent) of the American Arbitration Association, and such rules are incorporated by reference herein. A request for mediation or binding arbitration may be made either during or after the Development Period, and either before or after initiation of any other legal action. If mediation is requested but does not fully resolve any Dispute, then a request may be made by any Declarant Party for binding arbitration as to the Dispute or any unresolved matters as to the same. The decisions of the arbitrator(s) in binding arbitration will be final and conclusive. Judgment may be entered as to any mediation settlement or arbitration award in any court that has jurisdiction as to the same.

(b) IF ANY DISPUTE CLAIMANT FAILS TO COMPLY WITH ANY REQUEST FOR MEDIATION OR BINDING ARBITRATION, OR TO ATTEND OR OTHERWISE FULLY PARTICIPATE IN GOOD FAITH IN THE MEDIATION OR BINDING ARBITRATION PROCEEDINGS, THEN THE DISPUTE CLAIMANT WILL BE DEEMED TO HAVE WAIVED ANY AND ALL CLAIMS, DEMANDS, ACTIONS AND CAUSES OF ACTION REGARDING ALL DISPUTES RELATED TO THE REQUEST OR THE PROCEEDINGS, AND ALL DECLARANT PARTIES AND ANY OTHER PARTIES TO THE DISPUTE WILL THEREBY BE FULLY RELEASED AND DISCHARGED FROM ANY AND ALL LIABILITIES REGARDING THE SAME.

(c) Each party to a mediation or binding arbitration must bear its own costs and expenses, including attorney's fees, regarding the mediation or the binding arbitration. Notwithstanding the foregoing, (i) if a party unsuccessfully contests the validity, application, interpretation or scope of mediation or arbitration in a court of law, the non-contesting party must be awarded reasonable attorney's fees and expenses incurred in any such proceedings, or (ii) if a party fails to abide by the terms of a mediation settlement or arbitration award, the party enforcing the settlement or award must be awarded reasonable attorney's fees, costs and expenses incurred as to the same. In addition, if a Dispute is determined to have been groundless, or to have been brought in bad faith or for purposes of harassment, recovery of costs, expenses and reasonable attorney's fees from the party which asserted the groundless Dispute must be granted in the applicable mediation settlement or arbitration award. "**Groundless**" means no basis in fact, or not warranted by existing law or a good faith argument for the extension, modification or reversal of existing law.

B7.01.4 Notice of Dispute Required; Limitations. NOTICE AS PROVIDED IN THIS SECTION B7.01 OF ANY DISPUTE MUST BE GIVEN TO ALL DECLARANT PARTIES NOT LATER THAN ONE HUNDRED TWENTY DAYS AFTER, AND SUIT REGARDING ANY DISPUTE MUST BE FILED IN A COURT OF COMPETENT JURISDICTION NOT LATER THAN TWO YEARS PLUS ONE DAY AFTER, THE DATE ANY CLAIM OR CAUSE OF ACTION REGARDING THE DISPUTE ACCRUES. ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION REGARDING ANY DISPUTE AS TO WHICH NOTICE IS NOT GIVEN OR AS TO WHICH SUIT IS NOT FILED AS AFORESAID IS IN EITHER CASE THEREAFTER WAIVED, BARRED, RELEASED AND FOREVER DISCHARGED.

B7.01.5 Other Disputes. THE PROVISIONS OF THIS **SECTION B7.01** ALSO APPLY TO ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION AGAINST OR ADVERSE TO ANY DECLARANT PARTIES BY AN OWNER, TENANT OR THEIR RELATED PARTIES WHO IS NOT A DISPUTE CLAIMANT, INCLUDING THAT AN OPPORTUNITY TO CURE MUST BE PROVIDED IN ACCORDANCE WITH **SECTION 7.01.2(b)** AND THAT WRITTEN NOTICE OF ANY DISPUTE MUST BE GIVEN AND SUIT MUST BE FILED AS PROVIDED IN **SECTION B7.01.4** BUT EXCLUDING THE REQUIREMENTS REGARDING OWNER APPROVAL AS TO INITIATION, FILING OR MAINTENANCE OF LEGAL PROCEEDINGS.

B8.01 Limitation of Liability; No Impairment.

B8.01.1 DECLARANT MAY EXERCISE ANY AND ALL RIGHTS, AUTHORITY, POWERS, PRIVILEGES AND PREROGATIVES, EXPRESS OR IMPLIED, AS PROVIDED IN OR PERMITTED BY THE GOVERNING DOCUMENTS IN DECLARANT'S SOLE AND ABSOLUTE DISCRETION. ANY OR ALL DIRECTORS, OFFICERS OR ACC MEMBERS APPOINTED OR DESIGNATED BY DECLARANT MAY BE AGENTS, SERVANTS, EMPLOYEES OR OTHER RELATED PARTIES OF DECLARANT, ANY OF WHOM MAY ACT IN DECLARANT'S SOLE INTEREST AND NONE OF WHOM OWE ANY DUTY TO ANY

OTHER PERSON OR ORGANIZATION. ABSENT INTENTIONAL AND WILLFUL MISCONDUCT, DECLARANT, ITS RELATED PARTIES AND ALL DEVELOPMENT PERSONNEL ARE HEREBY RELEASED FROM ANY CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION AND ANY AND ALL LIABILITY WHATSOEVER TO ANY OWNER, TENANT OR ANY OTHER OCCUPANT, OR TO THE ASSOCIATION, OR TO ANY RELATED PARTIES OF ANY OF THE FOREGOING, OR TO ANY OTHER PERSON FOR ANY ACTS OR OMISSIONS REGARDING ANY OF THE FOREGOING, OR THE CONDUCTING OF ANY DEVELOPMENT ACTIVITIES.

B8.01.2 NOTWITHSTANDING ANY OTHER PROVISIONS OF ANY GOVERNING DOCUMENTS, NO PROVISIONS OF THIS EXHIBIT "B", AND NO OTHER RIGHTS OR LIMITATIONS OF LIABILITY APPLICABLE TO DECLARANT OR TO ANY RELATED PARTIES OF DECLARANT PURSUANT TO ANY 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.

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pd # 346
* Wilson Cribbs & Goren
Attn: Lou Burton
2500 Fannin St
Houston, TX 77002

2020-00004937
STATE OF TEXAS COUNTY OF WHARTON
I, hereby certify that this document was filed on the date
and time stamped and was recorded
on 09/03/2020 1:10 PM



COUNTY CLERK Wharton County, Texas
By: Barbara Swatek Deputy

SCANNED