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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**LA REATA RANCH**

**First Amended Declaration of Covenants**

STATE OF TEXAS \*

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF BASTROP \*

This Declaration, made on the date hereinafter set forth by the La Reata Ranch Property Owners Association, hereinafter referred to as the "Association."

**WITNESSETH**

WHEREAS, members of the Property Owners Association are the owners of that certain tract of land known as LA REATA RANCH, a 1070 acre tract of land situated in Bastrop County, Texas (hereinafter referred to as the "Property" or the "Subdivision") with the plat ("Plat") of LA REATA RANCH, SECTIONS ONE and TWO being recorded in the office of the County Clerk of Bastrop County, Texas on the 27<sup>th</sup> day of September, 1999, after having been approved as provided by law, and being recorded in Book 3, Pages 164A, 164B, 165A, 172A, 173A, 174A and 175A Map and Plat Records of Bastrop County, Texas; and,

WHEREAS, it is the desire of the Association to place certain restrictions, easements, covenants, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against LA REATA RANCH, in order to establish a uniform plan for its development, improvement and sale, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of tracts in LA REATA RANCH.

NOW, THEREFORE, the Association hereby adopts, establishes and imposes upon LA REATA RANCH, and declares the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said property, which Restrictions shall run with said property and title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof. The Association also declares that LA REATA RANCH, shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

**ARTICLE I**

**DEFINITIONS**

**Section 1.01** "Association" shall mean and refer to the LA REATA RANCH Property Owners Association (a Texas non-profit corporation), and its successors and assigns.

**Section 1.02** "THE LA REATA RANCH" The LA REATA RANCH Property Owners Association shall consist of

members from all Sections and Units within the Property. It is intended that only one La Reata Ranch Property Owners Association exists for the whole of the 1070 acres and for any other property hereafter subjected to these restrictions.

**Section 1.03** "Board of Directors" shall mean and refer to the Board of Directors of the Association.

**Section 1.04** "Builders" shall mean and refer to persons or entities that purchase tracts and build speculative or custom homes thereon for third party purchasers.

**Section 1.05** "Common Area" shall mean all real property (including the improvements thereto) within the Subdivision owned by the Association for the common use an enjoyment of the Owners.

**Section 1.06** "Contractor" shall mean and refer to the person or entity with whom an Owner contracts to construct a residential dwelling on such Owner's Tract.

**Section 1.07** "Tract" shall mean and refer to any plot of land identified as a tract or home site on the Plat of LA REATA RANCH. For purposes of this instrument, "Tract" shall not be deemed to include any portion of the "Common Areas" or "Unrestricted Reserves", (defined herein as any Common Areas and Unrestricted Reserves shown on the Plat) in LA REATA RANCH, regardless of the use made of such area.

**Section 1.08** "Member" shall mean and refer to every person or entity who holds a membership in the Association.

**Section 1.09** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Tract which is a part of the Subdivision.

## ARTICLE II

### RESERVATIONS, EXCEPTIONS AND DEDICATIONS

**Section 2.01** Recorded Subdivision map of the Property. The plat ("Plat") of LA REATA RANCH, SECTIONS ONE and TWO dedicates for use as such, subject to the limitations as set forth therein, the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable to LA REATA RANCH, SECTIONS ONE and TWO. All dedications, restrictions and reservations created herein or shown on the Plat, replats or amendments of the Plat of LA REATA RANCH, SECTIONS ONE and TWO recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of the Association, whether specifically referred to therein or not.

**Section 2.02** Utility Easements.

(a) Utility ground and aerial easements have been dedicated in accordance with the Plat and by separate recorded easement documents.

(b) No building shall be located over, under, upon or across any portion of any utility easement. The Owner of each Tract shall have the right to construct, keep and maintain driveways, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for

purposes of gaining access to and from such Tracts, provided, however, any driveway, fence or similar improvement placed upon such Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and, as such, the Owner of each Tract subject to said Utility Easements shall be responsible for (i) any and all repairs to the driveways, fences and similar improvements which cross or are located upon such Utility- Easements and (ii) repairing any damage to said improvements caused by the Utility District or any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Utility Easements.

### ARTICLE III

#### USE RESTRICTIONS

##### Section 3.01 Single Family Residential Construction.

- (a) No building shall be erected, altered, placed or permitted to remain on any Tract other than one dwelling unit per each Tract to be used for residential purposes, except that one guest/servants house may be built on any lot provided said guest/servants house must contain a minimum of 500 square feet and be built after or while the main dwelling is being built and be approved by the Architectural Control Committee.
- (b) Detached garages, workshops, and barns may be constructed on the property prior to the main dwelling being built, so long as they are of good construction, kept in good repair, and are not used for residential purposes. All dwellings, detached garages, work shops, and barns must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on property.
- (c) The term "dwelling" does not include single or doublewide manufactured homes, and said manufactured homes are not permitted within the subdivision.
- (d) All dwellings must have at least 1400 square feet of living area, excluding porches, have at least a two (2) car garage, which may be detached, and must be built with new construction and be built on a concrete slab or on a pier foundation. A pier foundation must be constructed with concrete and steel rebar or post-tensioned reinforcement. A combination of a concrete slab and pier foundation may be utilized in the construction of the dwelling.
- (e) The construction of any building, structure or improvement on any tract shall be completed as to exterior finish and appearance within six (6) months from the date the construction was commenced.
- (f) During the construction of a dwelling, a camper or recreational vehicle maybe kept on the property or up to six (6) months, so long as said camper or recreational vehicle is hooked up to an approved septic system. Any camper or recreational vehicle to be used as a dwelling during construction must be approved by the Architectural Control Committee.
- (g) The camper or recreational vehicle must not be used as a residence after one (1) month after the completion of the main dwelling.

(h) All campers, recreational vehicles and campsites must be placed at least 100 feet from any road right of way and be kept in a clean and tidy manner at all times.

**Section 3.02 Composite Building Site.** Any Owner of one or more adjoining Tracts (or portions thereof) may, with the prior written approval of the Architectural Control Committee, consolidate such Tracts or portions into one building site, with the privilege of placing or constructing improvements on such resulting site, in which case the side set-back lines shall be measured from the resulting side property lines rather than from the Tract lines as indicated on the Plat. Combined lots shall nevertheless be considered as separate Lots for assessment purposes. Public utility and drainage easements are exempt from this provision.

**Section 3.03 Location of the Improvements upon the Tract.**

(a) No building of any kind shall be located on any tract nearer than twenty-five (25) feet to the side property line or no nearer than one-hundred (100) feet to any public road and no nearer than fifty (50) feet to the rear property line, provided however, as to any Tract, the Architectural Control Committee may waive or alter any such setback line, if the Architectural Control Committee in the exercise of the Architectural Control Committee's sole discretion, such waiver, or alteration is necessary to permit effective utilization of a Tract. Any such waiver must be in writing and recorded in the Deed Records of Bastrop County, Texas.

(b) All dwellings placed on a Tract must be equipped with septic tank system or other sewage disposal system meeting all applicable laws, rules, standards and specifications, and all such dwellings must be served with water and electricity. All septic tank system located within two hundred (200) feet of Piney Creek shall meet Lower Colorado River Authority standards for septic tank system located within two hundred feet of the Highland Lakes on the Colorado River.

**Section 3.04 Use of Temporary Structures.** No portable structure of a temporary character shall be maintained or used on any Tract at any time as a residence, either temporarily or permanently.

**Section 3.05 Walls and Fences.**

(a) Walls and fences, if any, must be approved prior to construction by the Architectural Control Committee and shall not be closer to front street property lines than Tract boundary line and no closer than the tract boundary line to side street line.

(b) If wire fences are installed, only smooth wire and electric will be permitted on the exterior lot lines of any tract, except that barbed wire fences will be permitted for enclosures within the interior area of tracts.

**Section 3.06 Prohibition of Offensive Activities.**

(a) No Activity, whether for profit or not, shall be conducted on any Tract which is not related to single family residential purposes, unless said activity meets the following criteria: (i) no additional exterior sign of activity is present, (ii) it is the type of action that usually happens in a home, (iii) no additional traffic, that would not be there normally, is created, and (iv) nothing toxic or explosive is present. This restriction is

waived in regard to the customary sales activities required to sell homes in the Subdivision.

(b) The recreational or malicious discharge or use of firearms is expressly prohibited.

(c) The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

(d) Outdoor burning of any material except brush and limbs is expressly prohibited. When brush or trees are being burned, the local fire department must be notified, an adequate supply of water must be available on the tract to protect the tract and contiguous tracts to control the fires from damage and the burning must be in compliance with all applicable state and county regulations and standards.

**Section 3.07 Garbage and Trash Disposal.**

(a) Garbage and trash or other refuse shall not be allowed to accumulate on the Tracts in this Property, and shall not be permitted to be dumped at any place where a nuisance to any residence is or may be created. No tract shall be used or maintained as a dumping ground for rubbish, trash, garbage, and other waste.

(b) Rubbish, trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers, and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

(c) Compost piles and brush piles related to gardening, landscaping, wildlife management, and animal husbandry do not fall under the definition of garbage, trash, or refuse as covered in this section.

**Section 3.08 Junked Motor Vehicles Prohibited.** No Tract shall be used as a depository for abandoned, or junked motor vehicles, boats or other motorized equipment. No junk of any kind or character, or depilated structure or building of any kind or character, shall be kept on any Tract.

**Section 3.09 Signs.** No signs, advertisement, billboards or advertising structure of any kind may be erected or maintained on any Tract without the consent in writing of the Architectural Control Committee, except one (1) professionally made sign not more than twenty-four inches (24") wide by thirty inches (30") long advertising an Owner's Tract for sale or rent, and one (1) professionally made sign, not more than twelve inches (12") wide by twenty-four inches (24") long identifying the Tract owner's name or names. Declarant or any member of such committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any tract in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from, any liability for trespass or other tort in connection therewith, or arising from such removal.

**Section 3.10 Animal Husbandry.** No livestock or poultry of any kind may be kept on any tract, except that Shetland ponies, Welsh ponies, and miniature horses or animals being raised for 4H or FHA school sponsored programs, excluding pigs or hogs, may be raised, bred or kept on any tract smaller than 5 acres. In addition, on tracts 5 acres or greater, one (1) horse, one (1) cow or one goat every two acres, or any combination thereof may be kept, as long



as the maximum number of the above stated animals does not exceed one (1) per every two acres and does not become a nuisance or threat to other owners. However, animals being raised for 4-H or FHA school sponsored programs will be permitted, excluding pigs and hogs. All horses, cows and 4-H animals being raised by individual tract owners must be kept in a fenced area on the Owner's Tract. Dogs must be kept in a kennel, dog run, or fenced in area that confines said dog(s) to that area. Dogs will not be permitted to run loose and must be vaccinated for rabies according to State Law once a year and registered with Bastrop County once a year.

**Section 3.11 Mineral Development.** No commercial oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Tract. No derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained or permitted upon any Tract.

**Section 3.12 Drainage.** Natural established drainage patterns of streets, tracts or roadway ditches will not be impaired by any person or persons. Driveway culverts and/or concrete swales must be installed and will be of sufficient size or design to afford proper drainage of ditches without backing water up into ditch or diverting flow. Drainage culvert installation is subject to County requirements. No dams or other obstructions shall be constructed to impede that natural flow of Piney Creek or the drainage ways emptying into any ponds or stock tanks currently located on the tract of land along the southern border of the Subdivision.

**Section 3.13 Antennas.** Antennas of any kind shall not exceed ten feet above the roof of the Dwelling or Accessory Building. However, nothing herein shall be construed to conflict with the latest rules and regulations set forth by the Federal Communications Commission. Antennas shall be installed in accordance with industry safety standards.

**Section 3.14 Resubdivision.** No lot in this subdivision shall be re-subdivided for the purpose of creating another homesite or building lot.

**Section 3.15 Enforcement.** In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, without liability to the Owner, Contractor or any occupants of the Tract in trespass or otherwise, enter upon (and/or authorize one or more others to enter upon) said Tract, cause to be removed, such garbage, trash, junk and rubbish or do any other thing necessary to secure compliance with this Declaration. Payment for the charges shall be payable on the first day of the next calendar month.

#### ARTICLE IV

#### ARCHITECTURAL CONTROL COMMITTEE

**Section 4.01 Architectural Control Committee.** The authority to grant or withhold architectural control approval as referred to below is vested in the Architectural Control Committee of the Association (sometimes herein referred to as the "Committee"). The term "Committee", as used in this Declaration, shall mean or refer to the LA REATA RANCH Architectural Control Committee. Each member of the Committee must be an Owner of Property in LA REATA RANCH subdivision.

**Section 4.02 Basic Control.**

(a) No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced or changes made in the design or exterior appearance thereof (excluding, without limitation, painting, staining, or siding), or any addition or exterior alteration made thereto after original construction, or demolition or destruction by voluntary action made thereto after original construction, on any Tract in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Committee of the construction plans and specification for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument.

(b) Each application made to the Committee shall be accompanied by two sets of plans and specifications for all proposed construction (initial or alteration) to be done on such Tract, including plot plans showing location on the tract.

**Section 4.03 Effect of Inaction.** Approval or disapproval as to architectural control matters as set forth in the preceding provisions of this Declaration shall be in writing. In the event that the authority exercising the prerogative of approval or disapproval fails to approve or disapprove in writing any plans and specifications and plot plans received by it in compliance with the preceding provisions within thirty (30) days following such submissions, such plans and specifications and plot plan shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plot plan and all of the other terms and provisions hereof.

**Section 4.04 Effect of Approval.** The granting of the aforesaid approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the Committee that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plot plan; but nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reasons of the good faith exercised herein. The Architectural Control Committee's approval shall not be deemed from the standpoint of structural safety, engineering soundness or conformity with building or other codes.

**Section 4.05 Variance.** The Committee may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Committee, when circumstances such as topography, natural obstructions, Tract configuration, Tract size, hardship, aesthetic or environmental considerations require a variance. The Committee reserves the right to grant variances as to building set-back lines. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Committee. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions

hereof covered by the variance, nor shall the granting of any variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned and the Plat.

## ARTICLE V

### LA REATA RANCH PROPERTY OWNERS ASSOCIATION

**Section 5.01 Membership.** Every person or entity who is a record owner of any Tract, which is, subject to the Maintenance charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, shall be a "Member" of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership for each Tract owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Tracts. Regardless of the number of persons who may own a Tract (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Tract. Additionally, the Directors of the Association must be Members of the Association (as more particularly described in the By-laws). Ownership of the Tracts shall be the sole qualification for membership. The voting rights of the Members are set forth in the Bylaws of the Association. However, the restrictive covenants will not be construed as to assess the Veterans Land Board or the State of Texas. Any assessments are the personal obligation of the Veteran purchaser, his successors, heirs and assigns. Any lien imposed by the restrictive covenants does not affect the Veterans Land Board's interest in the property.

**Section 5.02 Non-Profit Corporation.** LA REATA RANCH Property Owners Association, Inc., a non-profit corporation, has been organized and it shall be governed by the Articles of Incorporation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

**Section 5.03 Bylaws.** The Association has adopted or may adopt whatever Bylaws it may choose to govern the organization or operation of the Subdivision and the use and enjoyment of the Tracts and Common Areas, provided that the same are not in conflict with the terms and provisions hereof.

**Section 5.04 Owner's Right of Enjoyment.** Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the title to every assessed Tract, subject to the following provisions:

- (a) the right of the Association, with respect to the Common Areas, to limit the number of guests of Owners;
- (b) the right of the Association to suspend the Member's voting rights and the Member's and "Related Users" (as hereinafter defined) right to use any recreational facilities within the Common Areas during any period in which the Maintenance Charge or any assessment against his Tract remains unpaid;
- (c) The right of the Association to suspend the Member's voting rights and the Member's and Related

Users' right to use any recreational facilities within the Common Area, after notice and hearing by the Board of Directors, for the infraction or violation by such Member or Related Users of this Declaration or the "Rules and Regulations", as hereinafter defined, which suspension shall continue for the duration of such infraction or violation, plus a period not to exceed sixty (60) days following the cessation or curing of such infraction or violation.

## ARTICLE VI

### MAINTENANCE FUND

**Section 6.01 Maintenance Fund Obligation.** Each Owner of a tract by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association a monthly maintenance charge (the "Maintenance Charge"), and any other assessments or charges hereby levied. The Maintenance Charge and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Tracts and shall be a continuing lien upon the property against which each such Maintenance Charge and other charges and assessments are made.

**Section 6.02 Basis of the Maintenance Charge.**

(a) The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund", which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Tract (or residential building site) to the Association. The Maintenance Charge for the year of purchase shall be pro-rated at closing and then shall be paid annually, in advance, on or before the first day of the first month of each calendar year. Provided, however if such owner owns more than one tract in the subdivision, such Owner shall pay only twice the assessment of one (1) tract no matter how many tracts are owned or in the event as Owner obtains consent from the Committee for a Composite Building site pursuant to Section 3.02 hereof, such Composite Building Site shall be considered, for the Maintenance Charge, one Tract beginning upon the completion of the improvements thereon.

(b) Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the hereinafter described lien against the Owner's Tract. No Owner may waive or otherwise escape (ability for the Maintenance Charge by non-use of any Common Areas or recreational facilities available for use by Owners of the Subdivision or by the abandonment of his Tract.

(c) The initial amount of the Maintenance Charge applicable to each Tract was determined by the Developer. All other matters relating to the Maintenance Charge and the collection, expenditures and administration of the Maintenance Fund shall be determined by the Board of Directors of the Association, subject to the provision hereof.

(d) The Association shall have the further right at any time, with a majority vote of all association members in good standing, to adjust or alter said Maintenance Charge from year to year as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association in order for the Association to carry out its duties hereunder.

**Section 6.03 Creation of Lien and Personal Obligation.**

(a) In order to secure the payment of the Maintenance Charge, and other charges and assessments hereby levied, each Owner of a Tract in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Tract which may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute).

(b) The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of written instrument executed by the President or any Vice-President of the Association and file for record in the Real Property Records of Bastrop County, Texas. Each such owner hereby expressly grants the Association a power of sale in connection therewith.

(c) In the event that the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association, or the Association's agent, shall give notice of foreclosure sale as provided by the Texas Property Code as then amended. Upon request by Association, Trustee shall give any further notice of foreclosure sale as maybe required by the Texas Property Code as then amended, and shall convey such Tract to the highest bidder for cash by the General Warranty Deed.

Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and third, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Tract foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

(d) In the event of non-payment by any Owner of any Maintenance Charge or other charge or assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, upon ten (10) days prior written notice thereof to such nonpaying Owner, exercise all other rights and remedies available at law or in equity.

(e) It is the intent of the provisions of this Section 6.03 to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale and, in the event of the amendment of said Section 51.002 of the Texas Property code hereafter, the President or any Vice-President of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property Records of Bastrop County, Texas, amend the provisions hereof so as to comply with said amendments to Section 51 .002 of the Texas Property Code.

**Section 6.04 Notice of Lien.** In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim or lien against the Tract of the delinquent Owner by recording a notice ("Notice of Lien") setting forth (a) the amount of the claim of delinquency, (b) the interest thereon, (c) the costs of collection which have accrued thereon, (d) the legal description and street address of the Tract against which the lien is claimed and (e) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such release of lien instrument.

**Section 6.05 Liens Subordinate to Mortgages.** The lien described in Section 6.01 hereof shall be deemed subordinate to a first lien granted to any lender, bank, insurance company, savings and loan association, university, pension and profit sharing trust or plans, or any other third party lender, which may have heretofore or may hereafter lend money or extended credit in good faith for the acquisition or improvement of the Property or any part thereof, including without limitation, any one or more Tract(s), and any renewal, extension, rearrangement or refinancing of such acquisition or improvement costs. Each such lienholder who obtains title to any portion of the Property encumbered by its lien pursuant to the remedies provided in the deed of trust or mortgage granting the lien or by judicial foreclosure of the lien shall take title to said Property free and clear of any claims for unpaid Maintenance Charges or other charges of assessments against such Property which accrued prior to the time such holder acquired title to such Property. No such sale or transfer shall relieve such holder from liability for any Maintenance Charge or other charges or assessments accruing thereafter or from the lien described in Section 6.01 hereof on account thereof. Any other sale or transfer of the Property shall not affect the Association's lien for Maintenance Charges or other charges or assessments. The Association shall make a good faith effort to give each such lienholder having a lien on any portion of the Property to be foreclosed sixty (60) days advance written notice of the Association's proposed foreclosure of the lien described in Section 6.01 hereof, which notice shall be sent to the nearest office of such mortgagee by prepaid United States registered or Certified mail, return receipt requested, and shall contain a statement of delinquent Maintenance Charges or other charges or assessments upon which the proposed action is based, provided, however, the Association's failure to give such notice shall not invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article VI.

**Section 6.06 Purpose of the Maintenance Charges.** The Maintenance Charge levied by the Association shall be

fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

**Section 7.04 Duty to Prepare Budgets.** The Association shall prepare budgets for the Association, which budgets shall include a reserve fund for the maintenance of all Common Areas.

**Section 7.05 Duty to Levy and Collect the Maintenance Charge.** The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

**Section 7.06 Duty to Provide Annual Review.** The Association shall provide for an annual unaudited independent review of the accounts of the Association. Copies of the review shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying the same.

**Section 7.07 Duties with Respect to Architectural Approvals.** The Association shall perform functions to assist the Committee as elsewhere provided in Article IV of this Declaration.

**Section 7.08 Power to Acquire Property and Construct Improvements.** The Association may acquire property or an interest in property (including leases) in accordance with the provisions of Section 7.01 herein, for the common benefit of Owners including improvements and personal property. The Association may construct improvements on the Property and may demolish existing improvements.

**Section 7.09 Power to Adopt Rules and Regulations.** The Association may adopt, amend, repeal and enforce rules and regulations ("Rules and Regulations"), fines, levies and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

**Section 7.10 Power to Enforce Restrictions and Rules and Regulations.** The Association and any lot owner and the owner of the 324.788 acres described in the attached exhibit "A", shall have the power to enforce the provisions of this Declaration and the Rules and Regulations. In enforcing the restrictions, the Association shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Related User. Without limiting the generality of the foregoing, the Association (and other lot owners, and the owner of the property described in exhibit "A", with respect to the remedies described in (ii) below) shall have the power to enforce the provisions of this Declaration and of rule and regulations of the Association by any one or more of the following means: (i) by entry upon any property within the Subdivision after ten (10) days written notice to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability by the Association of the Owner thereof, for the purpose of enforcement of this Declaration or the Articles of Incorporation, Bylaws, and/or Rules and Regulations; (ii) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of these provisions of this Declaration or the Articles of Incorporation, Bylaws, and/or Rules and Regulations in the District Court of Bastrop County, Texas or any other Court of proper venue; (iii) by exclusion, after notice and hearing, of any Member of Related User from use of any recreational facilities within the common Areas during and for up to sixty (60) days following any breach of this

Declaration or such Articles of Incorporation, Bylaws, and/or Rules and Regulations by such Member or any Related User, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues; (iv) by suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of a provision of this Declaration or such Articles of Incorporation, Bylaws, and/or Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (v) by levying and collecting, after notice and hearing, an assessment against any Member for breach of this Declaration or such Articles of Incorporation, Bylaws, and/or Rules & Regulations by such Member or a Related User which assessment reimbursed the Association for the costs, including attorney fees, incurred by the Association in connection with such breach; (vi) by levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties, established in advance in the Articles of Incorporation, Bylaws, and/or Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or such Articles of Incorporation, Bylaws, and/or Rules and Regulations by such Member or a Related User; and (vii) by taking action itself to stop or abate such violation and to change the expenses thereof; if any, to such violating Members assessment, plus attorney's fees incurred by the Association with respect to exercising such remedy.

Before the Board may invoke the remedies provided in items (iii - vii) above, it shall give registered notice of such violation to Owner by certified mail, return receipt requested, and shall afford the Owner a hearing. If, after the hearing, a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association or any Owner to take any action upon any breach or default with respect to any of the foregoing violation shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

**Section 7.11 Power to Grant Easements.** In addition to any blanket easements described in this Declaration, the Association shall have the power to grant access, utility, drainage, water facility and other such easements in, on, over or under the Common Area.

## ARTICLE VIII

### GENERAL PROVISIONS

**Section 8.01 Term.** The provisions hereof shall run with all property in LA REATA RANCH and shall be binding upon all Owners and all persons claiming under them for a period of twenty (20) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of twenty (20) years each, unless an instrument, signed by not less than two-thirds (2/3rds) of the Owners of the Tracts has been recorded agreeing to amend or change, in whole or in part, this Declaration.

**Section 8.02 Amendments.** This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or by signed ballots voting for such amendment, of not less than two-thirds (2/3rds) of all of the Owners of the Subdivision. There shall be one vote per Tract. Anyone owning more than one Tract shall have one vote for each Tract owned. If the Declaration is amended by a written instrument signed by those Owners entitled



to cast not less than two-thirds (2/3rds) of all of the votes of the Owners of the Association, such amendment must be approved by said Owners within three hundred sixty-five (365) days of the date the first Owner executes such amendment. The date an Owner's signature is acknowledged shall constitute prima facia evidence of the date of execution of said amendment by such Owner. Those Members (Owners) entitled to cast not less than two-thirds (2/3rds) of all of the votes of the Members of the Association may also vote to amend this Declaration, in person, or by proxy, or by written mailed ballot at a meeting of the Members (Owners) duly called for such purpose, written notice of which shall be given to all Owners at least ten (10) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. Notwithstanding any provision contained in the Bylaws to the Contrary, a quorum, for purposes of such meeting, shall consist of not less than seventy percent (70%) of all of the Members (in person, by proxy, or by mail) entitled to vote.

Any such amendment shall become effective when an instrument is filed for record in the Real Property Records of Bastrop County, Texas, accompanied by a certificate, signed by a majority of the Board of Directors, stating that the required number of Members (Owners) executed the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination. The Owners shall not amend this Declaration in such a manner as to increase Maintenance Charge or any other charge or assessment payable by an Owner or increase the priority of the Association's lien for the Maintenance Charge or any other charge or assessment as against any lienholder, without the affirmative unanimous vote to do so of all Owners and lienholders directly affected thereby and every person holding liens on at least thirty percent (30%) of the Tracts. Furthermore, no amendment to this Declaration which adversely affects the rights or security interests of any holder of a lien to which the lien described in Section 6.01 hereof has been subordinated pursuant to Section 6.05 hereof shall become effective affected unless and until approved, in writing, by such lienholder.

**Section 8.03 Severability.** Each of the provision of this Declaration shall be deemed independent and severable and the invalidity of un-enforceability or partial invalidity or partial un-enforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

**Section 8.04 Liberal Interpretation.** The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

**Section 8.05 Successors and Assigns.** The provisions hereof shall be binding upon and inure to the benefit of the Owners and the Association, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

**Section 8.06 Effect of Violations on Mortgages.** No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such

deed of trust; and any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

**Section 8.07 Terminology.** All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein", "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear. All references in this Declaration to Exhibits shall refer to the Exhibits attached hereto.

IN WITNESS WHEREOF, the undersigned, being the President of the Board of Directors for the La Reata Ranch Property Owners Association herein, has hereunto set its hand of this 12<sup>th</sup> day October, 2007.

BY:



David R. Sager, President

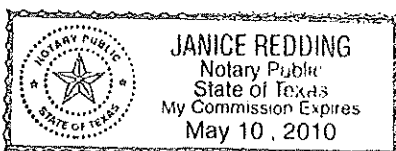
Board of Directors

La Reata Ranch Property Owners Association

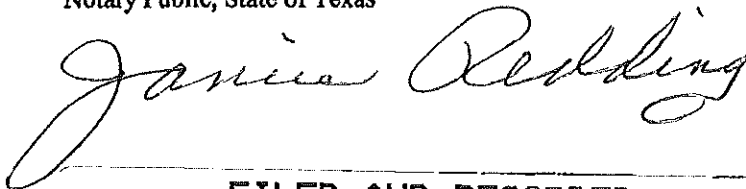
STATE OF TEXAS \*

COUNTY OF BASTROP \*

This instrument was acknowledged before me on the 12<sup>th</sup> day of October, 2007, by David R Sager, President, Board of Directors, La Reata Ranch Property Owners Association



Notary Public, State of Texas



FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS

*Rose Pietsch*

October 12, 2007 01:54:45 PM  
PAULAB FEE: \$76.00 BOOK:1784 PAGE:276-291

ROSE PIETSCH, County Clerk  
Bastrop, Texas

DECL

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