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**DECLARATION OF RESTRICTIVE COVENANTS OF THE  
WILLOW CREEK ESTATES**

THIS DECLARATION, made on the date hereinafter set forth by Denarius Ventures, LLC, and Controlled Air Space, LC, hereinafter referred to as "Declarant."

**RECITALS**

WHEREAS Declarant is the owner of certain property in Willow City, Gillespie County, Texas, which is more particularly described as:

**ABS A0398 H Lockwood #230, 200.43 Acres, Gillespie County, Texas, and  
which is commonly known as 1814 RR1323, Willow City, Texas 78624**

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

**ARTICLE I  
DEFINITIONS**

As used in this Declaration, unless the context otherwise specifies or requires, the following words and phrases shall be defined as follows:

**"Articles"** shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

**"Assessments"** shall mean those payments required of Owners and Association Members.

**"Association"** shall mean and refer to WILLOW CITY WILLOW CREEK ESTATES POA, a Texas non-profit corporation, its successors and assigns.

**"Board"** shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

**"Building"** shall mean a structure constructed on a Lot on a temporary or permanent basis and unless specified to the contrary, shall include all appurtenances and improvements thereto or used in connection therewith.

**"Bylaws"** shall mean the Bylaws of Association, including any amendments thereto duly adopted.

**“Common Area”** shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

**“Declarant”** shall mean and refer to Denarius Ventures, LLC, a Texas limited liability company, and Controlled Air Space, LC, a Texas limited company, their successors and assigns if such successors or assigns should acquire more than in the whole of the Property.

**“Declaration”** shall mean this Declaration as it may be amended from time to time. Declaration is from time to time also referred to as “CC&Rs” or “covenants.”

**“Improvement”** shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, streets, drives, driveway, sidewalks, curbs, landscaping, signs, street signs, lighting, street lights, mail boxes, electrical lines, pipes, pumps, ditches, walkways, poles, swimming pools and other recreational facilities, stormwater and/or drainage facilities, and fixtures of any kind whatsoever.

**“Limited Assessment”** shall mean a charge against a specific Owner and such Owner’s Lot, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration including interest thereon as provided in the Declaration.

**“Lot”** shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties upon which Improvements may be constructed with the exception of any Common Area.

**“Member”** shall mean each person or entity holding a membership in the Association.

**“Owner”** shall mean the person or other legal entity, including Declarant, holding fee simple interest of record to a lot which is a part of the Property, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, but including any Mortgage (of any priority) or other security holder provided said mortgage or other security holder is in actual possession of a Lot as a result of foreclosure or otherwise and any person taking title through such Mortgage or other security holder by purchase at foreclosure sale or otherwise.

**“Person”** shall mean any individual, partnership, corporation or other legal entity.

**“Phase”** shall mean any contiguous parcel of land, subdivided in the future, using the same name and identified by a consecutive number beginning with No. 1.

**“Plat”** shall mean any subdivision plat covering any portion of the Property as recorded at the office of the County Clerk, Gillespie County, Texas, as the same may be amended by duly recorded amendments thereof.

**“Property”** shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

**“Regular Assessment”** shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Areas and all Improvements located thereon, and the other costs of the Association which is to be levied against the Property for and paid by each Owner to the Association, pursuant to the terms hereof or the terms of this Declaration.

**“Special Assessment”** shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular assessments that are authorized and to be paid by each Owner to Association, pursuant to the provisions of this Declaration.

**“Subdivision”** shall mean the Willow Creek Estates.

## ARTICLE II GENERAL COVENANTS, CONDITIONS, AND RESTRICTIONS

**Section 1. Approval of Plans.** No building, fence, wall, structure, improvement, or obstruction shall be placed or permitted to remain upon any part of said properties unless a written request for approval thereof containing the plans and specifications, including exterior color scheme, has been approved in writing by the Architectural Control Committee as provided herein. The decision to approve or disapprove proposed plans rests entirely with the Architectural Control Committee (ACC).

**Section 2. Floor Area.** The floor area of a one-story house in this Subdivision shall not be less than 2,200 square feet on the ground floor. For the purpose of the Covenants, eaves, steps, and open porches shall not be considered as part of a building, provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot. Two-story and tri-level homes shall not have less than 1,200 square feet on the main level and 2,200 total square feet exclusive of covered porches, entrances, or patios. No split entry homes, mobile homes, or pre-built homes will be allowed. No residence shall be in excess of two stories above ground. No shack, tent, trailer house, or basement only house shall be used within the Subdivision for living quarters, permanent or temporary.

**Section 3. Garages.** All houses shall have an enclosed garage, which holds no less than two cars. All floor area requirements in Section 2 above shall be exclusive of the required garage area. All garages shall be attached and match the construction standards of the house as well as be constructed of good quality material and workmanship.

**Section 4. Exterior Appearance.** Each house in this Subdivision shall have brick, stone, or stucco on the front exposure. As a minimum, brick, stone or stucco shall be used either on full-height columns on the sides of the garage or full wainscot on the front of house including on both sides of the garage with front corners wrapped a minimum of two feet (2'). It is encouraged that at least one of the following be included on the front elevation: decorative wood applications such as columns, corbels, crown and dentil molding and porches, boxed or returned soffets. Other features

might include windows with rounded tops, bay windows, or pop-out box windows if they are incorporated into the roofline. The plans for each home will be reviewed individually for overall appearance of the elevation when the plans are submitted to the Architectural Control Committee. No vinyl siding will be allowed.

**Section 5. Roofs.** Broken rooflines, gables, hip roofs, etc., are strongly encouraged. Roofs must be of at least 6 in 12 pitch, and shingles must at a minimum be an architectural relief shingle with a P-25-year minimum warranty. No gravel roofs will be allowed. Roofs must be approved by the Architectural Control Committee along with the colors of the exterior of the house.

**Section 6. Colors.** Exterior colors of earth tones or grays shall be required for the body of the house. Bright or bold colors or very dark body colors shall not be allowed. Approval of exterior colors must be obtained from the Architectural Control Committee.

**Section 7. Landscaping.** Landscaping of the yard adjacent to all structures must be completed within **thirty (30)** days of completion of the structure, and must be approved in advance of installation by the Architectural Control Committee.

**Section 8. Vehicle Storage.** Parking of boats, trailers, motorcycles, trucks, truck-campers, and like equipment, or junk cars or other unsightly vehicles, and like items, shall not be allowed on any part of said properties nor on public ways adjacent thereto excepting only within the confines of an enclosed garage or other approved enclosure, and no portion of same may project beyond the enclosed area. Parking of automobiles or other vehicles on any part of the properties or on public ways adjacent thereto shall be prohibited except within garages, carports, or other approved areas. Any variance to allow a deviation to these vehicle storage requirements must be approved in writing by the ACC and all surrounding neighbors. The Architectural Control Committee shall be the sole and exclusive judges of approved parking areas.

**Section 9. Grazing Lease, Animals and Fences.** Because of its location in a rural part of Gillespie County, the land within the Subdivision is considered agricultural for property tax purposes and currently is subject to a grazing lease. To preserve the agriculture designation, each Lot may erect a fence around the residential portions of the property, but shall leave open such land within the Lot as is necessary for cattle to continue to move freely between each Lot of the subdivision.

In the event a Lot owner wishes to fence the perimeter of his or her entire Lot, the Lot owner may keep on the Lot, at a maximum, the minimum number of farm animals required by Gillespie County to preserve the agriculture exemption for property tax purposes. All dogs and cats or other household pets kept on these premises shall be fed and cared for and shall be adequately fenced and controlled so as not to annoy or trespass upon the use of the property of others. Dogs and cats shall not be allowed to run at large, and any violation is subject to formal complaint to local law enforcement or animal control.

Fences are not required. If a fence is desired, the Architectural Control Committee shall approve the plans prior to construction. Fences shall be of good quality and workmanship and properly maintained.

**Section 10. Antennae and Satellite Dishes.** Installation of radio and/or television antennae or satellite dishes is prohibited outside of a building without written consent from the Architectural Control Committee. Regular local antennae must be in the garage attic. A satellite dish is allowed on the back of the home or side of the home under the eaves. The Architectural Control Committee may approve a satellite dish to be installed at other locations if screened from street view.

**Section 11. Setbacks.** No structure shall be allowed within a 50' setback, no water well or septic system shall be allowed within a 75' setback, and in all other respects residences must meet the Gillespie County Codes for zoning and ordinances.

**Section 12. Additional Easements.** There is a ten-foot (10') easement shown on the recorded plat along the rear, front, and side lines of all lots and / or tracts and in the streets, alleys, boulevards, lanes, and roads of the subdivision, and a ten-foot (10') easement along the other boundaries of all streets, boulevards, lanes, and roads, where property lines of individual lots and / or tracts are deeded to the center line of said avenues and a twenty-foot (20') easement along the entire perimeter of the Subdivision for a permanent public utility, irrigation, and drainage easement. Within these easements no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of the utilities or which may change the direction of the flow of the water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility is responsible.

**Section 13. Outbuildings.** All outbuildings shall be constructed of quality building material and shall be of quality and character that will be in harmony with the house on said Lot. All outbuildings are subject to Architectural Control Committee approval prior to construction.

**Section 14. Nuisances.** No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the property including Lots, Common Area or vacant lots, and no odor shall be permitted to arise therefrom so as to render the property or any portion thereof unsanitary, unsightly, offensive or detrimental to the property or to its occupants, or to any other property in the vicinity thereof or to its occupants. No noise or other nuisance, as described by county ordinances, as amended from time to time, shall be permitted to exist or operate upon any portion of the property. No party or other activity in a Common Area or Lot which makes or causes to make noises which might tend to unreasonably interfere with the peace and quiet of Owners or occupants of Willow Creek Estates shall be allowed. No Owner shall permit any party or other activity in the Common Area or such Owner's dwelling unit which makes or causes to make noises which might tend to unreasonably interfere with the peace and quiet of the other Owners or occupants. No radio or other sound system shall be operated on the Property except at a low sound level. No offensive noise, language or behavior is allowed. The discharge of any type of centerfire firearm on the Property is generally prohibited. However, due to the rural nature of the Subdivision, the occasional discharge of small caliber firearms for the riddance of unwanted snakes, vermin, etc. will be allowed. Violations of this provision are subject to formal complaint to the Sheriff's Department.

**Section 15. Conducting Business on Properties.** No business shall be conducted on the above properties that cannot be conducted within the residence of the Owner as permitted by law. No signs shall be installed to advertise said business.

**Section 16. Sewer Connections.** All bathroom, sink, and toilet facilities shall be located inside the dwelling house or other suitable appurtenant building and shall be connected by underground pipe to septic or sewer wet line connections installed by either the homeowner or applicable governmental unit.

**Section 17. Driveways.** All Lots shall access the state highway, Route 1323, via the Subdivision's main entry road, Slate Rock Road, only and no other private driveways shall be allowed. All private driveways shall be surfaced with concrete, asphalt, caliche or gravel and must be designed and constructed in such a way that they will not cause any damage to the subdivision's entry road or any town road nor create any hazard to the public as they travel on the subdivision's entry road or any town road.

To meet this requirement, the Architectural Control Committee will determine (based on the specific location) whether a culvert is required and, if so, the minimum diameter and the length of the culvert. It will also determine the angle and slope of that portion of the private driveway that intersects with the subdivision's entry road and whether any erosion control devices must be installed at or near the intersection to minimize damage to the subdivision's entry road.

The minimum road width at the intersection shall be 20 feet, with a minimum width clearance of 24 feet and a steel culvert, if necessary, no less than 30 feet. The minimum height clearance, free of trees, wires, etc., shall be 16 feet. If the driveway is not paved with either concrete or asphalt, it shall have a road bed of 6 inches of 2-3" breaker rock covered with four inches of ¾ inch aggregate gravel at grade. The driveway within the area of the public right-of-way shall slope away from the public road at a minimum of 1% and a maximum of 5% and for 15 feet from the entrance to the subdivision's entry road to prevent erosion onto the subdivision's entry road.

The angle of any intersection of a town road and driveway shall be no less than 90 degrees. Any proposed driveway shall meet the minimum standards outlined below throughout its length to allow for possible ingress of emergency vehicles:

- Road width 14 ft.
- Width Clearance 14 ft.
- Height Clearance 16 ft.
- Maximum grade 15%

The roadbed shall consist of 6 inches of 2-3" breaker rock covered with 4 inches of ¾ " gravel. At the end of the driveway, a circle drive or cul-de-sac of 60 ft. radius shall be provided or another method provided to allow turnaround of service and emergency vehicles.

**Section 18. Signs.** No sign of any kind shall be displayed to public view on any building or building site on said properties except a professional sign of not more than five (5) square feet

advertising the property for sale by an owner to advertise the property. If a property is sold, any sign relating thereto shall be removed immediately, except that a "Sold" sign may be posted for a reasonable period following the sale. Notwithstanding any provision to the contrary, signs of any and all sizes and dimensions may be displayed by the Declarant, without limitation thereto, on Lots owned by said Declarant. The Declarant or the Neighborhood Association, if there is one, may display a sign of any size and dimension, without limitation thereto, for subdivision identification. No real estate signs, or signs of any kind, except for subdivision identification, may be displayed on any Common Area except for the Developer's designated marketing agent for that Subdivision, if there is one.

**Section 19. Waste Disposal.** No Lot or building site included within this Subdivision shall be used or maintained as a dumping ground for waste material. Incinerators are not permitted. Receptacles for storage of trash, garbage, etc. shall be maintained in a sanitary and clean condition.

**Section 20. Construction Equipment.** No machinery, building equipment, or material shall be stored upon site until the builder is ready and able to immediately commence construction. Such building materials must be kept within the property line of such building site upon which the structure is to be erected.

**Section 21. Damage to Improvements.** It shall be the responsibility of the builder of any residence in this Subdivision to leave street, curbs, fences, and utility facilities free of damage and in good and sound condition at the conclusion of the construction period. It shall be conclusively presumed that all such improvements are in good sound condition at the time building is begun on each Lot unless the contrary is shown in writing at the date of conveyance or by date of possession, whichever date shall first occur, which notice is addressed to a member of the Architectural Committee.

**Section 22. No Hazardous Activities.** No activities shall be conducted on the Property and no improvements constructed on any property, which are or might be unsafe or hazardous to any person or property.

**Section 23. Unsightly Articles.** No unsightly articles shall be permitted to remain on any Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such containers and in areas approved by the Board of Directors. No clothing or fabrics shall be hung, dried or aired in such a way as to be visible to other property, and no equipment, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Lot except within an enclosed structure or as appropriately screened from view. No vacant residential structures shall be used for storage of building materials.

**Section 24. Exemption of Declarant.** Nothing contained herein shall limit the right of Declarant to subdivide or re-subdivide any portion of the Property to grant licenses to reserve rights-of-way and easements with respect to Common Area to utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on any portion of the Property owned by Declarant, or to alter the foregoing and its construction plans and designs, or

to construct such additional Improvements as Declarant deems advisable in the course of development of the Property so long as any Lot in the Property remains unsold. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of Declarant's business of completing the work and disposing of the same by sales, lease or otherwise. Declarant shall have the right at any time prior to acquisition of title to a Lot by a purchaser from Declarant to grant, establish and/or reserve on that Lot additional licenses, reservations and rights-of-way to Declarant, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Declarant may use any structures owned by Declarant on the Property as model home complexes or real estate sales or leasing offices. The rights of Declarant hereunder may be assigned by Declarant to any successor in interest in connection with Declarant's interest in any portion of the Property, by an express written assignment recorded in the Official Public Records, Gillespie County, Texas.

**Section 25. Architectural Control.** The Architectural Control Committee's decision is final and binding on all issues.

**Section 26. Common Area.** The Common Area to be owned and maintained by the Willow Creek Estates Owners Association at the time of the conveyance of the first Lot is described as thirty feet (30') on either side of the centerline of the Subdivision's entry road, labeled Slate Rock Road on the plat of Willow Creek Estates, which was filed and recorded in Gillespie County, Texas.

### ARTICLE III ARCHITECTURAL CONTROL

**Section 1. Architectural Control Committee.** A committee of three persons shall act as an Architectural Committee and shall, prior to any new construction be furnished with one set of detailed plans and specifications of any proposed improvement and shall be allowed fifteen (15) days to review said plans, drawings, and specifications. If said Committee shall approve the proposed Improvement, or any modification or alteration thereof, they shall so indicate by the dating and signing of the set of plans by a member of the Committee, and their approval shall be construed as full compliance with the provisions of these Covenants. Said Committee shall have sole discretion to determine what shall be substantial compliance with said Covenants. No building shall occupy any portion of said Subdivision without prior consent of said Committee.

**Section 2. Discretion of Committee.** The decision to approve or disapprove proposed plans rests entirely with the Architectural Control Committee, and shall be authorized to issue rules relating to the implementation of these Declarations, including governing the design, construction, location, and appearance of all Improvements and landscaping on the Property.

**Section 3. Committee Membership.**

(a) A majority of said Committee is empowered to act for the Committee. In the event any member of the Committee is unable to act or fails or desires not to act, the remaining Committee members shall appoint an Owner of a Lot in said Subdivision to serve on said Committee, all of whom serve without compensation.



(b) Upon the sale of the last Lot of the last Phase in said Subdivision, the work of the initial Committee shall be deemed completed, and said Committee members shall then be automatically released from all responsibilities thereto. If there is a Neighborhood Association, notwithstanding any other provision to the contrary in the Covenants, Conditions and Restrictions for this Subdivision, after the Declarant has sold all the Lots in the properties, and not before, the then seated Directors of the Neighborhood Association shall automatically become the Architectural Control Committee. Amending this instrument shall not affect this provision.

(c) In the event there is not a Neighborhood Association for the Subdivision, it is the responsibility of the Homeowners to select among themselves an Architectural Control Committee.

#### ARTICLE IV GENERAL PROVISIONS

**Section 1. Enforcement.** Any Owner, the Association or Declarant shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Enforcement against any person or persons violating or attempting to violate any covenant herein may be commenced after ten (10) days notice thereof in writing served on the offending party. In the event of judgment against any person for such, the Court may award injunction against any person for such violation, require such compliance as the Court deems necessary, award such damages, reasonable attorney's fees, and Court costs as may be suffered or incurred, and such other or further relief as may be deemed just and equitable. Failure by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**Section 2. Severability.** Invalidation of any one of these covenants or restrictions by judgment or Court order shall in no wise affect any other provisions, which shall remain in full force and effect.

**Section 3. Amendment.** This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than sixty-seven percent (67%) of the Lot Owners. Any amendment must be recorded.

**Section 4. Time Extension for Covenants.** The Covenants set forth in this instrument shall run with the land and shall be binding on all persons owning a Lot(s) under them for a period of thirty (30) years from the date of this recording thereof, after which time such Covenants shall be automatically extended for successive periods of ten (10) years, unless at any time after the initial recording of this instrument an instrument signed by sixty-seven percent (67%) of the Lot Owners of this Subdivision has been recorded agreeing to terminate said Covenants, in whole or in part.

#### ARTICLE V COMMON AREA PROPERTY RIGHTS

**Section 1. Owner's Easement of Enjoyment.** Every Owner shall have the right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to charge assessments as provided herein.
- (b) The right of the Association to charge a setup fee to an Owner when titles to a Lot pass from the Grantor to an Owner other than the Grantor.
- (c) The right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against such Owner's Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its public rules and regulations.
- (d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded in the appropriate county deed records, agreeing to such dedication or transfer; provided that the public agency accepts such dedication or transfer.
- (e) The right of the Association to prohibit the construction of structures or Improvements on the Common Area.

**Section 2. Delegation of Use.** Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the properties.

**Section 3. Damages.** Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Lot and may be collected as provided herein for the collection of other Assessments. No Owner shall be liable for any amounts greater than is legally allowable under Texas law.

## ARTICLE VI WILLOW CITY WILLOW CREEK ESTATES POA

**Section 1. Organization of Willow City Willow Creek Estates POA.** Willow City Willow Creek Estates POA (the Association) shall be initially organized by Declarant as a Texas non-profit corporation under the provisions of the Texas Statutes Annotated relating to general non-profit corporations and shall be charged with the duties and vested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

**Section 2. Membership.** Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Every person or entity who is a record owner (including contract sellers) of a fee or undivided fee interest in any Lot located within said property shall, by virtue of such ownership, be a Member of the Association. When more than one person holds such interest in any occupied Lot, all such persons shall be Members. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. The Association shall maintain a Member list and may require written proof of any Member's lot ownership interest. The financial reports, books, and records of the Association may be examined, at a reasonable time, by any Member of record.

**Section 3. Voting Rights.** The Association will have two classes of voting memberships.

(a) Class A Membership: Class A Members shall be the Owners of Lots, with the exception of the Declarants. Each Member shall be entitled to cast one vote or fractional vote as set forth herein for each Lot in whom he holds the interest required for membership. Only one vote shall be cast with respect to each Lot. The vote applicable to any Lot being sold under a contract of sale shall be exercised by the contract vendor unless the contract expressly provided otherwise and the Association has been notified, in writing, of such provision. Voting by proxy shall be permitted.

(b) Class B Membership: Class B members shall be the Declarants. The Declarants shall be entitled to six (6) votes for each Lot of which Declarants are the record owners.

**Section 4. Officers and Directors.** At an annual meeting called pursuant to notice as herein provided for the establishment of annual assessments, a Board of Directors of the Association shall be elected by ballot of those attending said meeting or voting by proxy in accordance with the Association Bylaws. There shall be three Directors elected to serve for a period of one year.

**Section 5. Suspension of Voting Rights.** The Association shall have the right to suspend any voting rights for any period during which any assessment against said Member's property remains unpaid; and for a period not exceeding sixty (60) days for each infraction of its published rules and regulations.

**Section 6. Association Powers.** The Association shall have the powers of a corporation organized under the general corporation laws of the State of Texas subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Texas law and under this Declaration, and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, including water rights when and if received from Declarant, and affairs and the performance of the other responsibilities herein assigned, including without limitation:

(a) Assessments. The power to levy Assessments on any Owner or any portion of the Property and to enforce payment of such Assessments, all in accordance with the provisions of the Declaration.

(b) Right of Enforcement. The power and authority from time to time in its own name, on its behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach of this Declaration or the Articles or the Bylaws.

**Section 7. Association Duties.** In addition to duties necessary and proper to carry out the power delegated to the Association by this Declaration, and the Articles and Bylaws without limiting the generality thereof, the Association or its Agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:

(a) Operation and maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance of the Common Area.

(b) Maintenance of berms, retaining walls and fences. The Association shall maintain or provide for the maintenance of any and all berms, retaining walls, and the exterior of fences, if any, within and abutting the Common Area.

(c) Taxes and assessments. Pay all real personal property taxes and assessments separately levied against the Common Area or against the Association and/or any other property owned by the Association. Such taxes and assessments may be contested or compromised by the Association, provided, however, that such taxes and assessments are paid or a bond insuring payment is posted prior to the sale or disposition of any property to satisfy the payment of such taxes and assessments. In addition, the Association shall pay all other federal, state or local taxes, including income or corporate taxes levied against the Association, in the event that the Association is denied the status of a tax-exempt corporation.

(d) Water and other utilities. Acquire, provide and/or pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area.

(e) Insurance. If desired, obtain insurance from reputable insurance companies authorized to do business in the State of Texas, and maintain in effect any insurance policy the Board deems necessary or advisable, including, without limitation, all risk insurance and comprehensive public liability insurance, the extent of which coverage shall be determined by the Board.

(f) Enforcement of Restrictions and Rules. Perform such other acts whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Declaration, or of the Articles or Bylaws, including without limitations, the recordation of any claim of lien with the Gillespie County Clerk, as more fully provided herein.

**Section 8. Personal Liability.** No Member of the Board, or member of any committee of the Association, or any officer of the Association, or the Declarant, or the Manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Association, the Board, the Manager, if any, or other representative or employee of the

Association, the Declarant, or any committee, or any officer of the Association or the Declarant, provided that such person, upon the basis of such information as may be possessed by such person, has acted in good faith without willful or intentional misconduct.

**Section 9. Meetings of Association.** Each year the Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws; provided, that such meeting shall occur in the fall approximately in the month of November once a year. Members shall be entitled to attend Association meetings, and all other persons may be excluded.

**Section 10. Notice and Quorum to Conduct Business of the Neighborhood Association.** Written notice of any meeting of the Neighborhood Association called for the purpose of taking any action as specified in this Declaration shall be sent to all Members not less than 10 days nor more than 50 days in advance of the meeting, setting forth the place, date and hour of the meeting and nature of the business to be conducted. The presence of Members, of proxies, or written or absentee ballots from Members entitled to cast sixty percent (60%) of the total votes of the membership shall constitute a quorum to transact routine business and set annual assessments. If the required quorum is not present, the meeting may be rescheduled, and at the rescheduled meeting, the presence of Owners or of proxies entitled to cast ten percent (10%) of the total votes shall constitute a quorum. No written notice of the rescheduled meeting shall be required and official business of the Association shall then be conducted.

**Section 11. Maintenance by Association.** The Association shall not be dissolved or relieved of its responsibility to maintain the defined common area and facilities contained therein without the prior written approval from the City of Fredericksburg, and only then in the case that the City of Fredericksburg annexes the Subdivision. The Association and all Lot Owners by accepting title to a Lot agree that all Lot Owners within this Subdivision are benefited property owners of such maintenance.

## ARTICLE VII ASSESSMENT

**Section 1. Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) an initial assessment of two-hundred fifty dollars (\$250.00) for each Lot payable at closing, and (b) a transfer fee, which is an assessment of one-hundred dollars (\$100.00) of future closings that follow the initial closing, and (c) annual assessments or charges, and (d) special assessments and such assessments to be established and collected as hereinafter provided. The assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due. However, the personal obligation for delinquent assessments shall pass to his successors in title. The Board or its authorized representative may enforce the obligations of the Owners to pay such assessments by commencement and maintenance of a suit at law or in equity, or the Board may exercise the power of foreclosure and sale pursuant

to this Declaration to enforce the liens created hereby. A suit to recover a money judgment for an unpaid assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.

**Section 2. Regular Assessments.** All Owners, including Declarant, are obligated to pay regular assessments to the Treasurer of the Association on a schedule of payments established by the Board. See Section below "Maximum Annual Assessments" for the amount of the assessment.

(a) "Purpose of Regular Assessments" The proceeds from regular assessments are to be used to pay for all costs and expenses incurred by the Association including legal and attorneys fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, utilities, protection, maintenance, repair, management and operation of the Common Area, including all improvements located on such areas owned and/or managed and maintained by the Association, and an amount allocated to an adequate reserve fund to be used for repairs, replacement maintenance and improvement of those elements of the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (collectively "Expenses").

(b) "Maximum Annual Assessment" – For the year 2017, the maximum assessment shall be four hundred and No/100 dollars (\$400.00 per year) per Lot prorated to the end of the calendar year and billed annually, quarterly, or as otherwise decided by the Association.

(1) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 15% above the maximum assessment for the previous year without a vote of the membership.

(2) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 15% by a majority vote of a quorum of members who are voting in person, by proxy, or by written or absentee ballot at a meeting of the Homeowners.

(3) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

**Section 3. Limited Assessments.** Notwithstanding the above provisions with respect to regular and special assessments, a Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's Lot into compliance with the provisions of the governing instruments for Willow Creek Estates.

**Section 4. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment

shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

**Section 5. Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for all Lots in each class of membership and may be collected on a monthly, quarterly, or annual basis at the discretion of the board.

**Section 6. Date of Commencement of Annual Assessments: Due Dates.** The annual assessments provided for herein shall commence at the time of the conveyance of each Lot to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate by an officer of the Association setting forth whether the assessments on the specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

**Section 7. Effect of Nonpayment of Assessments: Remedies of the Association.** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 18% per annum. The Association, or any Owner, may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

**Section 8. Right to Enforce.** The Association has the right to collect and enforce its assessments pursuant to the provisions of this Declaration.

**Section 9. Subordination of the Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

**Section 10. Property Exempt from Assessments.** The following property subject to this declaration shall be exempt from the assessments created herein:

- (a) All properties expressly dedicated to and accepted by a local public authority.
- (b) Any local properties owned by the Association.
- (c) Any properties owned by the Declarant.

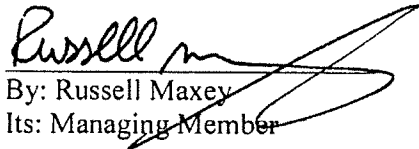
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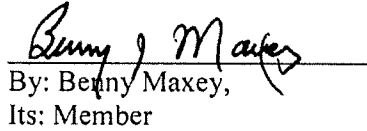
THIS DECLARATION OF RESTRICTIVE COVENANTS OF THE WILLOW CREEK ESTATES is hereby executed as of the 5th day of April, 2017.

**DECLARANT**

Denarius Ventures, LLC  
A Texas limited liability company

Controlled Air Space, LC  
A Texas limited company

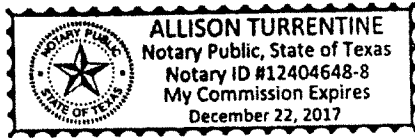
  
By: Russell Maxey  
Its: Managing Member

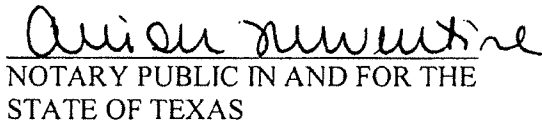
  
By: Benny Maxey,  
Its: Member

THE STATE OF TEXAS §  
COUNTY OF Gillespie

BEFORE ME, the undersigned authority, on this day personally appeared Denarius Ventures, LLC, a Texas limited liability company, by and through its Managing Member, Russell Maxey, known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same in the capacity as herein stated for the purposes and consideration therein expressed.

GIVEN UNDER MY OFFICIAL HAND AND SEAL OF OFFICE on this the 5th day of April, 2017.

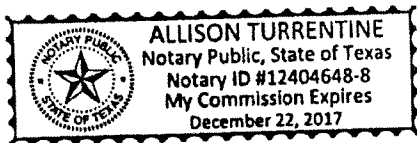


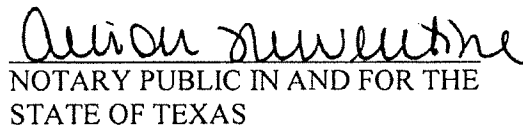
  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

THE STATE OF TEXAS §  
COUNTY OF Gillespie

BEFORE ME, the undersigned authority, on this day personally appeared Controlled Air Space, LC, a Texas limited company, by and through its Member, Benny Maxey, known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same in the capacity as herein stated for the purposes and consideration therein expressed.

GIVEN UNDER MY OFFICIAL HAND AND SEAL OF OFFICE on this the 5th day of April, 2017.



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS