

041615

Filed this 25 day of May 2004  
10:50 A M

KAREN NEWMAN  
County Clerk, Blanco County, Texas

By Deputy Deputy

**DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND EASEMENTS FOR  
LAKE ON FLAT CREEK**

VOL 0298 PAGE 958

## TABLE OF CONTENTS

	Page
<b>ARTICLE I. DEFINITIONS.....</b>	<b>1</b>
1.1 Architectural Committee.....	1
1.2 Articles of Incorporation.....	1
1.3 Assessment(s).....	1
(a) Special Assessment(s).....	1
(b) Lot Owner's Assessment(s).....	2
1.4 Association.....	2
1.5 Bylaws.....	2
1.6 Cemetery Lot.....	2
1.7 Common Area(s).....	2
1.8 Common Expense(s).....	2
1.9 Common Facilities.....	2
1.10 Covenants.....	2
1.11 Declaration.....	2
1.12 Dam.....	2
1.13 Development.....	2
1.14 Lake.....	3
1.15 Lake Lot.....	3
1.16 Lot.....	3
1.17 Member or Members.....	3
1.18 Owner or Owners.....	3
1.19 Park.....	3
1.20 Plat.....	3
1.21 Private Roadways.....	3
1.22 Residential Dwelling Unit.....	3
1.23 Section 1.....	3
1.24 Section 2.....	3
1.25 Section 3.....	3
1.26 Structure(s).....	3
<b>ARTICLE II. USE RESTRICTIONS.....</b>	<b>4</b>
2.1 Residential Use.....	4
2.2 No Commercial Use.....	4
2.3 Home Occupations.....	4
2.4 Signs.....	5
2.5 Offensive Activities; Nuisances.....	5
2.6 Temporary Structures.....	5
2.7 Unsightly Articles; Vehicles.....	5
2.8 Animals.....	5
2.9 Mineral Extraction.....	5
2.10 Propane Tanks.....	5
2.11 Trash Disposal.....	5
2.12 Antennae.....	5
2.13 Fishing, Hunting and Firearms.....	5
2.14 Underground Service Lines.....	6
2.15 Predator/Animal Control.....	6
2.16 Sewage Systems.....	6
2.17 Fences.....	6
2.18 Building Requirements.....	6
(a) Setbacks.....	6
(b) Minimum Floor Areas.....	6
(c) Height Limitations.....	6
(d) Exterior Surfaces.....	6
2.19 Construction.....	6
2.20 Exterior Lighting and Sound Systems.....	6
2.21 Swimming Pools.....	7
2.22 Fires.....	7
2.23 Vegetative Diseases.....	7

2.24	Maintenance Obligations.....	7
<b>ARTICLE III.</b>	<b>COMMON AREAS.....</b>	<b>7</b>
3.1	Owners' Easements In Common Areas.....	7
3.2	Title to the Common Areas.....	7
3.3	Designation and Conveyance by Declarant.....	7
3.4	Extent of Owners' Easements.....	7
3.5	Disclaimer of Warranty or Representation.....	8
3.6	Delegation of Use.....	8
3.7	Waiver of Use.....	9
3.8	Restricted Actions by Owners.....	9
3.9	Damage to the Common Areas.....	9
3.10	Use of the Lake, Park and Dam.....	9
3.11	Rules and Regulations.....	9
3.12	Cemetery Lot.....	9
<b>ARTICLE IV.</b>	<b>THE ASSOCIATION.....</b>	<b>9</b>
4.1	Purpose.....	9
4.2	Membership in Association.....	10
4.3	Memberships Not Severable.....	10
4.4	Transfer.....	10
4.5	Membership and Voting.....	10
4.6	Meetings of the Members.....	10
4.7	Association Powers and Duties.....	10
4.8	Emergency Powers.....	11
4.9	Self-Help.....	11
4.10	Maintenance of Common Areas.....	11
4.11	Maintenance of Private Roadways.....	12
	<b>WILDLIFE MANAGEMENT AREA.....</b>	<b>12</b>
4.12	Purpose.....	12
4.13	Definitions.....	12
4.14	Qualifications.....	12
	(a) Individual Lot Plan.....	12
	(b) Annual Dues; Special Dues.....	12
4.15	Stewardship Committee and Stewardship Committee Members.....	12
	(a) Stewardship Committee Members.....	12
	(b) Terms; Removal.....	13
	(c) Duties and Responsibilities.....	13
	(d) Entry Upon Lots.....	13
	(e) Annual Meetings.....	13
	(f) Special Meetings.....	13
	(g) Nonliability of Architectural Committee Members.....	13
<b>ARTICLE V.</b>	<b>ASSESSMENTS.....</b>	<b>14</b>
5.1	Creation of the Lien and Personal Obligation of Assessments.....	14
5.2	Purpose and Allocation of Assessments.....	14
5.3	Improvement and Maintenance of Common Areas Prior to Conveyance to the Association... 14	14
5.4	Special Assessments.....	15
5.5	Lot Owner's Assessments.....	15
5.6	Certificate of Payment.....	15
5.7	Exempt Property.....	15
5.8	Date of Commencement of Assessments; Due Dates.....	15
5.9	Duties of the Board of Directors with Respect to Assessments.....	16
5.10	No Offsets.....	16
5.11	Delinquency.....	16
5.12	Foreclosure of Assessment Lien.....	17
5.13	Curing of Default.....	17
5.14	Cumulative Remedies.....	18
5.15	Priority and Subordination of Assessment Lien.....	18
<b>ARTICLE VI.</b>	<b>ARCHITECTURAL COMMITTEE.....</b>	<b>18</b>
6.1	Membership of Architectural Committee.....	18
6.2	Action by Architectural Committee.....	18
6.3	Advisory Members.....	18

6.4	Term .....	18
6.5	Adoption of Rules .....	18
6.6	Review of Proposed Construction .....	19
6.7	Variance .....	19
6.8	Actions of the Architectural Committee .....	19
6.9	No Waiver of Future Approvals .....	19
6.10	Work in Progress .....	19
6.11	Nonliability of Architectural Committee Members .....	19
6.12	Address .....	19
6.13	Fees .....	19
6.14	Certificate of Compliance .....	20
<b>ARTICLE VII.</b>	<b>INSURANCE; REPAIR AND RESTORATION; EMINENT DOMAIN .....</b>	<b>20</b>
7.1	Insurance .....	20
7.2	Destruction of Improvements .....	20
7.3	Owner Insurance .....	21
7.4	Covenant of Owner to Repair .....	21
7.5	Waiver of Recovery and Subrogation .....	21
7.6	Eminent Domain .....	21
<b>ARTICLE VIII.</b>	<b>EASEMENTS .....</b>	<b>21</b>
8.1	Private Roadway Easements .....	21
8.2	Utility Easements .....	21
8.3	Inspection and Maintenance Easement .....	22
<b>ARTICLE IX</b>	<b>DURATION AND AMENDMENT .....</b>	<b>22</b>
9.1	Duration .....	22
9.2	Amendments .....	22
<b>ARTICLE X.</b>	<b>GENERAL PROVISIONS .....</b>	<b>22</b>
10.1	Enforcement .....	22
10.2	Severability .....	22
10.3	Headings .....	23
10.4	Singular and Plural; Gender .....	23
10.5	Consent Discretionary .....	23
10.6	Notices .....	23
10.7	Attorneys' Fees .....	23
10.8	Nonliability of Officials .....	23
10.9	Availability of Association Documents .....	23
10.10	Resubdivision .....	23
10.11	Rule Against Perpetuities .....	24

**DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND EASEMENTS FOR  
LAKE ON FLAT CREEK**

STATE OF TEXAS           §  
                                  §  
COUNTY OF BLANCO      §

KNOW ALL MEN BY THESE PRESENTS:

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAKE ON FLAT CREEK is made and executed by Lake On Flat Creek Ltd., a Texas limited partnership (the "Declarant").

**W I T N E S S E T H:**

A. Declarant is the owner of that certain approximately 515.5-acre tract of real property known as Lake On Flat Creek, a subdivision Blanco County, Texas, as depicted on Exhibits "A," "B" and "C" attached hereto (the "Property").

B. Declarant desires to create on the Property a planned rural residential community sharing certain common easements and other facilities and improvements.

C. In connection with Declarant's establishment of the residential development as aforesaid, Declarant desires to subject the Property, except as otherwise set forth herein, to the covenants, conditions, restrictions, easements, charges and liens set forth in this instrument.

D. Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said development, to create an entity to which would be delegated and assigned the powers of maintaining and administering the common properties and facilities, administering and enforcing the covenants and conditions set forth herein and collecting and disbursing the assessments and charges hereinafter created.

E. Pursuant to the foregoing, Declarant has caused or will cause to be incorporated under the laws of the State of Texas "Lake On Flat Creek Homeowners' Association, Inc.", a Texas nonprofit corporation.

NOW, THEREFORE, Declarant hereby declares that the Property shall be owned, held, transferred, sold, conveyed, occupied and developed subject to the covenants, conditions, restrictions, easements, reservations, charges, liens and stipulations hereinafter set forth.

**ARTICLE I.**

**DEFINITIONS**

As used herein, the terms set forth below shall have the meanings indicated:

1.1 Architectural Committee. The Architectural Committee, as more particularly described in Article VI hereof.

1.2 Articles of Incorporation. The Articles of Incorporation of the Association.

1.3 Assessment(s). Any one or more of the following Assessments:

(a) Special Assessment(s). A charge against a particular Owner or Owners, and his or their respective Lot(s), as applicable, directly attributable to such Owner(s) and/or their respective Lot(s), equal to the cost incurred by the Association for corrective action or special services performed, or attorneys' fees and other charges payable by such Owner(s), pursuant to the provisions of this Declaration, plus interest thereon and costs of collection thereof as provided for in these Covenants.

(b) Lot Owner's Assessment(s). The amount, which is to be paid, by each Member and/or Owner to the Association for Private Roadways and Common Area expenses.

1.4 Association. Lake On Flat Creek Homeowners' Association, Inc., a Texas nonprofit corporation, its successors and assigns.

1.5 Bylaws. The Bylaws of the Association.

1.6 Cemetery Lot. Lot 1, Section 2 (as depicted on Exhibit "B")

1.7 Common Area(s). The Lake, the Dam, entry walls and gates and the Park and all improvements now or hereafter erected by either Declarant or the Association for the common use, benefit and enjoyment of all Owners, and that portion of the Property but not a part of any Lot.

1.8 Common Expense(s). The actual and estimated: costs of maintenance, management, operation, repair and replacement of and security for the Common Areas and Common Facilities, including, without limitation, costs of any capital improvements to the Common Areas; costs, if any, of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, employees, accountants, attorneys, agents and such other personnel as the Association shall determine to be necessary or proper for the operation of the Association; costs, if any, of utilities, trash pickup and disposal, gardening and landscape services, security services and other services benefiting the Common Areas and/or other portions of the Development; costs, if any, of fire, casualty, liability, workers' compensation and other insurance coverages maintained in force and effect from time to time by the Association; costs, if any, to the Association in administering and/or correcting any unusual or emergency matter; reasonable reserves as deemed appropriate by the Association; costs of bonding any of the members of the Association or any other management or supervisory body authorized by these Covenants; taxes, assessments and other charges paid by the Association; amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Areas, or portions thereof; costs incurred in connection with the care and preservation of the Common Areas and the furnishing and upkeep of any desired Common Facilities for use in the Common Areas; costs of exterior maintenance on the Common Areas, including, without limitation, maintenance of the Private Roadways (including the Entrance Gates), care of trees, shrubs and landscaping, and maintenance of walkways, lighting and utility systems and sprinkler systems (if any such improvements or facilities shall be installed); other costs for materials, supplies, insurance on Association-owned property, mailbox cluster units, Park furniture, boat ramp and road, labor, services, maintenance, repairs, structural alterations, taxes or assessments which the Association is required to obtain or pay for pursuant to the terms of this Declaration or by law, or which, in the opinion of the Association, shall be necessary or proper for the operation or protection of the Association, the Common Areas and/or the Common Facilities, or for the enforcement of the provisions of this Declaration; and the costs of any other item or items designated by, or in accordance with other expenses incurred by, the Association for any reason whatsoever which, in the good faith judgment of the Association, or in connection with the Common Areas, the Common Facilities, the Development, the Articles of Incorporation or the Bylaws, are in furtherance of the purpose of the Association or in the discharge of any obligations imposed upon the Association by this Declaration.

1.9 Common Facilities. All personal property owned by the Association for the common use and enjoyment of the Owners of Lots within the Development.

1.10 Covenants. The covenants, conditions, restrictions, easements, reservations, charges, liens and stipulations set forth herein that shall be applicable to, and will govern the development, improvement, ownership, use, occupancy, conveyance, administration and maintenance of, the Property and the Common Areas thereof.

1.11 Declaration. This Declaration of Covenants, Conditions and Restrictions for Lake On Flat Creek, together with all amendments or supplements hereto which are hereinafter filed of record in the Real Property Records of Blanco County, Texas, whether any such amendments or supplements shall modify, amend, restrict, amplify or supersede the terms, provisions, covenants, conditions and restrictions set forth herein.

1.12 Dam. That portion of the Common Area shown as the "DAM" on Exhibit "C."

1.13 Development. The Property, together with all Structures and improvements now or hereafter situated thereon and all rights and appurtenances thereto, together with the Structures and improvements thereon and rights and appurtenances thereto.

1.14 Lake. That portion of the Common Area generally shown as the "LAKE" on Exhibit "C," The Lake only consists of the area covered by the surface area of the water in the Lake. The size of the Lake is subject to fluctuation as the water level in the Lake increases and/or decreases. Except for the Park, no land abutting the Lake is part of the Lake and/or Common Area.

1.15 Lake Lot. Any Lot which abuts the Lake.

1.16 Lot. Any plot or tract of land shown as a lot on Exhibit "A," Exhibit "B" and/or Exhibit "C" thereon or therein and which is or will be improved for residential purposes. As of the date of this Declaration, there are twenty-two (22) Lots as shown on the Property. Lots in their improved state shall be deemed to include the Structures and improvements thereon. In the event two (2) or more Lots within the Property as shown on the Property are resubdivided and combined into a single lot, the Owner of such resulting "Lot" shall have voting rights as if such resubdivision had not occurred and such resulting "Lot" shall be assessed as if such resubdivision had not occurred.

1.17 Member or Members. A Member or Members of the Association, as more particularly described in Article IV hereof.

1.18 Owner or Owners. Any person or persons, firm, corporation or other entity, or any combination thereof, that owns, of record, fee title to, or an undivided fee interest in, any Lot. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation.

1.19 Park. That portion of the Common Area shown as the "PARK" on Exhibit "C".

1.20 Plat. The subdivision plat(s) of the Property (or any portion thereof) recorded (or which are hereinafter filed of record) in the Real Property Records of Blanco County, Texas and all amendments and supplements thereto, if any.

1.21 Private Roadways. Those portions of the Property shown as the "PRIVATE ROADWAYS" on Exhibits "A," "B" and "C" and includes the two (2) entrance gates, each depicted as an "ENTRANCE GATE" on the applicable Exhibits.

1.22 Residential Dwelling Unit. Any Structure on a Lot which is designed and intended for occupancy and use as a residence by one person, by a single family, or by persons maintaining a common household.

1.23 Section 1. The Lots, Private Roadways and any other areas contained within the boundaries of the property depicted on Exhibit "A".

1.24 Section 2. The Lots, Private Roadways and any other areas contained within the boundaries of the property depicted on Exhibit "B".

1.25 Section 3. The Lots, Private Roadways and any other areas contained within the boundaries of the property depicted on Exhibit "C".

1.26 Structure(s). Anything erected, constructed, placed or installed upon any portion of a Lot, including, but not limited to, foundations, walls, buildings, terraces, patios, garages, pools, sheds outbuildings, windmills, pump houses and barns.

## ARTICLE II.

### USE RESTRICTIONS

2.1 Residential Use. With the exception of the Common Areas, no Lot shall be used for any purpose other than construction and occupation thereon of no more than one (1) single family Residential Dwelling Unit, including such accessory improvements as are customarily incidental to single-family residential use including guest houses, barns and stables and not in conflict with the Declaration or any applicable law. No Lot shall have more than five Structures located thereon. Mobile homes, manufactured housing, and all similar housing units are expressly prohibited.

2.2 No Commercial Use. Subject to the provisions of Section 2.3, and except to an incidental extent or in connection with rental of any dwelling by the owner thereof for residential purposes, no part of the Property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial manufacturing, mercantile or other such nonresidential purposes including, without limitation, commercial hunting or any hunting for which a fee is charged.

2.3 Home Occupations. Notwithstanding Section 2.2 to the contrary, the practice of an occupation within a Residential Dwelling Unit ("Home Occupation") shall be permitted on the Property, but only to the extent that any such Home Occupation is in compliance with the following limitations:

(a) The residential/ranch/farm character of the Lot and Structure in which the Home Occupation is conducted shall be maintained. Neither the interior nor the exterior of the Structure shall be structurally altered so as to require compliance with non-residential construction codes to accommodate the Home Occupation.

(b) The Home Occupation shall not generate customer-related vehicular traffic in excess of six (6) vehicles per twenty-four hour day.

(c) No direct selling of merchandise shall occur on the Property, except as expressly provided in this Section 2.2.

(d) No equipment or materials associated with the Home Occupation shall be displayed or stored where visible from adjoining properties or from any street.

(e) The Home Occupation shall not produce external noise, vibration, smoke, dust, odor, heat, glare, fumes, electrical interference or waste run-off outside the Structure.

(f) No vehicle used in connection with the Home Occupation, which requires a commercial driver's license to operate, shall be parked on any portion of the Property which is visible from any other portion of the Property or any street or road adjacent to the Property.

(g) The Home Occupation shall not be advertised by any signs on the Property, nor shall the street address of the Home Occupation be advertised through signs, billboards, television, radio, the internet or newspapers, except as expressly provided in this Section 2.2.

(h) Nothing herein shall be construed to allow the following businesses or occupations as Home Occupations: animal hospitals, animal breeding, clinics, hospitals, daycare or childcare facilities, contractors' yards, dancing schools, junk yards, lodging house residential uses (including, without limitation, bed and breakfast operations), massage parlors, restaurants, rental outlets, or vehicle repair shops.

(i) Nothing herein shall be construed to prohibit the following activities: the growing of produce (fruits and vegetables) on the Property (including establishing and maintaining orchards, vineyards and gardens) and the selling of produce grown on the Property during the harvest season; the breeding and/or raising of animals on the Property (subject to the limitations set forth in Sections 2.5 and 2.8 below) and the selling of animals bred and/or raised on the Property; or the advertising of such produce and/or animals by television, radio, the internet, newspapers or signs and billboards not located on the Property. In conducting the activities set forth in this paragraph 2.3(i), no Owner shall permit any parking on the Property except on such Owner's Lot.



2.4 Signs. No sign or billboard of any nature whatsoever shall be displayed to the public view on any portion of the Property, except (a) as may be expressly authorized and permitted by the Association, or (b) two (2) signs [one (1) on the street side of the Lot and one (1) on the lake side of the Lot], each no larger than three (3) square feet on a Lot advertising such Lot and the residence thereon as being "for sale" or "for lease."

2.5 Offensive Activities; Nuisances. No noxious or offensive noise, trade or activity shall be carried on upon any part of the Property, nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the neighborhood or to the Property as a whole, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Lot or Residential Dwelling Unit, or which shall in any way increase the rate of insurance. All improvements on the Property shall be maintained in a good and sightly condition.

2.6 Temporary Structures. No Structure (or fence) of a temporary character, including, without limitation, a trailer, tent, shack, barn or other outbuilding, shall hereafter be used on any part of the Property at any time as a residence, either temporarily or permanently, and, except temporarily during periods of construction or repair of improvements on a Lot, no such temporary Structure (or fence) shall be constructed or installed on any Lot at any time.

2.7 Unightly Articles; Vehicles. No unsightly articles shall be permitted to remain on any Lot as to be visible from an adjoining Lot or any Private Roadway. Without limiting the generality of the foregoing, graders (other than farm tractors), trucks (other than pickups), and buses, shall be kept at all times, except when in actual use, screened from view from adjoining Lots and Private Roadways and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Campers (limit of one per Lot) and recreational vehicles (limit of one per Lot) shall be permitted on any Lot only if parked on the half of the Lot farthest from the abutting Private Roadway and not in any building setback line. Outdoor service areas and storage areas, shall be screened from view from adjoining Lots and Private Roadways and no lumber, metals, bulk materials, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Property. The number of vehicles shall be limited to six (6) per Lot. No inoperable vehicle may be kept on the Property unless parked within approved garages. As used herein, temporary parking shall mean parking of vehicles belonging to guests or invitees of an Owner, parking of delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Association or an Owner, and parking of vehicles belonging to or being used by Owners for temporary loading and unloading purposes. The Association may adopt rules to regulate the parking of vehicles within the Common Areas, including the assessment of charges to Owners who violate, or whose invitees violate, such rules. Any charges so assessed shall be Special Assessments. No vehicle of any kind shall be allowed to park overnight on the Private Roadway's right-of-way and there shall be no parking at any time on the paved portion of any Private Roadway.

2.8 Animals. Agricultural and livestock use of the Property is permitted, except that use as a feedlot or commercial hog, swine or poultry operation is prohibited. Fencing shall be appropriate to contain the livestock kept on any Lot. No more than one (1) animal unit of domestic livestock (horses, cattle, goats, etc.) per five (5) acres and one (1) unit of fowl (chickens, turkeys, ducks, geese, etc.) per acre shall be allowed to be kept on any Lot.

2.9 Mineral Extraction. No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Property, nor, subsequent to the recording of this Declaration, nor shall oil wells, tunnels or mineral excavations or shafts be installed upon the Property or any portion thereof. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon the Property.

2.10 Propane Tanks. All propane tanks shall be screened.

2.11 Trash Disposal. All rubbish, trash and garbage shall be regularly removed from the Lots and shall not be allowed to accumulate thereon.

2.12 Antennae. No antenna or tower exceeding forty-five feet (45') in height may be located on the Property.

2.13 Fishing, Hunting and Firearms. No hunting shall be permitted on the Property except for archery hunting and/or hunting with a shotgun. No hunting is allowed on or across any portion of the Common Area (including the Lake). No firearms may be discharged on the Property during nighttime hours (i.e. 30 minutes following sunset to 30 minutes before sunrise). No firearms may be discharged from the Private Roadways. The Association may

adopt rules and restrictions regarding the use of the Property for firearm target shooting and skeet and trap shooting and similar activities. All fish caught shall be returned to the Lake until June 1, 2005. After June 1, 2005, the daily bag limit or possession limit of fish is five (5) per day per person and any person fishing in the Lake shall at all times be in compliance with all applicable laws and regulations. No juglines or trotlines are allowed. Fishing with a seine, net or shad trawl is not allowed. No fishing from a boat (or other water vehicle) or from the Park is allowed between 10:00 PM and 5:00 AM.

2.14 Underground Service Lines. All gas, water, sewer lines shall be placed and kept underground.

2.15 Predator/Animal Control. No cyanide chemicals or other lethal chemicals shall be used on the Property for the control of predators/animals.

2.16 Sewage Systems. All sewage shall be disposed of into a properly constructed septic tank or other underground on-site treatment system approved by all applicable health authorities and designed by a registered sanitation engineer, or into an organized sewage collection and treatment system as approved by the public utility serving the particular portion of the Property.

2.17 Fences. All fences shall be properly maintained in a good condition and repair at all times. Material used in the construction of fencing may be wood, sheep and goat wire, barbed wire, and smooth wire. If sheep and goat wire, barbed wire, and smooth wire is utilized, all wooden and/or metal t-posts in such fence shall be painted either natural or black or dark green (provided that wood posts may be unpainted). No chain link type fencing is permitted on the Property unless the fencing and post are coated in black plastic. Rock fences and masonry columns will be allowed. No fences higher than four (4) feet (unless it is decorative wrought iron) are allowed closer than one hundred (100) feet of a Private Roadway. The color of any solid wood fencing visible from a Private Roadway or an adjoining Lot shall be subject to approval of the Architectural Committee, provided that natural rock may be unpainted and not require Architectural Committee approval.

2.18 Building Requirements. All Structures shall be subject to the following requirements, in addition to the requirements of Article VI hereof:

(a) Setbacks. All Structures shall be subject to the setback requirements which are the greater of (i) all applicable county building setback requirements, (ii) the building lines, if any, shown on the Plat(s) or (iii) one hundred (100) feet from any Private Roadway, the Lake (as measured from the outer contour of the Lake when the water level of the Lake is at full elevation) or boundary line of any Lot.

(b) Minimum Floor Areas. All single story Residential Dwelling Units shall have a floor area of not less than one thousand two hundred (1,200) square feet, exclusive of open porches, patios, garages, balconies and terraces. All two story Residential Dwelling Units shall have a floor area of not less than one thousand eight hundred (1,800) square feet, exclusive of open porches, patios, garages, balconies and terraces. All guesthouses shall have a floor area of not less than five hundred (500) square feet and not more than one thousand two hundred (1,200) square feet, exclusive of open porches, patios, garages, balconies and terraces. It is contemplated that dwellings be of hill country or southwestern style, or interpretation thereof, and follows good design as to proportions, scale, color-coordination, and be of materials that are compatible with the surroundings. Porches are encouraged; stone veneer is also encouraged.

(c) Height Limitations. No Residential Dwelling Unit erected on any Lot shall exceed a maximum height of forty feet (40'). Height shall be measured from the natural grade on the highest side of the improvement to the highest point of the roof or any projection therefrom.

(d) Exterior Surfaces. No reflective finishes (other than glass and galvanized corrugated metal) shall be used on exterior surfaces, including but without limitation, the exterior surfaces of any of the following: roofs, siding, all projections above roofs, retaining walls, doors, trim, fences, pipes, equipment.

2.19 Construction. Upon commencement of construction of improvements on a Lot, construction shall thereafter continue in an uninterrupted manner and shall be completed in a reasonable time, not to exceed eleven (11) months from the date construction commences.

2.20 Exterior Lighting and Sound Systems. The Association shall have the right to approve the location, number, size, type and design of all proposed exterior sound systems or other noise-making devices. Exterior lighting

shall not produce an excessive glare and shall be shielded in such a manner as to not interfere with other Owners enjoyment of the nighttime sky.

2.21 Swimming Pools. All swimming pools not of a permanent nature shall be located behind the residence no further than thirty-five feet (35') from the residence and not within one-hundred (100') feet of a Lot boundary line.

2.22 Fires. Brush burning and fireworks shall only be permitted in wet weather conditions and with prior notice given by the Owner to the other Owners. All campfires or cooking fires shall be in enclosed areas or pits.

2.23 Vegetative Diseases. The Association shall have the right to monitor the Lots for the presence of vegetative diseases, such as oak wilt and oak decline, and if a vegetative disease is found, request that the Owner of such Lot take such curative and preventative action as may be necessary to prevent the spread of such disease. If such Owner does not take such action, the Association is authorized to do so and all expenses of such action will be assessed to such Owner.

2.24 Maintenance Obligations. Every Owner shall maintain or cause to be maintained all exterior portions of such Owner's Residential Dwelling Unit and any other Structure or improvement located or placed on such Owner's Lot by such Owner in a good state of repair and in a clean, safe, neat and orderly condition.

### ARTICLE III.

#### COMMON AREAS

3.1 Owners' Easements in Common Areas. Subject to the provisions of this Declaration and the right of the Declarant and/or the Association, as applicable, to control the use, operation and maintenance of the Common Areas as hereinafter provided, every Owner shall have a right and easement of use, recreation and enjoyment in and to the Common Areas, and such right and easement of ingress and egress over and across the Common Areas as shall be reasonably necessary for such Owner to have access to his Lot, and such rights and easements shall be appurtenant to, and shall pass with the title of, each respective Lot; provided, however, such rights and easements as aforesaid shall not give any such person or persons the right to make alterations, additions or improvements of any kind or nature to the Common Areas.

3.2 Title to the Common Areas. The Declarant will hold record title to, and shall control the use, operation and maintenance of, the Common Areas for an indefinite period of time, subject to the rights and easements set forth in Section 3.1 above. Until such time as title to the Common Areas is conveyed to the Association as hereinafter provided, Declarant shall have the right and option (without the joinder and/or consent of any other person or entity) to encumber, mortgage, alter, improve, landscape, control and maintain the Common Areas. At some point in time after the Association has been incorporated (as deemed reasonable and appropriate by the Declarant, but in any event prior to the sale by Declarant of the first Lot to a bona fide third party unrelated to the Declarant) the Declarant will convey record title to all or a portion of the Common Areas to the Association for the purposes herein envisioned, whereupon the Association shall assume control over the Common Areas and all maintenance obligations thereof in accordance with these Covenants.

3.3 Designation and Conveyance by Declarant. All or any part of the Property, together with the improvements, if any, located thereon, owned by Declarant, or any interest held by Declarant therein, or an easement estate therein, may be conveyed, transferred or assigned to the Association and, if not already done so hereunder, designated as Common Areas by the Declarant at its sole discretion and without the approval, assent or vote of the Association or of its Members; provided, however, that any such property so conveyed shall be free and clear of any and all mechanic's and materialmen's liens and that all taxes and governmental assessments against any such property which are then due and payable shall have been paid prior to the date of such conveyance, unless otherwise approved by the Association.

3.4 Extent of Owners' Easements. The Owners' rights and easements created hereby shall be subject to all covenants, conditions and restrictions contained in this Declaration and the Plat(s) and to the rights of the Declarant (for so long as Declarant shall own and control the use, operation and maintenance of the Common Areas) and the Association (from and after such time as Declarant shall convey the Common Areas to the Association), to:

(a) Prescribe, adopt and enforce (through all available means) rules and regulations governing the use, operation and maintenance of the Common Areas (including limiting the number of guests of Owners and limiting the use of the Common Areas by persons not in possession of a Lot, but owning a Lot or undivided fee interest therein), and prescribe and levy such fines and/or other penalties as the Declarant or the Association, as applicable, may deem appropriate for violation of such rules and regulations;

(b) Establish and charge admission, use, rental and other fees for the use and enjoyment of any facility (whether recreational in nature or otherwise) located on or comprising a portion of the Common Areas;

(c) Borrow money for the purpose of maintaining, operating or constructing improvements in the Common Areas and, in connection therewith, to grant a lien or mortgage against the Common Areas to secure the obligation to repay such indebtedness, provided that the rights of any such lienholder or mortgagee shall be subordinate and inferior to the rights of the Owners hereunder;

(d) Take such steps as are or may be reasonably necessary to protect the Common Areas, or any portion thereof, from foreclosure or levy;

(e) Contract for and cause to be built and maintained in or on the Common Areas such recreational facilities and/or other improvements and facilities as the Declarant or the Association, as applicable, shall deem to be necessary in the best interests of the Owners, and as the subject property itself will reasonably allow;

(f) Suspend or restrict the voting rights and/or the rights to the use of the Common Areas of any Owner who violates any of the provisions of (i) these Covenants, (ii) any rules or regulations established from time to time by Declarant or the Association, as applicable, governing the use, operation and maintenance of the Common Areas, or (iii) any other rule, regulation, covenant, condition or restriction applicable to such Owner and/or such Owner's Lot pursuant to any document or instrument, whether or not filed of record, establishing or creating covenants, conditions and/or restrictions governing the ownership, use, occupancy and/or development of such Owner's Lot or other portions of the Property;

(g) Suspend the voting rights and/or the rights to the use of the Common Areas of an Owner for any period during which any Assessment against his Lot remains unpaid;

(h) Set aside a portion or portions of the Common Areas for a particular activity or facility and to condition the use thereof on the payment of a fee or charge;

(i) Limit or restrict the use of certain recreational or service facilities or other improvements upon the Common Areas to particular hours, or for particular uses, or to block or close certain portions thereof for maintenance, repairs or reconstruction, or to limit or restrict usage thereof for any reasonable cause based on health or danger; and

(j) Levy, against any Owner and his Lot(s), a Special Assessment to cover the costs of maintenance and/or repair to the Common Facilities and/or the Common Areas, or any portion thereof, caused by the willful or negligent acts of any Owner, or his family members, tenants, guests, agents, employees or invitees, as applicable.

3.5 Disclaimer of Warranty or Representation. Notwithstanding anything which could be construed to the contrary contained herein, the rights of Declarant and the Association, as applicable, to control the use, maintenance and operation of the Common Areas as provided for herein are not, and shall not be or be deemed to be, a warranty or representation that any of such rights as are contemplated herein will be exercised, any such warranty or representation, whether express, implied, statutory or otherwise, being hereby expressly disclaimed. DECLARANT MAKES NO REPRESENTATION OR WARRANTY HEREIN CONCERNING THE PROPOSED OR INTENDED USE OF THE COMMON AREAS OR ANY PROPOSED FACILITIES OR OTHER IMPROVEMENTS, WHETHER RECREATIONAL OR OTHERWISE.

3.6 Delegation of Use. Subject to the terms and provisions of the Bylaws and/or any rules and regulations as shall be established and adopted from time to time by the Declarant and/or the Association in accordance with these Covenants, any Owner may delegate his rights of use, recreation and enjoyment of the Common Areas to his family members and/or tenants, and their respective guests and invitees, as applicable.

3.7 Waiver of Use. No Member or Owner may exempt itself or himself from personal liability for Assessments duly levied by the Association hereunder, nor release any Lot from the liens and charges established pursuant to this Declaration, by waiver of the use, recreation and enjoyment of the Common Areas and the facilities thereon, or abandonment of its or his Lot.

3.8 Restricted Actions by Owners. No Owner shall permit anything to be done on the Property, or any portion thereof, or in the Common Areas, which would violate any applicable public law or zoning ordinance, or which will result in the cancellation of or increase of any insurance carried by the Association, or which would be in violation of any covenant, condition or restriction set forth in these Covenants or in any other written instrument, whether or not filed of record, governing in any manner the ownership, use, occupancy and/or development of the Property, or any portion thereof, all of which covenants, conditions and restrictions are and shall be incorporated herein by reference, or which would be in violation of any law.

3.9 Damage to the Common Areas. Each Owner shall be liable to the Declarant and/or the Association, as applicable, for any damage to any portion of the Common Areas and/or Common Facilities caused by the negligence or willful misconduct of the Owner, or his family members, tenants, agents, employees, invitees or guests, as applicable.

3.10 Use of the Lake, Park and Dam. No motorized boats (or other water vehicles) shall be operated on the Lake; provided that the use of battery powered trolling motors shall be permitted. Except for the portion of the shoreline of the Lake located on the Park, use of the shoreline abutting the Lake is limited to the Owner (and such Owner's guests and invitees) of the Lake Lot on which such portion of the shoreline is located. The Park will be closed from 10:00 PM to 5:00 AM. No access shall be permitted from the Park onto the Lake from 10:00 PM to 5:00 AM. No boats (or other water vehicles) shall be operated on the Lake from 10:00 PM to 5:00 AM. No boat (or other water vehicle) may be left unattended in the Park or on the Lake or Dam for more for two (2) hours or more.

3.11 Rules and Regulations. The Common Areas shall only be used by guests or invitees of an Owner when accompanied by such Owner. All Owners shall abide by any rules and regulations from time to time adopted by the Association pursuant to the terms hereof, which rules and regulations, when made and in force and effect from time to time, shall be deemed to be incorporated herein by reference. The Association shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner in violation of said rules and regulations shall be liable to the Association for all damages and costs, including reasonable attorneys' fees, incurred by the Association in enforcing any of such rules and regulations.

3.12 Cemetery Lot. The Cemetery Lot is restricted for use only as a cemetery. Declarant, within one year from the date that the Section 2 plat is recorded in the map or plat records of Blanco County, Texas, shall convey title to the Cemetery Lot to the Johnson City Masonic Cemetery for permanent use as a cemetery only, and upon such conveyance, the Cemetery Lot shall be excluded from the Property and not subject to this Declaration. Prior to such conveyance, the Cemetery Lot is not subject to the obligations contained in this Declaration regarding the payment of Assessments.

#### ARTICLE IV.

##### THE ASSOCIATION AND THE WILDLIFE MANAGEMENT AREA

##### THE ASSOCIATION

4.1 Purpose. The general purpose and function of the Association shall be to preserve the values and amenities of the Development and to supervise its continued orderly development and administration. To such end, but without limiting the generality of the foregoing, the Association, in addition to the other powers conferred upon the Association herein or otherwise by statute or at law, shall be authorized and empowered to (i) establish, supervise and enforce rules, regulations and procedures designed to ensure the architectural and landscaping harmony of all portions of the Development; (ii) provide for the management, construction, maintenance, repair, replacement, administration, insuring and use of the Common Areas, the Common Facilities and the Private Roadways as herein provided for; (iii) establish and maintain a working capital and contingency fund in an amount to be determined by the Association; (iv) enter into such contracts and agreements concerning the Common Facilities, the Common Areas, the Private Roadways and/or other portions of the Property with such persons and on such terms as the Association deems necessary or appropriate, including, without limitation, the right to grant such easements for such uses and purposes as the Association shall deem appropriate and the right to enter into agreements with adjoining or nearby

land owners or governmental or quasi-governmental authorities on matters of maintenance, repair, administration, security, operation of any recreational facilities, or other matters of mutual interest; (v) enforce, through all available means, the terms, provisions, covenants and conditions of this Declaration, and/or those contained in any other written instrument, whether or not filed of record, governing the ownership, use, occupancy, administration and/or development of any portion of the Property, and any rules and regulations made hereunder or thereunder, all of which are and shall be incorporated herein by reference, and to enjoin and seek damages from any Owner in violation of any such provisions, rules and/or regulations; (vi) subject to the provisions of the Articles of Incorporation and Bylaws, borrow funds to pay costs of operation of the Association, secured by an assignment or pledge of rights against delinquent Members and/or Owners, if the Association sees fit; (vii) enter into contracts, maintain one or more bank accounts, and, generally, to exercise and enforce the powers necessary or incidental to the operation and management of the Association; (viii) grant easements where necessary for utilities, transformers and related facilities over, across and/or under the Common Areas to serve the Common Areas and other portions of the Property; (ix) employ a manager, engineers, security guards, gardeners, consultants or other persons deemed appropriate by the Association, and to contract with independent contractors or managing agents or any other person, firm or entity to perform all or any part of the duties and responsibilities of the Association and to assist the Association; (x) procure and maintain in force and effect workers' compensation insurance to the extent necessary to comply with any applicable laws; and (xi) in general, perform and take such other actions or steps as shall, in the discretion of the Association, be reasonably necessary to ensure the continued orderly development, administration, use and occupancy of the Development.

4.2 Membership in Association. The Association shall be composed of (a) all Lot Owners within the Property. The terms and provisions set forth in this Declaration shall be binding upon all Owners, but are not exclusive. All owners and members shall, in addition, be subject to the terms and provisions of the Articles of Incorporation and the Bylaws of the Association to the extent the provisions thereof are not in conflict with this Declaration.

4.3 Memberships Not Severable. Membership of Owners in the Association shall be appurtenant to and may not be separated from the fee ownership of such Lot. The membership of the Declarant in the Association shall be appurtenant to and may not be separated from the fee ownership of any portion of the Property. Ownership of a Lot of the Property shall be the sole qualification for the respective membership of an Owner in the Association.

4.4 Transfer. Membership in the Association held by any Owner shall not be transferred, pledged or alienated in any way, except upon the conveyance of fee title to the applicable Lot to which the membership pertains, and then only to the transferee of such Lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books of the Association. Upon receipt of actual notice that a Lot has been conveyed and that the benefits and rights of enforcement of this Declaration have been specifically assigned to the grantee thereof, the Association shall record the transfer upon its books.

4.5 Membership and Voting. Members shall each be entitled to one (1) vote in respect of each matter coming before the Association for a vote of the Association's membership. If there is more than one owner of any Lot or if an entity is the owner of any Lot, such owners or such entity shall designate a person to attend the meetings of Members of the Association, to cast at any such meeting the Member's votes and to otherwise represent such Member in Association matters. Except as otherwise specifically set forth in this Declaration, notice, quorum, proxy and other requirements regarding voting by the Members of the Association shall be set forth in the Articles of Incorporation and Bylaws, as same may be amended from time to time.

4.6 Meetings of the Members. The first meeting of the Members of the Association shall be held when called by any Member upon no less than three (3) and no more than fifty-days (50) prior written notice to the other Members. Thereafter, annual and special meetings of the Members of the Association shall be held at such places and times and on such dates as shall be specified in the Bylaws.

4.7 Association Powers and Duties. The Association, shall have, in addition to the other rights, powers and duties conferred upon it pursuant to these Covenants or by statute or otherwise at law, the following rights, powers and duties:

(a) To execute all replats of the Property and all declarations of ownership for tax assessment purposes with regard to the Common Areas and/or Common Facilities on behalf of all Owners.

(b) To pay, from the Assessments collected in accordance with Article V hereof, the Common Expenses and other costs and expenses incurred by the Association in connection with these Covenants.

(c) To provide for the maintenance, repair, replacement, administration and operation of the Common Facilities, the Common Areas and the Private Roadways.

(d) To protect and defend the Common Areas from loss or damage by suit or otherwise, and to provide adequate reserves for replacements.

(e) To make rules and regulations for the operation of the Common Areas and/or the Common Facilities, and to amend them from time to time as the Association shall see fit.

(f) To make available to the Owners within a reasonable time after the end of each fiscal year an annual report.

(g) To adjust the amount of, collect and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members and/or Owners in proportionate amounts to cover the deficiency.

(h) To fix, establish, levy and collect the Assessments of the Members and/or the Owners as set forth in Article V hereof.

(i) To obtain, for the benefit of the Common Areas as necessary, water, sewerage, gas, electric and other applicable utility services and refuse collections.

(j) From and after such time as the Declarant shall convey the Common Areas to the Association as contemplated in Article III hereof, to own, hold, maintain and otherwise manage all of the Common Areas, together with all facilities, improvements, easements and landscaping thereon.

4.8 Emergency Powers. The Association, or any person authorized by the Association, may enter upon any Lot and the Structures and other improvements thereon in the event of any emergency involving potential danger to life or property, or to perform and do such other actions as shall be reasonably necessary for the proper supervision of the Development. All police officers, fire fighters, ambulance personnel and other emergency personnel shall have a similar right of entry in connection with the performance of their duties in response to emergency conditions on or about the Property.

4.9 Self-Help. In addition to any other rights or remedies provided for herein, the Association, or its agents or employees, shall have the power and authority to enter upon any Lot and/or the Structures and other improvements thereon, or any portion of the Common Areas, to remedy (including by removal, replacement and/or abatement) any thing or condition which violates the terms and provisions of these Covenants, the Bylaws, any other written instrument, whether or not filed of record, governing in whole or in part the ownership, use, occupancy and/or development of the Property, or any portion thereof, and any rules or regulations established hereunder or thereunder, using such force as may be reasonably necessary in the circumstances. Except in an emergency, the Association shall give the Owner in violation of such foregoing matters not less than fourteen (14) days' written notice of the Association's intent to exercise self-help. Any and all costs and expenses incurred by the Association in entering upon any Lot and/or the Structures and other improvements thereon, including reasonable attorneys' fees and costs of collection thereof, shall be assessed against the violating Owner(s) and shall be collected through the establishment of a Special Assessment against such violating Owner(s).

4.10 Maintenance of Common Areas. The Declarant (for so long as Declarant shall own and control the use, operation and maintenance of the Common Areas as provided in Article III hereof) and the Association (from and after such time as Declarant shall convey the Common Areas to the Association as contemplated in Article III hereof) shall maintain the Common Areas in good repair and condition. Notwithstanding the foregoing, and without limiting the effect thereof, the maintenance obligations provided herein shall include the maintenance of landscaping in an attractive and viable condition and the maintenance in good condition and repair of all roadways, streets, pathways, recreational facilities or other improvements located in the Common Areas. Declarant or the Association may, at their option, accomplish the maintenance obligations provided herein with their own employees and equipment or contract with another party or parties to accomplish said maintenance obligations.

4.11 Maintenance of Private Roadways. The Association shall maintain the Private Roadways in good repair and condition. The Owners shall pay for the maintenance of the Private Roadways.

#### THE WILDLIFE MANAGEMENT AREA

4.12 Purpose. The purpose of the Wildlife Management Area (as defined below) is to facilitate the performance of practices necessary to comply with the provisions of Section 23.51(7) of the Texas Tax Code in order to continue to qualify Lots in the Wildlife Management Area for wildlife management use.

4.13 Definitions. As used herein, the term "Wildlife Management Area" shall mean those portions of the Property which (i) have been determined by Blanco County, Texas (the "County") to qualify under Section 23.51(7) of the Texas Tax Code for wildlife management use and (ii) comply with the guidelines set forth in the WMA Plan. As used herein, the term "WMA Plan" means that certain "Wildlife Management Plan" (the "WMA Plan") dated January 23, 2004 prepared by Plateau Integrated Land and Wildlife Management, Inc. (the "WMA Consultant") (which was prepared in order to set forth management practices recommended for compliance with the provisions of Section 23.51(7) of the Texas Tax Code in order to continue to qualify the Wildlife Management Area for wildlife management use) and shall include any subsequent plan prepared in order to set forth management practices recommended for compliance with the provisions of Section 23.51(7) of the Texas Tax Code in order to continue to qualify the Wildlife Management Area for wildlife management use. The term "WMA Consultant" shall mean a qualified consultant hired by the Stewardship Committee for the then current year to prepare (or, if applicable, update) the WMA Plan and assist the Stewardship Committee in complying with the WMA Plan requirements.

4.14 Qualifications. As of the date of this Declaration, the entire Property has been determined by the County to qualify under Section 23.51(7) of the Texas Tax Code for wildlife management use. Upon conveyance of a Lot by Declarant to an Owner, such Owner's Lot will remain in the Wildlife Management Area only if such Owner both (i) elects in writing to have such Owner's Lot remain a part of the Wildlife Management Area and (ii) meets the requirements set forth below [including, without limitation, payment of the Annual Dues and obtaining an Individual Lot Plan (each as defined below)] for such Owner's Lot to remain a part of the Wildlife Management Area.

(a) Individual Lot Plan. Each Owner having a Lot or Lots in the Wildlife Management Area shall, at such Owner's sole cost and expense, have a plan setting forth guidelines for compliance with the provisions of Section 23.51(7) of the Texas Tax Code in order to continue to qualify such Owner's Lot or Lots for wildlife management use (each such plan being referred to herein as a "Lot Plan"). Each such Owner shall be responsible for compliance with the minimum requirements set forth in such Owner's Lot Plan. The Lot Plan is separate and apart from the WMA Plan. Each Owner's Lot Plan shall be prepared by the WMA Consultant then hired by the Stewardship Committee.

(b) Annual Dues; Special Dues. Each Owner having a Lot or Lots in the Wildlife Management Area shall pay Annual Dues to the Stewardship Committee. The amount of Annual Dues shall be (i) determined from time to time by the Stewardship Committee, (ii) based on the estimated expenses to be incurred by the Stewardship Committee in the applicable year with respect to compliance with the WMA Plan and (iii) assessed to each Owner based on the number of acres contained in such Owner's Lot or Lots in the Wildlife Management Area. The Annual Dues to the Stewardship Committee shall be due on or before January 1 of each year. The Stewardship Committee shall notify each Owner having a Lot or Lots in the Wildlife Management Area of the amount of Annual Dues payable by such Owner at least thirty (30) days prior to the due date thereof. If any Owner having a Lot or Lots in the Wildlife Management Area shall fail to timely pay Annual Dues to the Stewardship Committee within ten (10) days following such Owner's receipt of notice of such failure, then the Stewardship Committee may remove such Owner's Lot or Lots from the Wildlife Management Area. In the event of any such removal, the Stewardship Committee may increase the Annual Dues of the remaining Owners having a Lot or Lots in the Wildlife Management Area and each such remaining Owner shall pay the amount of any such increase within ten (10) days following such Owner's receipt of notice from the Stewardship Committee.

#### 4.15 Stewardship Committee and Stewardship Committee Members.

(a) Stewardship Committee Members. The Stewardship Committee shall be composed of three (3) Owners (each, a "Stewardship Committee Member"); provided, however, that the Stewardship Committee shall initially be composed of Anton Allen, Jon Starnes and Linda Eller (each, a "Declarant Representative"). At such time as Declarant sells fifty percent (50%) of the Lots in the Property, the Owners then having a Lot or Lots in the Wildlife Management Area shall be permitted to elect one (1) Stewardship Committee Member to replace one (1)



Declarant Representative (such Declarant Representative to be selected by Declarant). At such time as Declarant sells seventy five percent (75%) of the Lots in the Property, the Owners having a Lot or Lots in the Wildlife Management Area shall be permitted to elect two (2) additional Stewardship Committee Members to replace the remaining Declarant Representatives. Except for the Declarant Representatives, each Stewardship Committee Member shall be an Owner having a Lot or Lots in the Wildlife Management Area. Stewardship Committee Members shall be elected annually by a simple majority of the Owners having a Lot or Lots in the Wildlife Management Area. Each such Owner shall have one (1) vote, notwithstanding the number of Lots in the Wildlife Management Area owned by such Owner. If there is more than one (1) Owner of any Lot in the Wildlife Management Area, the Owner's of such Lot shall appoint one (1) of such Owners to vote on behalf of such Owners.

(b) Terms: Removal. Each Stewardship Committee Member shall serve until such time as he or she has resigned or has been removed or his or her successor has been appointed or elected, as provided herein. A Stewardship Committee Member may be removed by a removal petition signed by at least seventy five percent (75%) of the Owners permitted to elect Stewardship Committee Members. Upon receipt by the Stewardship Committee of a removal petition meeting the foregoing requirements, the Stewardship Committee shall promptly schedule a special meeting pursuant to the terms applicable below to special meetings of the Stewardship Committee for the purpose of electing a replacement Stewardship Committee Member. In no event shall such special meeting be held more than forty five (45) days following receipt by the Stewardship Committee of such removal petition.

(c) Duties and Responsibilities. Stewardship Committee Members shall, in good faith, perform (or caused to be performed) any and all acts which may be necessary or proper for or incidental to the purpose of the Wildlife Management Area, including, without limitation, (i) hiring the WMA Consultant to prepare, when necessary, a new (or, if applicable, update the existing) WMA Plan, (ii) hiring qualified contractors to carry out the actions required by the WMA Plan, (iii) determining (and collecting) the Initial Fees and Annual Dues, and (iv) paying the WMA Consultant and any contractors hired, and (v) obtaining and paying for any materials reasonably required to carry out the actions required by the WMA Plan. The Stewardship Committee shall be responsible for submitting (or causing to be submitted) the WMA Plan to the County as may be required by the County. Upon receipt of the request from any Owner having a Lot or Lots in the Wildlife Management Area, the Stewardship Committee shall provide a copy the WMA Plan to such Owner.

(d) Entry Upon Lots. Each Owner having a Lot or Lots in the Wildlife Management Area shall permit the Stewardship Committee Members, the WMA Consultant and any contractors hired by the Stewardship Committee to come upon any Lot or Lots in the Wildlife Management Area at such reasonable times as may be reasonably necessary to carry out the Stewardship Committee's duties and responsibilities. When practical, the Stewardship Committee shall give such Owner prior reasonable notice, but only if such Owner has provided the Stewardship Committee with such Owner's contact information.

(e) Annual Meetings. The Stewardship Committee shall meet annually at 7:00 pm on the first (1<sup>st</sup>) Monday of December for the purpose of holding Stewardship Committee Member elections and discussing other matters pertaining to the Wildlife Management Area for the following year. The location of each annual meeting of the Stewardship Committee shall be fixed in a notice to each Owner having a Lot or Lots in the Wildlife Management Area, such notice to be delivered at least ten (10) days prior to such annual meeting. All annual meetings of the Stewardship Committee shall be held in Blanco County, Texas.

(f) Special Meetings. The Stewardship Committee may hold special meetings as deemed necessary by a majority of the Stewardship Committee Members. The date, time and location of any such special meeting of the Stewardship Committee shall be fixed in a notice to each Owner having a Lot or Lots in the Wildlife Management Area, such notice to be delivered at least thirty (30) days prior to such special meeting and such notice to state the purpose of the special meeting and the matters to be discussed at the special meeting. All special meetings of the Stewardship Committee shall be held in Blanco County, Texas.

(g) Nonliability of Stewardship Committee Members. Neither the Stewardship Committee, nor any member thereof, nor the Board, nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Stewardship Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Stewardship Committee or its member or the Board or its member, as the case may be. Neither the Stewardship Committee, nor the members thereof, shall be liable to any Owner due to their duties and responsibilities relating to the Wildlife Management Area within the Property.

## ARTICLE V.

### ASSESSMENTS

5.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed or other conveyance of a Lot, is deemed to covenant and agree, to pay or cause to be paid to the Association (or to a mortgage company or other collection agency designated by the Association) Lot Owner's Assessments and Special Assessments, such Assessments to be fixed, established and collected from time to time as hereinafter provided. All such Assessments, together with interest thereon, any late charges and costs of collection thereof as provided for in these Covenants, shall be a charge on the land and shall be a continuing lien upon each Lot with respect to which each such Assessment is made. Each such Assessment, together with interest thereon, any late charges and costs of collection thereof as provided for in these Covenants, shall also be the continuing personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. Each Owner of any Lot within the Property, by acceptance of a deed or other conveyance, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association his portion of all Lot Owner's Assessments and Special Assessments, such Assessments to be fixed and established as hereinafter provided and collected from time to time by the Association. The portions of such Assessments as aforesaid, together with interest thereon, late charges and costs of collection thereof as hereinafter provided, shall be a lien and charge on the land and shall be a continuing lien (hereinafter "Assessment Lien") upon each Lot. Each such portion of any such Assessment, together with such interest, late charges, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them, but, subject to the provisions of Section 5.15 hereof, the Assessment Lien for the full amount of Assessments unpaid at the date of a transfer of the Lot shall continue as a charge and lien against the Lot in the hands of the subsequent Owner. There is hereby retained a present vendor's lien ("Vendor's Lien") upon each Lot within the Property to secure the payment of all Assessments, whether Lot Owner's or Special, which may be levied by the Association pursuant to the terms hereof, which Vendor's Lien shall be further secured by a separate valid and subsisting deed of trust lien ("Deed of Trust Lien") retained herein, and each Owner, by acceptance of a deed or other conveyance to any Lot within the Property, does hereby grant, bargain, sell and convey unto the Association, as Trustee, such Lot, IN TRUST, upon the terms and conditions hereinafter contained, to secure payment of all Assessments and all late charges, interest, expenses and attorneys' fees and costs incurred in connection with any such Assessment. Said Vendor's Lien and Deed of Trust Lien are, where the context may require, included within the references in this Declaration to the "Assessment Lien." It is expressly intended that, by acceptance of a deed or other conveyance or muniment of title to a Lot within the Property, each Owner acknowledges that title is accepted subject to the Assessment Lien, which shall, in addition to the subrogation rights described above, be deemed to be an express contractual lien and shall be superior to any defense of homestead or other exemption, the Assessment Lien having been created prior to the creation or attachment of any homestead right with respect to any Lot. Nothing contained in this Section 5.1 or otherwise in these Covenants shall be deemed to subordinate the Assessment Lien to any homestead claim hereafter arising.

5.2 Purpose and Allocation of Assessments. The Assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety and welfare of the Development and the Members, enhancing the quality of life within the Development, and enhancing and protecting the value, desirability and attractiveness of the Property. In particular, the Assessments may be used, without limitation, for the maintenance of Common Areas and the Private Roadways, including, but not limited to, fences and any utility easement improvement; maintenance deemed necessary or desirable for the benefit of the Development and the improvement and maintenance of the properties, services and facilities devoted to the foregoing purposes; and the discharge of the Association's rights, powers and duties under this Declaration and other agreements to which the Association is a party. The amount of all Assessments levied by the Association hereunder shall be established and determined by the Association. Assessments shall be allocated equally to each Lot by the Association.

5.3 Improvement and Maintenance of Common Areas Prior to Conveyance to the Association. Prior to the conveyance of the Common Areas from the Declarant to the Association as contemplated in Section 3.2 hereof, the Declarant shall have the right to improve and maintain the Common Areas, to manage and supervise the same, and, in general, to exercise the duties which otherwise would be exercised by the Association in respect thereof, and to pay taxes on and insurance in connection with the Common Areas and the cost of repairs, replacements and additions thereto, and to pay the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Areas.

5.4 Special Assessments Special Assessments shall be levied by the Association against one or more Owners and/or Lots with respect to which particular costs have been incurred by the Association, including, but not limited to, maintenance or repair of perimeter fences and the performance of any duty imposed upon any Owner by these Covenants. In the event the Association undertakes to provide materials or services which benefit individual Owners or Lots (as opposed to the entire Development) and which can be accepted or not by individual Owners, such Owners, in accepting such materials or services, shall be deemed to have agreed in writing that statements therefor from the Association shall be Special Assessments. Nothing in this Section 5.4 shall authorize the Association to engage in any business for profit, but is intended solely to provide for reasonable compensation and reimbursement to the Association for materials and services rendered incidentally to the performance of its stated purposes if and to the extent that such materials and services are rendered for the benefit of individual Owners and their property rather than for the benefit of all Owners and Members, whether rendered at the express request or such Owner or to cure a default by such Owner hereunder. Special Assessments may also be levied against any Owner and his Lot(s) to cover the costs of any maintenance and/or repair to the Common Facilities, the Common Areas and/or the Private Roadways necessitated by the willful or negligent acts of any Owner, or his family members, tenants, guests, agents, employees or invitees, as applicable.

5.5 Lot Owner's Assessments Each Owner shall pay a Lot Owner's Assessment per year/per each acre on such Owner's Lot (the payment for any partial acre to be pro-rated). The Initial Assessment is set at \$17.50/per year/per acre. Future Assessment amounts and time of payment of Lot Owner's Assessments shall be determined by the Association pursuant to the Articles of Incorporation and Bylaws, after giving due consideration to the current maintenance costs and future needs of the Association, and the amount of funds which are or will be sufficient to establish an adequate reserve fund for repair, replacement and maintenance of the Private Roadways, Common Areas and Common Facilities. Not later than thirty-days (30) prior to the beginning of each calendar year, the Association shall estimate the total Common Expenses to be incurred for the forthcoming year. The Association shall then determine the installment amount of the Lot Owner's Assessment to be collected from each Member. Written notice of the amount of Lot Owner's Assessments shall be sent to each Member. Each Member shall thereafter pay to the Association such Lot Owner's Assessment in a lump sum (or, if established in the written notice from the Association, in regular installments). In the event the Association shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall determine the approximate amount of such inadequacy and issue a supplemental estimate of the total Common Expenses and determine the revised amount of the Lot Owner's Assessment against each Member. In the event the Association shall determine that the amount collected or to be collected through Lot Owner's Assessments is in excess of the Association's need for the current year and reserves appropriate for future years, the Association in its discretion may refund all or a portion of such excess to the Members, reduce the amount of the Lot Owner's Assessments or abate collection of Lot Owner's Assessments as it deems appropriate. Notwithstanding anything contained herein to the contrary, Lake On Flat Creek Ltd. shall not be responsible for the payment of any Lot Owner's Assessments for Lots owned by Lake On Flat Creek Ltd. until December 31, 2007.

5.6 Certificate of Payment The Association shall, upon demand, furnish to any Member or Owner liable for an Assessment, or portion thereof, a certificate in writing signed by an officer or authorized agent of the Association, setting forth whether the Assessments on a specified Lot have been paid, and the amount of delinquency, if any, and whether any other violations pursuant to this Declaration exist as to such Lot and the nature of such violations, if any. A reasonable charge as provided from time to time by the Bylaws or the Association may be made by the Association for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

5.7 Exempt Property All properties dedicated to and accepted by a local public authority and all Common Areas shall be exempt from the Assessments created herein. However, no land or improvements devoted to residential use shall be exempt from said Assessments, but any foreclosure of an Assessment Lien as hereinafter provided against a Lot shall be limited to that particular Lot and the undivided interest, if any, of such Lot Owner in the Common Areas.

5.8 Date of Commencement of Assessments; Due Dates The Lot Owner's Assessments provided for herein shall commence on the date fixed by the Association to be the day of commencement, and, as may then be determined and prescribed by the Association, shall be payable annually (or, if established in the written notice from the Association, monthly), in advance, on the first day of the year (or, if applicable, the month). The due date or dates, if to be paid in installments, of any Special Assessment under Section 5.4 hereof shall be fixed in the respective resolution authorizing such Assessment.

5.9 Duties of the Association with Respect to Assessments.

(a) The Association shall fix and determine the amount of the Assessment against each Lot at least thirty (30) days in advance of the due date thereof or, for any Assessments to be paid hereunder in installments, at least thirty (30) days prior to the due date of the first installment; provided, however, in the case of a Special Assessment levied against any individual Owner or Owners as authorized under Section 5.4 above, the Association shall not be obligated to fix and determine the amount of such Special Assessment until the costs to the Association for which such Special Assessment is levied are known or are capable of being reasonably determined by the Association, and any such Special Assessment may be required by the Association to be due and payable within ten (10) days from the time the Owner being assessed is notified by the Association of the Assessment.

(b) Written notice of any Assessment shall, upon the determination thereof, be delivered or mailed to the Members.

(c) The Association shall prepare and keep current a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

5.10 No Offsets. No Assessment shall be payable in an amount less than that specified by the Assessment and no offsets against such amount shall be permitted for any reason including, without limitation, a claim that the Association is not properly exercising its duties in maintenance or enforcement or the nonuse of all or any portion of the Common Areas.

5.11 Delinquency. Any Assessment provided for in this Declaration, which is not paid when due shall be delinquent. If any such Assessment is not paid within thirty (30) days after the delinquency date, to the extent permitted by applicable law, a late charge may be added to each delinquent Assessment chargeable against the Owner and Lot(s) in question. The Association may from time to time by resolution adjust the amount of such late charges to any other legally permissible amount, as the Association may reasonably deem appropriate to cover the expenses of recording and collecting delinquent Assessments. In addition, all delinquent Assessments shall bear interest from the date which is thirty (30) days after the delinquency date until paid at the lesser of (i) the highest nonusurious rate of interest allowed by applicable law or (ii) eighteen percent (18%) per annum. In addition, if foreclosure shall become necessary or if any legal action has commenced for the collection of any delinquent Assessment(s), there shall be added to the amount of such Assessment, but only to the extent permitted by applicable law, such late charge(s) and interest, together with costs and expenses, including reasonable attorneys' fees, incurred in connection with collection of the debt secured by the Assessment Lien, the costs of preparing and filing the complaints and/or other legal documents in any such legal or foreclosure action, and in the event a judgment is obtained, such judgment shall include said late charge(s), interest and reasonable attorneys' fees, together with the other costs of collection; provided, however, that such items shall in each case be limited to those charges and in such amounts as are permissible by applicable law. Each Member vests in the Association, or its assigns, the right and power to bring all actions at law or lien foreclosure against such Owner or other Owners for the collection of such delinquent Assessments. The Association may, at its option, bring an action at law against each Owner personally obligated to pay the same, and/or foreclose the Assessment Lien against the Lot(s) in accordance with the then prevailing law of the State of Texas relating to the foreclosure of liens upon real property, either by judicial foreclosure or by private sale pursuant to then prevailing law governing foreclosure of contract liens upon real property. Notwithstanding anything to the contrary contained in this Section 5.11 or otherwise in these Covenants, the terms of these Covenants are expressly limited so that in no contingency or event whatsoever shall the amount paid for the use, forbearance or detention of money, or for the payment or performance of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable federal or state law. If, from any circumstance whatsoever, fulfillment of any provision hereof, at the time the performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance the Association shall ever receive, as interest or otherwise, an amount which would exceed the highest lawful rate of interest that may be charged, such amount which would be excessive interest would be applied to the reduction of the principal amount of Assessments and other sums then owing and not to the payment of interest, or if such excessive interest exceeds such amount of the unpaid Assessments and such other sums as shall be due hereunder, then such excess shall be refunded to the Owner.

5.12 Foreclosure of Assessment Lien.

(a) At any time following ten (10) days after the occurrence of any such default by reason of any delinquency, the Association may give a notice to the defaulting Owner, which notice shall state the date of the delinquency and the amount of the delinquency, and make a demand for payment thereof. If such delinquency is not paid within thirty (30) days after delivery of such notice, the Association may elect to record a Notice of Assessment Lien (herein so called) against the Lot(s) of such delinquent Owner. Such Notice of Assessment Lien shall state (1) the name of the record Owner, (2) a description of the Lot(s) against which the Assessment is made, (3) the amount claimed to be due and owing, (4) that the Notice of Assessment Lien is made by the Association pursuant to the terms of this Declaration (giving the date of execution and the date, volume and page references of the recording hereof in the Office of the Clerk of the County of Blanco, Texas), and (5) that a lien is claimed against the described Lot(s) in an amount equal to the amount of the stated delinquency. Upon recordation of a duly executed original or duly executed copy of such Notice of Assessment Lien by the Clerk of the County of Blanco, the Assessment Lien herein created shall immediately become subject to foreclosure, subject only to the limitations hereinafter set forth. The priority of the Assessment Lien shall be governed by the provisions of these Covenants and the recordation of the Notice of Assessment Lien shall be solely for the purpose of public notice of the delinquency and the amount thereof then secured by the Assessment Lien, the priority of which shall be governed as herein provided. Each default shall constitute a separate basis for a Notice of Assessment Lien. If any Owner shall continue to default in the payment of any Assessment payable hereunder for a period of twenty (20) days after the delivery and recordation of any said Notice of Assessment Lien, the Association may undertake such actions at law for the collection thereof and the foreclosure of the Assessment Lien or the Association, as Trustee, acting through any authorized officer or by any agent or attorney-in-fact properly authorized by any such officer, may sell the Lot(s) owned by the delinquent Owner at public auction to the highest bidder for cash pursuant to the provisions of Texas Property Code Section 51.002 as in force and effect on the date of this Declaration, or in accordance with the prescribed manner for foreclosure of contract liens provided by any future amendment to such Section 51.002, or any other statute or article enacted in substitution therefor, after giving such notices as are prescribed therein in addition to the notices described above. In lieu of the foregoing, the Association may enforce any such lien as a mortgage lien in accordance with the provisions of the laws of the State of Texas, now or hereafter in effect, which provisions (including matters incorporated therein by reference) are hereby incorporated herein by reference. The commencement by the Association of any remedy permitted hereby shall not be deemed an election of remedies so as to bar the subsequent exercise of any other or similar remedy, so that the Association may at any time thereafter abandon or discontinue the pursuit of any specific remedy without waiver of its right to institute any other remedy, either by suit at law or by foreclosure of the Assessment Lien. In the event the foreclosure is accomplished, as in the case of a deed of trust under power of sale, the Association, or any person designated by it in writing, shall be deemed to be acting as the agent of the lienor and shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. The deed upon foreclosure shall be executed and acknowledged by any Member of the Association or by the person conducting the sale. For the purposes of this Section 5.12, a deed upon foreclosure executed and acknowledged by any Member of the Association or by the person conducting the sale shall be conclusive upon the Association and the Owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained.

(b) From and after any such foreclosure, the former Owner or Owners, their heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to surrender possession of said property upon demand, the purchaser, his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated.

(c) The Association in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act in the place of the trustee originally designated without any formality other than the designation in writing of a substitute or successor trustee, and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until the delinquent Assessment has been paid in full, or until said property is sold, and each substitute trustee shall succeed to all the rights and powers of his predecessor trustee appointed by the Association.

(d) At any foreclosure sale of a Lot, the Association, through its duly authorized agents, shall have the power to bid on such Lot, using Association funds or funds borrowed for such purpose, at the sale, and to acquire and hold, lease, mortgage and convey the same.

5.13 Curing of Default. Upon the timely curing of any default for which a Notice of Assessment Lien was recorded by the Association, officers of the Association are hereby authorized to record an appropriate release

of such notice, upon payment by the defaulting owner of a reasonable fee to be determined by the Association to cover the costs of preparing and recording such release, together with the payment of such other costs, including, without limitation, legal fees and court costs, interest or fees and charges as shall have been incurred. The execution and recording of any such release of the notice shall not constitute a release of the continuing lien for Assessments, but only of the claim for past due Assessments to which the notice applied.

5.14 Cumulative Remedies. The Assessment Lien and the rights to foreclosure thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid Assessments.

5.15 Priority and Subordination of Assessment Lien. An Assessment Lien upon a Lot shall be superior to any and all other charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon such Lot; provided, however, if any Lot subject to any lien created by any provision hereof shall be subject to a lien or a deed of trust or mortgage securing purchase money financing of a Lot or securing the payment for construction of improvements to the Lot subject to such deed of trust or mortgage, the Assessment Lien shall be subordinated to payment of such deed of trust or mortgage lien in the following respects: (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such deed of trust or mortgage; and (2) the foreclosure of the lien of a deed of trust or mortgage, the acceptance of a deed in lieu of foreclosure of the deed of trust or mortgage or sale under a power of sale included in such deed of trust or mortgage (such events shall be hereinafter referred to as "Events of Foreclosure") shall not operate to affect or impair these Covenants or the continuing lien for Assessments, except that Events of Foreclosure shall extinguish and forever release from the security of the Assessment Lien (but without releasing any Owner from personal liability or such lien as to subsequent Assessments) the claims for Assessments which were payable prior to the occurrence of such Events of Foreclosure; provided, however, that any Assessments which have been released from the security of the Assessment Lien pursuant to the foregoing may, at the election of the Association, be reallocated and assessed to all Owners as a Common Expense. Nothing contained herein shall relieve any purchaser or transferee acquiring title through any Events of Foreclosure from liability, nor the Lot so sold or transferred from the Assessment Lien of any Assessment levied or coming due thereafter. Nothing in this Section 5.15 shall be construed to release any owner from his obligation to pay for any Assessment levied pursuant to this Declaration, which Assessment shall be a personal, separate and distinct obligation of the owner against whom the same is assessed. Notwithstanding the foregoing provisions of this Section 5.15, the Assessment Lien shall not be deemed to be waived, nor shall any statement with respect to priority contained in this Section 5.15 shall be deemed to release the Assessment Lien in the event that any lien as to which the Assessment Lien would be subordinated by this Section 5.15 shall be determined to be invalid or unenforceable.

## ARTICLE VI.

### ARCHITECTURAL COMMITTEE

6.1 Membership of Architectural Committee. The Architectural Committee shall consist of not more than three (3) voting members ("Voting Members"). The initial voting members of the Architectural Committee shall be Jon Starnes, Eddie Karam and Richard Armitage.

6.2 Action by Architectural Committee. Items presented to the Architectural Committee shall be decided by a majority vote of the Voting Members.

6.3 Advisory Members. The Voting Members may from time to time designate Advisory Members.

6.4 Term. Each member of the Architectural Committee shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein.

6.5 Adoption of Rules. The Architectural Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including but not limited to a building code, a fire code, a housing code, and other similar codes as it may deem necessary and desirable. Each Owner shall comply with said rules as the same may be amended from time to time, and failure to comply with said rules shall constitute a default of this Declaration, and any Owner, including Declarant, at its sole expense and/or the Board may seek any of the remedies set forth herein for default of this Declaration.

6.6 Review of Proposed Construction. Whenever in this Declaration the approval of the Architectural Committee is required, it shall have the right to consider all of the plans and specifications for the Improvement or proposal in question and all other facts, which, in its sole discretion, are relevant. Prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the plans and specifications therefor shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such plans and specifications in writing. The Architectural Committee shall consider and act upon any and all plans and specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans and specifications approved by the Architectural Committee. The Architectural Committee may review plans and specifications submitted for its review and such other information, as it deems proper. Until receipt by the Architectural Committee of any information or document deemed necessary by the Architectural Committee, it may postpone review of any plans and specifications submitted for approval. No Improvement shall be allowed on any Tract, which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes and materials and Property. The Architectural Committee based upon the restrictions set forth in the preceding sentence and the decision of the Architectural Committee shall be final and binding so long as it is made in good faith. The Architectural Committee shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

6.7 Variance. The Architectural Committee may grant variances from compliance with any of the provisions of this Declaration, or any Supplemental Declaration, when, in the opinion of the Architectural Committee, in its sole and absolute discretion, such variance will not impair or detract from high quality development of the Property, and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidence by a written instrument, in recordable form, and must be signed by a majority of the voting members of the Architectural Committee. The granting of such variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Tracts for any purpose except as to the particular property and in a particular instance covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification, or amendment of the terms and provisions hereof.

6.8 Actions of the Architectural Committee. The Architectural Committee may, by resolution, unanimously adopted in writing, designate one or two of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Committee. In the absence of such designation, the vote of a majority of all of the members of the Architectural Committee taken without a meeting shall constitute an act of the Architectural Committee.

6.9 No Waiver of Future Approvals. The approval or consent of the Architectural Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Architectural Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any plans and specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.

6.10 Work in Progress. The Architectural Committee, at its option, may inspect all work in progress to insure compliance with approval plans and specifications.

6.11 Nonliability of Architectural Committee Members. Neither the Architectural Committee, nor any member thereof, nor the Board, nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Architectural Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Architectural Committee or its member or the Board or its member, as the case may be. Neither the Architectural Committee, nor the members thereof, shall be liable to any Owner due to the construction of any Improvement within the Property.

6.12 Address. Plans and Specifications shall be submitted to the Architectural Committee, c/o Jon Starnes, 816 Terrace Mountain Drive, Austin, Texas 78746, or such other address as may be designated by Declarant, its successors and assigns, from time to time.

6.13 Fees. The Architectural Committee shall not require a submission fee for each set of plans and specifications submitted for its review.

6.14 Certificate of Compliance. Upon completion of any Improvement approved by the Architectural Committee and upon written request by the Owner of the Tract, the Architectural Committee shall issue a Certificate of Compliance in a form suitable for recordation. The Certificate shall indemnify the Tract and the Improvement, the use or uses to be conducted thereon, and the plans and specifications on file with the Architectural Committee pursuant to which the Improvements were made and shall specify that the Improvements comply with the approved plans and specifications. The Certificate shall not be construed to certify the acceptability, sufficiency, or approval by the Architectural Committee of the actual construction of the Improvements or of the workmanship or materials thereof. The Owner is hereby notified that the Certificate in no way warrants, except as set forth above, the sufficiency, acceptability, or approval by the Architectural Committee of the construction, workmanship, materials, or equipment of the Improvements. Preparation and recordation of such a Certificate shall be at the expense of the Owner of the improved Tract.

## ARTICLE VII.

### INSURANCE; REPAIR AND RESTORATION; EMINENT DOMAIN

7.1 Insurance. The Association shall obtain, as is customarily carried with respect to other developments similar in construction, design and use, and continue in force and effect a policy of comprehensive general liability insurance covering all areas of the Property within the Association's control, and with clauses waiving subrogation against the Declarant, Owners, Members, the Association and persons upon the Property with permission of an Owner. Such insurance coverage shall be maintained by the Association for the benefit of the Association. The Members and Owners hereby waive and release all claims against the Association, the Declarant, and the respective agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by the negligence of or breach of any agreement by said persons, but only to the extent of such insurance proceeds received in compensation for such loss. The Association may, but shall not be obligated to, carry and maintain in force such other insurance coverages as the Association, in its sole discretion, shall deem necessary, including, without limitation, workers' compensation insurance and officers' and directors' liability insurance. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers and/or adjusters and, to such end, each Member and Owner hereby appoints the Association to execute, in connection with the settlement of any loss or claim, such loss claim forms and release forms as the Association, in its sole discretion, shall deem to be appropriate in the best interest of the Members and Owners.

7.2 Destruction of Improvements. In the event of a partial or total destruction of all or any portion of the Common Areas and/or the improvements thereon (including, without limitation, the Dam and/or the Lake), it shall be the duty of the Association, to make a determination as to whether to (i) restore and repair the same to their former condition or (ii) clear the affected or destroyed portion of the Common Areas and landscape the same for park or other similar purposes (except with respect to partial or total destruction of all or any portion of the Private Roadways, in which case it shall be the duty of the Association to promptly restore and repair the same to their former condition). In the event the Association shall make a determination to restore and repair such damaged or destroyed portions of the Common Areas and/or improvements to their former condition, such restoration and repairs shall be accomplished as promptly as practical in the circumstances and proceeds of any insurance maintained pursuant to the provisions hereof covering such damaged or destroyed portions of the Common Areas and/or improvements shall be used for such purposes. In the event the Association shall, despite the receipt of insurance proceeds covering any such damage or destruction to the Common Areas and/or the improvements thereon, make a determination not to restore and repair the same to their prior condition, then in such event the Association shall promptly undertake to have such damaged or destroyed portions of the Common Areas and/or improvements to be cleared and shall thereafter cause the affected area to be landscaped for use as park or other purposes as shall be determined by the Association. Any insurance proceeds received by the Association in respect of such damaged or destroyed portions of the Common Areas and/or improvements may be used to effect such clearing, landscaping or other measures. Any balance of the proceeds of any insurance received by the Association remaining after satisfactory completion of such restoration and repairs, or of such clearing and landscaping, shall be retained by the Association as a part of a general reserve fund for the application toward costs of repair, replacement and maintenance services provided from time to time hereunder by the Association, or, at the Association's discretion, refunded to the Members. In all events, if the insurance proceeds received by the Association in respect to any damage or destruction to the Common Areas and/or the improvements thereon shall be insufficient to conduct such restoration and repairs or, alternatively, to conduct such clearing and landscaping as aforesaid, the Association may levy a Special Assessment as provided for in Article V of this Declaration to cover the deficiency.



7.3 Owner Insurance. Each Owner shall be responsible for insuring his Lot(s) and any Structures or other improvements thereon, together with the contents and furnishings thereof, and against loss or damage by casualty, fire or other hazards. All policies of casualty insurance maintained by each Owner shall be without contribution with respect to any policies of casualty insurance maintained in effect by the Association as provided for herein.

7.4 Covenant of Owner to Repair. Each Individual Owner further covenants and agrees that, in the event of a fire or other casualty causing partial damage to a Lot or the Structures or improvements located thereon, the Owner of such Lot shall, within ninety (90) days after such fire or casualty, contract to repair or reconstruct the damaged portion of such Lot and/or Structures or improvements thereon, and shall thereafter cause such Lot and/or Structures or improvements to be fully repaired or reconstructed in a manner consistent with their original condition to the end that such partially damaged Lot and/or Structures or improvements shall not remain in a partially finished condition any longer than reasonably necessary for the completion thereof. In the event of any fire or other casualty causing total destruction to a Lot or the Structures or improvements located thereon, the Owner of such Lot shall, within a reasonable time following such fire or casualty, either (i) contract to repair, reconstruct and restore such Lot and the Structures or improvements, and thereafter cause such Lot to be repaired, reconstructed and restored to its prior condition in a diligent manner or (ii) in the event the individual Owner shall make a determination not to rebuild, reconstruct or restore such destroyed Lot and Structures or improvements thereon, such Owner shall clear his Lot of all debris and return such Lot as nearly as possible to the condition in which it existed in its unimproved state.

7.5 Waiver of Recovery and Subrogation. Declarant shall not be liable to the Association or any Member or Owner for any damage to property, improvements, fixtures or merchandise caused by fire or other hazards normally covered by fire and extended coverage insurance, whether such coverage is in force or not, regardless of the cause thereof, and the Association and each Member and Owner, on behalf of themselves and their respective successors and assigns, hereby expressly release Declarant, and its successors and assigns, from all liability for such damages. In addition, each Member and Owner and the Association hereby waive, on behalf of their respective insurance carriers, all rights of subrogation against the Declarant that they may now or in the future have under or with respect to any such insurance policies.

7.6 Eminent Domain. The term "taking," as used in this Section 7.6, shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Common Areas, the Association may appoint such persons as the Association may desire to represent all of the Members and Owners in connection with the taking. The Association, or its designee, shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association. In the event of a taking of less than all of the Common Areas, the rules as to restoration and replacement of the Common Areas and the improvements thereon shall apply as in the case of destruction of improvements upon the Common Areas as provided in Section 7.2 above. In the event of a total taking, the Association may, in its sole discretion, retain any condemnation award in the general funds of the Association or, alternatively, distribute such award to the Members.

#### ARTICLE VIII.

##### EASEMENTS

8.1 Private Roadway Easements. Non-exclusive easements for installation, maintenance and repair of sixty foot (60') wide roadways over and across the Property and the Common Areas thereof in the areas depicted as "Private Roadways" on Exhibits "A", "B" and "C" are reserved by Declarant for itself, its successors and assigns, and the Owners and the guests and invitees of the Owners. Full rights of ingress and egress shall be had by Declarant, and its successors and assigns, at all times in the Private Roadways for the installation, operation, maintenance or repair of any Private Roadways, together with the right to remove any obstruction that may be placed in such Private Roadways that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such Private Roadways. Full rights of ingress and egress shall be had by the Owners and the guests and invitees of the Owners at all times on the Private Roadways for the purpose of accessing such Owner's Lot from other portions of the Property and public right-of-ways adjacent to the Entrance Gates.

8.2 Utility Easements. Non-exclusive easements for installation, maintenance, repair and removal of utilities (including, but not limited to, sewer, water, fire hydrants and lines, telephone, electrical power, gas, street

lighting and television cables, if any) and drainage facilities and floodway easements over, under and across the Property and the Common Areas thereof are reserved by Declarant for itself, and its successors and assigns. Declarant shall have the right to grant easements for such purposes over, under and across the Property. Full rights of ingress and egress shall be had by Declarant, and its successors and assigns, at all times over the Property for the installation, operation, maintenance, repair or removal of any utility, together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder to the Association, to one or more public utility companies, or to any governmental or quasi-governmental authority or district.

8.3 Inspection and Maintenance Easement. There is hereby reserved to the Declarant, and its successors and assigns, and to the Association, together with the right to transfer and grant same, non-exclusive easements over and across the Property of Inspection for and accomplishing compliance with these Covenants, including, without limitation, for the purpose of inspection for and accomplishing compliance with the terms and provisions of Article IV hereof.

## **ARTICLE IX.**

### **DURATION AND AMENDMENT**

9.1 Duration. The Covenants of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Declarant, the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date that this Declaration is recorded in the Real Property Records of Blanco County, Texas, after which time said Covenants shall be automatically extended for successive periods of ten (10) years.

9.2 Amendments. Notwithstanding Section 9.1 of this Article, these Covenants may be amended and/or changed as follows:

(a) Until such time as the sale by Declarant of the first Lot to a bona fide third party unrelated to the Declarant is made, Declarant, at its sole discretion and without the joinder or consent of any other party, may abolish, amend or change these Covenants in whole or in part;

(b) Otherwise, these Covenants may be abolished, amended or changed upon the express written consent of at least seventy five percent (75%) of the outstanding votes of the Association. Notwithstanding the foregoing, the allocation of Assessments as described in 5.2 above shall not be amended or changed without the express written consent of all of the outstanding votes of the Association. Further notwithstanding the foregoing, Section 3.10 of Article III shall not be amended or changed without the express written consent of all of the Owners of the Lake Lots [in addition to seventy five percent (75%) of the outstanding votes of the Association].

(c) Any and all amendments, if any, shall be recorded in the Office of the County Clerk of Blanco County, Texas.

## **ARTICLE X.**

### **GENERAL PROVISIONS**

10.1 Enforcement. Enforcement of these Covenants (and any rules and regulations established by the Declarant or the Association in accordance with the terms of these Covenants) may be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or enforcement of any lien created by these Covenants; and failure by the Declarant, the Association or any Owner to enforce any Covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter.

10.2 Severability. Invalidation of any one of these Covenants by judgment or court order shall in no wise affect the other provisions, which shall remain in full force and effect.

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

10.4 Singular and Plural; Gender. Whenever the context of this Declaration shall require, the singular shall include the plural, and vice-versa, and the use of any word of gender shall include any other gender, as the context shall require.

10.5 Consent Discretionary. Except as expressly set forth otherwise herein, any judgment or approval decision to be made and any opinion to be given by Declarant and/or the Association hereunder shall be made or given, as the case may be, in such party's sole discretion.

10.6 Notices. Unless otherwise provided by the terms hereof, in each instance in which notice is to be given to a Member or to an Owner, the same shall be in writing and shall be given and be deemed to have been served and given (i) if hand delivered, when delivered in person to the last known address of the Member or Owner as set forth in the records of the Association at the time of such notice, or (ii) if mailed, forty-eight (48) hours following deposit in the United States mail, postage prepaid, addressed to the last known address of the Member or Owner as reflected in the records of the Association at such time. Each Member and Owner shall be responsible for providing the Association with their respective addresses for notices hereunder and keeping those addresses current.

10.7 Attorneys' Fees. In the event any action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto, as part of the judgment, reasonable attorneys' fees and costs of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be deemed to be a Special Assessment with respect to the Owner and/or the Lot involved in the action.

10.8 Nonliability of Officials. To the fullest extent permitted by law, neither the Declarant, the Association or any committee or person to which powers have been delegated pursuant to the provisions of this Declaration, nor any officer, director or employee of any of the above, shall be liable to any Owner, Member or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of any matter, course of action, act, omission or the like made in good faith, whether or not erroneous or negligent, and which such Declarant, Association, committees or persons reasonably believed to be within the scope of their powers and duties. The Association shall, to the fullest extent permitted by law, indemnify and hold harmless such Declarant, and/or committees or persons with respect to any of such decisions, approvals, disapprovals, courses of action, acts, omissions or the like, and to defray the costs of this indemnification obligation, the Association shall be entitled to assess each Owner for such Owner's share of such costs.

10.9 Availability of Association Documents. The Association shall, within ten (10) days of the request of any Owner or Owner's agent, make available to such requesting person or party copies of this Declaration, the Articles of Incorporation, the Bylaws, the Architectural Standards, any then current and effective rules and regulations promulgated pursuant to the provisions of this Declaration, and other Association constituent documents, including a promulgated resale certificate; provided, however, the Association shall be entitled to charge a reasonable fee to cover any assembly, copy or delivery costs incurred in connection with the furnishing of such documentation. In addition, the Association shall cause true and legible copies of all such documentation to be available for review and inspection by any such Member or Owner during reasonable hours at a location situated within the Development as, from time to time, shall be designated by the Association.

10.10 Resubdivision. No Lot within the Property shall be further subdivided or separated into smaller Lots or parcels by any Owner and no portion of any such Lot, or any easement or any other interest (other than a security interest or a rental or lease) therein, shall be conveyed or transferred by any Owner. Declarant reserves, together with the right to transfer and convey the same, the right to change or remove Lot lines and resubdivide land contained in Section 3 at any time until such time as the sale by Declarant of the first Lot in Section 3 to a bona fide third party unrelated to the Declarant is made. Further notwithstanding the foregoing, the Owner of Lot 4, Section 2 (as shown on Exhibit "B") may convey the northeast portion of Lot 4, Section 2 containing approximately 8.5 acres (such 8.5 acre portion being depicted as the "Lot 4 Outparcel" on Exhibit "B") to a third party owning land adjacent to and abutting the Lot 4 Outparcel and, upon such conveyance, (i) the Lot 4 Outparcel shall no longer be subject to this Declaration, (ii) the Owner of Lot 4 shall notify the Association of the conveyance of the Lot 4 Outparcel and (iii) the Association shall execute and file an instrument in the Real Property Records of Blanco County, Texas documenting the withdrawal of the Lot 4 Outparcel from the Property covered by this Declaration.

10.11 Rule Against Perpetuities. If any of the covenants, conditions and/or restrictions created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then any such covenant(s), condition(s) or restriction(s) shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of the President of the United States, George W. Bush.

*[Signature page to follow]*



IN WITNESS WHEREOF, Declarant has executed this instrument as of the 24 day of May, 2004.

**DECLARANT:**

LAKE ON FLAT CREEK LTD., a Texas limited partnership

By: Allied Interests Inc., a Texas corporation, General Partner

By: [Signature]  
Jon H. Starnes, President

By: Trevino Apartments, L.L.C., a Texas Limited Liability Company, General Partner

By: W.F. Karam, Inc., a Texas corporation, Manager of Trevino Apartments, L.L.C.

By: [Signature]  
Eddie Karam, President

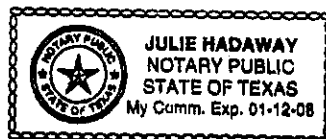
STATE OF TEXAS

§  
§  
§

COUNTY OF TRAVIS

This instrument was acknowledged before me on May 24, 2004 by Jon H. Starnes, President of Allied Interests Inc., a Texas corporation, general partner of Lake On Flat Creek Ltd., a Texas limited partnership, on behalf of such limited partnership.

[Signature]  
Notary Public for the State of Texas

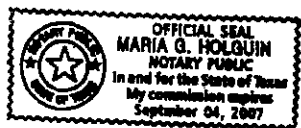


STATE OF TEXAS

§  
§  
§

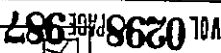
COUNTY OF El Paso

This instrument was acknowledged before me on May 19, 2004 by Eddie Karam, President of W.F. Karam, Inc., a Texas corporation, Manager of Trevino Apartments, L.L.C., a Texas Limited Liability Company, general partner of Lake On Flat Creek Ltd., a Texas limited partnership, on behalf of such limited partnership.



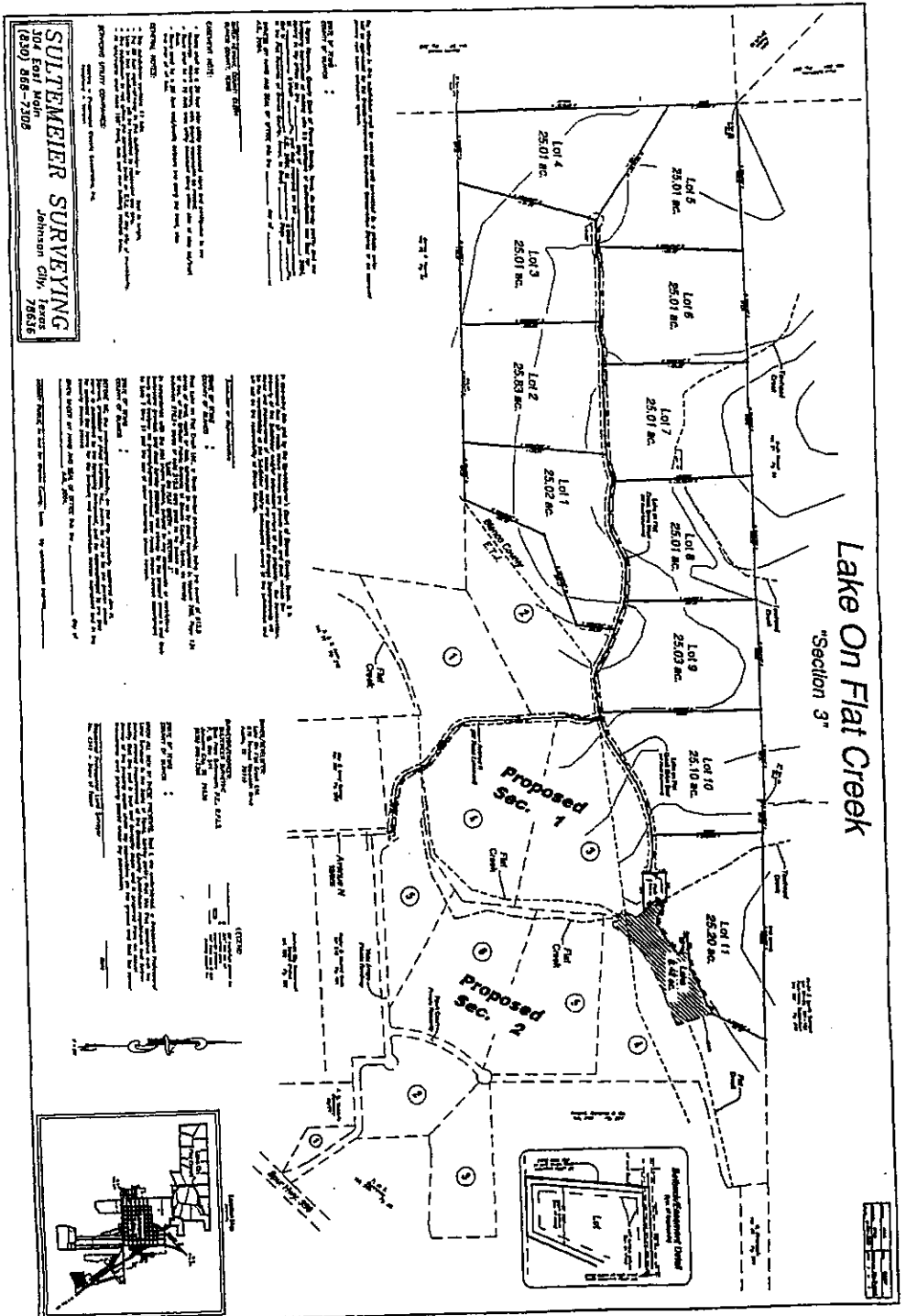
[Signature]

**(preliminary plat - not for recordation)**



**SULTEMEIER SURVEYING**  
304 East Mo  
2-7308 78636







VOL 0298 PAGE 990

BLANCO COUNTY, TEXAS  
COUNTY CLERK

*Blanco*



JUN 01 2004

Any provisions herein which restrict the sale, rental or use of the described property because of color or race is hereby declared null and void. (Section 201.01, Texas Property Code)  
COUNTY OF BLANCO  
STATE OF TEXAS  
I hereby certify that this instrument was FILED in the Public Records on the date and the time stamped herein by me and was duly RECORDED in (Book)

Public Records of (Book) Property of Blanco County, Texas on

043352

AMENDMENT TO DECLARATION OF  
COVENANTS, CONDITIONS RESTRICTIONS AND EASEMENTS

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS (this "Amendment") is made as of October 28<sup>th</sup>, 2004, by LAKE ON FLAT CREEK LTD., a Texas limited partnership ("Declarant").

Recitals

A. Declarant is the Declarant under that certain Declaration of Covenant, Conditions, Restrictions and Easements for Lake On Flat Creek, recorded on May 25, 2004, and of record in Volume 298, Page 958 of the Official Public Records of Blanco County, Texas (the "Declaration"), and affecting certain real property more particularly described therein (the "Property").

B. Declarant holds at least seventy five percent (75%) of the outstanding votes of the Association as of the date hereof.

C. Declarant now desires to effectuate certain amendments to the Declaration as contemplated therein.

Amendment

NOW, THEREFORE, Declarant hereby declares that, as of the date hereof, the Declaration is hereby modified and amended as follows:

1. Property. The Declaration is hereby amended to delete Exhibits A, B and C originally attached to the Declaration in their entirety and replace such deleted exhibits with Exhibits A, B and C attached hereto.

2. Miscellaneous.

a. Except as modified hereby, the Declaration shall remain in full force and effect, and, in the event of any inconsistencies between this Amendment and the terms of the Declaration, the terms set forth in this Amendment shall govern and control.

b. Captions used herein are for convenience only and are not to be utilized to ascribe any meaning to the contents thereof.

c. Unless defined differently herein or the context clearly requires otherwise, all terms used in this Amendment shall have the meanings ascribed to them under the Declaration.

d. This Amendment shall be binding upon and shall inure to the benefit Declarant and its successors, assigns, receivers and trustees, and shall be governed by and construed in accordance with the laws of the State of Texas.

VOL 0307 PAGE 785

EXECUTED as of the date first above written.

DECLARANT:

LAKE ON FLAT CREEK LTD., a Texas limited partnership

By: Allied Interests Inc., a Texas corporation,  
General Partner

By: Jon H. Starnes  
Jon H. Starnes, President

By: Trevino Apartments, L.L.C., a Texas limited liability company, General Partner

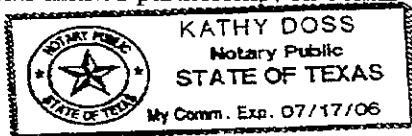
By: W.F. Karam, Inc., a Texas corporation, Manager of Trevino Apartments, L.L.C.

By: Eddie Karam  
Eddie Karam, President

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on October 28, 2004 by Jon H. Starnes, President of Allied Interests Inc., a Texas corporation, general partner of Lake On Flat Creek Ltd., a Texas limited partnership, on behalf of such limited partnership.

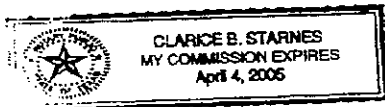


Kathy Doss  
Notary Public for the State of Texas

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on October 28, 2004 by Eddie Karam, President of W.F. Karam, Inc., a Texas corporation, Manager of Trevino Apartments, L.L.C., a Texas Limited Liability Company, general partner of Lake On Flat Creek Ltd., a Texas limited partnership, on behalf of such limited partnership.



Clarice B. Starnes  
Notary Public for the State of Texas

VOL 0307 PAGE 786

Now, Therefore, Know All Men By These Presents, That I, H. Glass, of the County of Blanco and State of Texas, for and in consideration of the premises and the full and final payment of said note, having remised, released, quitclaimed, discharged and acquitted, and by these presents do remise, release, quitclaim, discharge and acquit unto the said E. J. Waters, his heirs and assigns, the vendor's lien heretofore existing upon the land and premises aforesaid.

Witness my hand this the 31st. day of March A. D. 1930.

H Glass

The State of Texas. )

County of Blanco. ) Before me, the undersigned authority, on this day personally appeared H. Glass, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 7th day of April, A. D. 1930.

(SEAL)

V. B. Goar

Notary Public, Blanco County, Texas.

FILED FOR RECORD MAY 8th A. D. 1930, at 9:30 A.M.  
TOM DURHAM COUNTY CLERK BLANCO COUNTY TEXAS.  
RECORDED MAY 8th A. D. 1930, at 10:30 A.M.

THE STATE OF TEXAS, )

County of Blanco )

KNOW ALL MEN BY THESE PRESENTS:

That W. W. Dollahite and Lucy Dollahite of Blanco County, Texas, for and in consideration of One & 00/100 Dollars (\$1.00) to me (us) in hand paid by TEXAS POWER & LIGHT COMPANY, of Dallas, Texas, have granted, sold and conveyed and by these presents do grant, sell and convey unto the said Company, an easement of right-of-way for an electric transmission and distributing line, consisting of variable numbers of wires, and all necessary of desirable appurtenances (including poles made of wood, metal or other materials, telephone and telegraph wire, props and guys), at or near the location and along the general course now located and staked out by the said Company, over, across and upon the following described lands located in Blanco County, Texas, to-wit:

Being 100 acres, more or less, out of and a part of the James Pentress survey No. 171, adjoining the town of Johnson City, Texas, and being the same land conveyed by N. T. Stubbs and others to H. A. Odom by deed dated December 1, 1920, recorded in Volume 37, page 333 of the Deed Records of Blanco County, Texas, to which deed reference is here made for more particular description by metes and bounds.

Together with the right of ingress and egress over my (our) adjacent lands to or from said right-of-way for the purpose of constructing, reconstructing, inspecting, patrolling, hanging new wire on, maintaining and removing said line and appurtenances; the right to relocate along the same general direction of said lines; the right to remove from said lands all trees and parts thereof, or other obstructions, which endanger or may interfere with the efficiency of said line or its appurtenances; and the right of exercising all other rights hereby granted.

TO HAVE AND TO HOLD the above described easement and rights unto the said Company, its successors and assigns, until said line shall be abandoned.

Not more than \_\_\_\_\_ towers, \_\_\_\_\_ H-Frames, Three poles and One guys, shall be erected along

the course of said line.

And I (we) do hereby bind myself (ourselves), my (our) heirs and legal representatives, to warrant and forever defend all and singular the above described easement and rights unto the said Company, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS Our hands this 8th day of May 1930.

W. W. Dollahite

Lucy Dollahite

THE STATE OF TEXAS, )

County of Blanco )

BEFORE ME, B. J. Stubbs, a Notary Public in and for Blanco County, Texas, on this day personally appeared W. W. Dollahite, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 8th day of May A. D. 1930.

(SEAL)

B J Stubbs

Notary Public Blanco County, Texas.

THE STATE OF TEXAS, )

County of Blanco )

BEFORE ME, B. J. Stubbs, a Notary Public in and for Blanco County, Texas, on this day personally appeared Lucy Dollahite, wife of W. W. Dollahite, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her; she, the said Lucy Dollahite, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 8th day of May A. D. 1930.

(SEAL)

B J Stubbs

Notary Public Blanco County, Texas.

FILED FOR RECORD MAY 9th A. D. 1930, at 8:00 A.M.  
TOM DURHAM COUNTY CLERK BLANCO COUNTY TEXAS.  
RECORDED MAY 9th A. D. 1930, at 8:50 A.M.

THE STATE OF TEXAS, )

County of Blanco )

KNOW ALL MEN BY THESE PRESENTS:

That Mrs. J. R. Johnson (a widow) of Blanco County, Texas, for and in consideration of One & 00/100 Dollars (\$1.00) to me (us) in hand paid by TEXAS POWER & LIGHT COMPANY, of Dallas, Texas, have granted, sold and conveyed and by these presents do grant, sell and convey unto the said Company, an easement of right-of-way for an electric transmission and distributing line, consisting of variable numbers of wires, and all necessary or desirable appurtenances (including towers, H-Frames or poles made of wood, metal or other materials, telephone and telegraph wire, props and guys), at or near the location and along the general course now located and staked out by the said Company, over, across and upon the following described lands located in Blanco County, Texas, to-wit:

46/424

THE STATE OF TEXAS, )

County of Blanco )

BEFORE ME, B. J. Stubbs, a Notary Public in and for Blanco County, Texas, on this day personally appeared G. A. Cammack, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 10th day of May, A. D. 1930.

(SEAL)

B. J. Stubbs

Notary Public Blanco County, Texas.

THE STATE OF TEXAS, )

County of Blanco )

BEFORE ME, B. J. Stubbs, a Notary Public in and for Blanco County, Texas, on this day personally appeared Vida Cammack, wife of G. A. Cammack, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Vida Cammack, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 10th day of May A. D. 1930.

(SEAL)

B. J. Stubbs

Notary Public Blanco County, Texas.

FILED FOR RECORD MAY 10th A. D. 1930, at 4:00 P.M.  
TOM DURHAM COUNTY CLERK BLANCO COUNTY TEXAS.  
RECORDED MAY 12th A. D. 1930, at 8:45 A. M.

THE STATE OF TEXAS, )

County of Blanco )

KNOW ALL MEN BY THESE PRESENTS:

That J. B. Kennedy and Lydia Kennedy of Blanco County, Texas, for and in consideration of one & 00/100 Dollars (\$1.00) to me (7s) in hand paid by TEXAS POWER & LIGHT COMPANY, of Dallas, Texas, have granted, sold and conveyed and by these presents do grant, sell and convey unto the said Company, an easement of right-of-way for an electric transmission and distributing line, consisting of variable numbers of wires, and all necessary or desirable appurtenances (including poles made of wood, metal or other materials, telephone and telegraph wire, props and gusy), at or near the location and along the general course now located and staked out by the said Company, over, across and upon the following described lands located in Blanco County, Texas, to-wit: Out of and part of the O. B. Hardeman survey No. 168, and being 217 acres, described as beginning 210 varas East from the S. W. cor. of the original survey at a st. md. on the East bank of Flat Creek. Thence down said creek N. 52 E. 340 vrs. N. 30 E. 110 vrs. N. 40 E. 160 vrs. N. 31 E. 220 vrs. to a st. md. on the bank of creek. Thence N. 60 W. across Flat Creek. Thence down the West bank of said creek with its meanders N. 19 E. 480 vrs. N. 42 E. 180 vrs. N. 69 E. 160 vrs. E. 360 vrs. to the N. W. cor. of a 57 acre tract out of same survey hereinafter described. Thence South 1660 vrs. to a st. md. in the South line of the original survey. Thence West 767 vrs. to the place of beginning; save and except 20,000 square varas running North and South 100 and East and West 200 vrs. which is now owned by Floyd Ferrell.

SECOND TRACT: Being out of same survey described as follows: Beginning at the N. E. cor. of a 100 acre subdivision sold by J. E. Bell to W. P. Summy by deed recorded in Vol. 7, page 479 of the Deed Records of Blanco County, Texas, at a st. md. on in the E. B. line of the original sur. Thence N. 340 vrs. to a st. md. from which a L. O. 4 in. brs. N. 80 W. 9 vrs. Thence S. 947 vrs. to the N. W. cor. of the Summy Addition to the town of Johnson City. Thence E. 340 vrs. to the N. E. cor. of said Summy Addition. Thence N. 947 vrs. to the place of beginning,

Together with the right of ingress and egress over my (our) adjacent lands to or from said right-of-way for the purpose of constructing, reconstructing, inspecting, patrolling, hanging new wire on, maintaining and removing said line and appurtenances; the right to relocate along the same general direction of said lines; the right to remove from said lands all trees and parts thereof, or other obstructions, which endanger or may interfere with the efficiency of said line or its appurtenances; and the right of exercising all other rights hereby granted.

TO HAVE AND TO HOLD the above described easement and rights unto the said Company, its successors and assigns, until said line shall be abandoned.

Not more than      towers,      R-Frames, Two poles and One guys, shall be erected along the course of said line.

And I (we) do hereby bind myself (ourselves), my (our) heirs and legal representatives, to warrant and forever defend all and singular the above described easement and rights unto the said Company, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS our hand this 8th day of May 1930

J. B. Kennedy

Lydia Kennedy.

THE STATE OF TEXAS, )  
County of Blanco )

BEFORE ME, B. J. Stubbs, a Notary Public in and for Blanco County, Texas, on this day personally appeared J. B. Kennedy, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 8th day of May A. D. 1930.

(SEAL)

B. J. Stubbs

Notary Public Blanco County, Texas.

THE STATE OF TEXAS, )  
County of Blanco )

BEFORE ME, B. J. Stubbs, a Notary Public in and for Blanco County, Texas, on this day personally appeared Lydia Kennedy wife of J. B. Kennedy, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Lydia Kennedy, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 9th day of May A. D. 1930.

(SEAL)

B. J. Stubbs

Notary Public, Blanco County, Texas.

FILED FOR RECORD MAY 9, 1930, 3:00 P.M.  
TOM DURHAM, Co. Clerk Blanco Co., Texas.  
RECORDED MAY 12, 1930, at 9:10 A.M.