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**MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR TRINITY OAKS PRESERVE AT ROUND MOUNTAIN**

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LAURA WALLA
County Clerk, Blanco County, Texas

By Tawny Reed Deputy

TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITIONS	2
1.1 ACC.....	2
1.2 Association	2
1.3 Ballot.....	2
1.4 Board or Board of the Association	2
1.5 Building Envelope.....	2
1.6 Bylaws.....	2
1.7 Commercial Building	2
1.8 Commercial Tract.....	2
1.9 Common Area	2
1.10 Declarant	3
1.11 Declarant Control Period.....	3
1.12 Development	3
1.13 Development Area	3
1.14 Development Area Declaration.....	3
1.15 Development Period.....	3
1.16 Main Roads	3
1.17 Management Certificate	3
1.18 Out Buildings	3
1.19 Owner or Owners	3
1.20 Plat.....	4
1.21 Quorum	4
1.22 Residential Tract	4
1.23 Tract	4
ARTICLE II. ACC REVIEW	4
2.1 Appointment of ACC	4
2.2 Authority	5
2.3 Consulting Professionals.....	6
2.4 Procedure for Approval	6
2.5 Required Approval Process for Builder and Contractor	10
2.6 Prior to Construction Commencement.....	11
2.7 Independent Construction Inspections	12
2.8 Certificate of Occupancy	12
2.9 Timeline for Construction of Improvements.....	14
2.10 Standards	14
2.11 Liability of the ACC.....	14
2.12 ACC Approval Not Required.....	14
ARTICLE III. COVENANT FOR MAINTENANCE ASSESSMENTS	15
3.1 Personal Obligation of Assessments	15
3.2 Purpose of Assessments	15
3.3 Maximum Annual Assessment	15
3.4 Owner-Approved Special Assessments	16
3.5 Notice and Quorum for any Owner Action.....	16
3.6 Rate of Assessment; Due Dates	17
3.7 Fines	17
3.8 Suspension of Privileges	18
3.9 Payments and Alternative Payment Schedule.....	18
3.10 Remedies of the Association	19
3.11 Subordination of the Lien to Mortgages	21
3.12 Priority and Application of Payments	21
3.13 Third Party Collections	22

3.14	Prerequisites to Foreclosure	22
3.15	Notice After Foreclosure Sale	22
3.16	Right of Redemption After Foreclosure	23
3.17	Removal of Foreclosure Authority	23
3.18	Right of Declarant to Set Rate	23
ARTICLE IV.	PROPERTY OWNERS' ASSOCIATION	24
4.1	General Powers and Duties of the Association	24
4.2	Membership	24
4.3	Classes of Membership	24
4.4	Voting	24
4.5	Appointment of the Board of Directors	25
4.6	Bylaws	25
4.7	Association Books and Records	25
4.8	Duty to Insure	25
4.9	Duty to Levy and Collect the Annual Assessment	25
4.10	Duties with Respect to Architectural Approvals	25
4.11	Duty to Prepare and Record Management Certificates	25
4.12	Power to Adopt Rules and Regulations	25
ARTICLE V.	GENERAL PROVISIONS	26
5.1	Enforcement	26
5.2	Traffic Rules	26
5.3	Amendment	26
5.4	Gender and Number	28
5.5	Headings	28
5.6	Severability	28
5.7	Variance Provision	28
5.8	Final Plat and Notes; Other Authorities	28
5.9	Addresses	28
5.10	No Representations or Warranties	28
5.11	Conflicts between Bylaws and Declaration	29
5.12	Liberal Interpretation	29
5.13	Successors and Assigns	29
5.14	Effect of Violations on Mortgages	29
5.15	Governing Law	29
5.16	Delivery of Development Information to Owner	29
5.17	Online Development Information Required	31

1

ARTICLE I. DEFINITIONS

1.1 “ACC” shall mean the Architectural Control Committee appointed by the Declarant during the Development Period and the Board of the Association thereafter, to approve or disapprove improvements to be constructed on a Tract pursuant to this Declaration.

1.2 “Association” shall mean and refer to any property owners’ association provided for in this document, its successors and assigns.

1.3 “Ballot” means an official solicitation sent to all of the Owners at the direction of the President of the Board at least thirty (30) days prior to the date upon which the applicable vote is to be taken providing the voting options available to each Owner as it regards each individual resolution. Each Ballot shall also provide an option by which the Owner may assign their right to vote to a designated proxy entitling them to cast the Owner's vote at the sole discretion of the person to whom the Owner's proxy has been assigned.

1.4 “Board” or “Board of the Association” refers to the governing body of the Association.

1.5 “Building Envelope” shall mean the area containing the main residence (for a Residential Tract), and all other improvements and structures on a Tract as approved by the ACC. The Building Envelope on any Tract may be any size, subject to the approval of the ACC.

1.6 “Bylaws” shall mean the duly adopted bylaws of the Association as the same may be amended from time to time.

1.7 “Commercial Building” means any building constructed on a Commercial Tract (as hereinafter defined).

1.8 “Commercial Tract” means Tracts thirty-one (31) through thirty-four (34), individually, on the Plat (as hereinafter defined).

1.9 “Common Area” shall mean all portions of the Development and improvements constructed thereon owned by the Association for the benefit of and for the common use and enjoyment of the Owners. Common Area shall also include any land and/or improvements conveyed, leased, dedicated or assigned by Declarant, or by a third party with the Association's consent, to the Association for maintenance and operation, including but not limited to private roads, streets, easements, parkways, walkways, trees, plants, vegetation, parks, trails, paths, fences, and ponds within the Development and any entrance and/or landscaping for the main entrance to the Development.

1.10 "Declarant" shall mean and refer to 281 ROUND MOUNTAIN, LLC and its successors or assigns (whether immediate or remote), as successor Owner of all or a portion of the Tracts in an undeveloped state, but shall not include any purchaser of one or more developed Tracts. For the purposes of this Declaration, "developed Tract" shall mean any parcel of land subdivided out of the Development and not owned by Declarant.

1.11 "Declarant Control Period" shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint and remove the members of the Board of Directors and the officers of the Association, other than Board Members or officers elected by Members of the Association pursuant to the Bylaws.

1.12 "Development" shall mean and refer to: (a) the real property encumbered by the Master Declaration as of the Effective Date of this Master Declaration, and (b) such additions thereto as may hereafter be brought within the jurisdiction of this Master Declaration as permitted herein.

1.13 "Development Area" means any part of the Development (less than the whole), which Development Areas may be subject to Development Area Declarations in addition to being subject to this Master Declaration.

1.14 "Development Area Declaration" means, with respect to any Development Area, the separate instruments containing reservations, easements, restrictions, covenants, and conditions to which the property within such Development Area is subjected.

1.15 "Development Period" means the period commencing on the Effective Date of this Declaration of Covenants, Conditions and Restrictions and continuing until the earlier to occur of: (i) the date on which Declarant no longer owns any portion of the Development, or (ii) the date on which Declarant files a notice of the termination of the Development Period in the Official Public Records of Blanco County, Texas. During the Development Period, Declarant reserves the right to (a) facilitate the development, construction and marketing of the Development, (b) direct the size, shape, and composition of the Development, and (c) exercise the rights and privileges of the Declarant pursuant to this Declaration.

1.16 "Main Roads" shall mean Morning Dew Drive, Mr. Charlie Lane, and Lilly Lane, as shown on a recorded subdivision map of all or a portion of the Development.

1.17 "Management Certificate" means the instrument required to be recorded pursuant to Section 209.004 of the Texas Residential Property Owners Protection Act.

1.18 "Out Buildings" shall mean any structures on a Residential Tract (as defined hereinafter) other than a single-family residential dwelling, including but not limited to sheds, barns, barndominiums, storage buildings and detached guest houses.

1.19 "Owner" or "Owners" shall mean and refer to the record owner(s), whether one or more persons or entities, of a fee simple title to any Tract out of the Development, but

excluding those having such interest merely as security for the performance of an obligation.

1.20 "Plat" shall mean the plat of the Development recorded at Volume 3, Pages 260-267 in the Official Public Records of Blanco County, Texas.

1.21 "Quorum," with respect to a meeting called for the purpose of soliciting Owner approval of one or more specific resolutions related either to Sections 3.3 (Maximum Annual Assessment) or 3.4 (Owner-Approved Special Assessments) herein, shall mean the presence of Owners and/or of proxies equal to more than fifty (50%) percent of all the votes of the Owners entitled to cast votes at the time of such meeting. If the required Quorum is not present at any such meeting, the meeting shall be adjourned and another meeting may be called subject to the same notice requirements as provided for in Section 3.5 (Notice and Quorum for any Owner Action), but the Quorum required at any such subsequent meeting shall be seventy-five (75%) percent of the required Quorum applicable in the case of the originally convened meeting. In no event shall the size of a Quorum ever be less than thirty-seven and one half (37.5%) percent of all of the votes of the Owners entitled to cast votes at the time such vote is taken.

1.22 "Residential Tract" means Tracts one (1) through four (4) and Tracts six (6) through thirty (30), individually, on the Plat.

1.23 "Tract" shall mean and refer to any parcel or plat of land out of the Development and/or shown upon any recorded plat of the Development but excluding the Common Area.

ARTICLE II. ACC REVIEW

2.1 Appointment of ACC. The ACC shall serve to guide Owners through the design and construction process utilizing "best practices" while maintaining the restrictions contained in this Declaration on behalf of the Association. The ACC shall consist of at least three (3) and not more than five (5) members, as designated by Declarant in its sole discretion during the Development Period, and thereafter appointed to two (2) year terms by the Board of the Association. No member of the ACC, who is also an Owner in the Development, may hold that position concurrently with being a member of the Board of the Association. During the Development Period, ownership of a Tract shall not be a prerequisite for appointment to the ACC. After the Development Period, at least one (1) member of the ACC shall be an Owner within the Development, preferably an Owner residing in the Development, although that shall not be a prerequisite for appointment. Declarant shall have the right from time to time to appoint and/or replace the member(s) of the ACC in Declarant's sole discretion for any reason during the Development Period, and the provisions herein regarding qualifications for members of the ACC are hereby specifically declared inapplicable to Declarant during the Development Period. Without limiting the generality of the foregoing, Declarant has the right to condition the appointment and continued service of any member of the ACC who is an Owner on the

compliance of such member with all provisions of this Declaration, the Bylaws, any rules, regulations, and guidelines of the Association, the Board of the Association, or any applicable regulatory or governmental authority, and any other applicable law, regulation, rule or contractual obligation. A majority of ACC members shall constitute a quorum for purposes of conducting an ACC meeting, and all decisions shall be decided by a majority of the ACC members present for any meeting. In the event a meeting cannot be conducted in person for various reasons, members of the ACC can conduct business and achieve a quorum either by telephone conference or by email. The Association shall maintain in its records a current roster of the members of the ACC. If there exists at any time one (1) or more vacancies on the ACC that is left unfilled by the Declarant for a period of thirty (30) days, the remaining members or member of the ACC (or if there are no remaining members, the Board of the Association) may designate successor member(s) to fill such vacancy or vacancies. Declarant hereby retains its right to assign the duties, powers and responsibilities of the ACC to the Association at any time, and the term "Architectural Control Committee" or "ACC" herein shall include the Association as such assignee.

2.2 Authority. No construction or installation of any main residence, Commercial Building, fence, wall, basketball goal pole, or other structure or improvement of any kind (including all repair arising by reason of any casualty damage or destruction) shall be commenced, erected, placed, maintained or altered on any Tract, and no exterior painting of, exterior addition to, or alteration of any such items shall be undertaken until all plans and specifications and a plot plan showing the Building Envelope and the location of such improvements have been submitted to and approved in writing by the ACC as to:

a. The quality of construction planned, including but not limited to materials, adequacy of site dimensions, adequacy of structural design, acceptability of floor plan elevations and proper facing of main elevation with respect to any Main Road;

b. conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping in relation to the various parts of the proposed improvements and in relation to improvements on other Tracts, and with the country style in the Blanco County and Texas Hill Country area;

c. topography of the Tract and finish grade elevation of the proposed improvement; and

d. the other standards set forth within this Declaration and/or the rules and guidelines of the ACC and/or the Association.

All landscaping at Trinity Oaks Preserve at Round Mountain should utilize xeriscape, naturally occurring grasses as further specified in the following paragraph, plants and trees, and native rocks, as much as possible, keeping in mind that all yards, unless fenced, are grazing and habitat land for the native wildlife on the ranch. Any landscaping item that does not naturally exist on the ranch should be approved by the ACC prior to being incorporated in the landscaping of a Tract. The ACC will encourage

plantings of native plants that are not palatable to the game animals that roam freely over the property in the Development.

The ACC is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the ACC, adversely affect the living enjoyment of one (1) or more Owners of any Tracts or the general value of the Tracts. In considering the harmony of external design between existing structures and improvements and the proposed improvement to be erected, placed or altered, the ACC shall consider only the general appearance of the proposed improvement that can be determined from the front, rear and side elevations on submitted plans.

No exterior or interior removal, addition, or alteration shall be made to any main residence, Out Building, or Commercial Building which involves removal, addition, or alteration of load-bearing or non-load-bearing exterior walls without the prior written consent of the ACC. Plans for all such work shall be submitted to the ACC in compliance with this Article II. All removals, additions, and alterations must comply with all applicable governmental regulations, including building code and fire code regulations.

As an approved exception to the requirements above, in the event of damage caused by fire, storm or natural events, repairs and re-construction performed to restore improvements in every respect to the originally- approved design shall be deemed approved without written ACC approval, provided that repairs are performed by the same as originally constructed the improvements, if possible. Otherwise, improvements and/or re- construction must be submitted to the ACC for approval.

2.3 Consulting Professionals. The ACC is authorized, but not obligated, to retain the services of consulting professionals such as a Professional Building Designers, building architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise or assist the ACC in performing its functions set forth herein. The cost of the services of such consultants shall be an Owner expense if required for services regarding plans submitted for the Owner's Tract, except to the extent such costs are covered by a plan review fee established by the ACC.

2.4 Procedure for Approval. Each Owner shall follow a four-step review and approval process for ACC approval of any improvements proposed by such Owner. Each member of the ACC shall maintain strict confidentiality regarding the plans required to be submitted by an Owner to the ACC for any new construction, remodeling, hardscapes or landscaping. No discussion regarding such plans shall be permitted by the members of the ACC among any third parties, with the exception of consulting professionals as described in Section 2.3 (Consulting Professionals) above, without the Owner's expressed written permission.

a. Preliminary Design Review. The Owner shall submit to the ACC the preliminary new home, Commercial Building, or improvement design as soon as the

Owner has a preliminary concept and design. The following action and documents must be completed and/or submitted to the ACC for the preliminary plan review by the ACC:

(i) Plot Plan. A plot plan must be submitted containing the Tract topography elevations, tree survey and proposed improvements. The site materials must be included on the plot plan.

(ii) Exterior Elevations. All four (4) exterior elevations of the improvements must be submitted. Exterior materials must be identified although the final exterior material and color decisions may be presented to the ACC with the final plan review. The ACC may request exterior material and color samples before final approval by the ACC.

(iii) Floor Plan. The floor plan of any proposed structure must be submitted to the ACC for preliminary plan review.

(iv) View Corridors. The ACC shall consider impact of the preliminary plan on view corridors of surrounding Tracts.

(v) Septic Systems. Proposed septic system plans must be submitted.

Upon receipt of all materials listed above, the ACC shall schedule a meeting either in person, by phone, or via email to discuss and review the submitted preliminary plans, typically within ten (10) days but in no circumstances greater than twenty (20) days afterwards. ACC suggestions shall be communicated to the Owner and any builder and/or architect engaged or proposed by such Owner.

All site plans shall be submitted by an Owner directly to the ACC. However, preliminary plan reviews submitted to the ACC for approval shall be conducted by a consulting professional as authorized in Section 2.3 (Consulting Professionals) above. The plan review fee shall be **\$195**, subject to change. Any and all subsequent plan review fees shall be **\$90** per review, with such cost subject to change. All plan reviews shall be at such Owner's sole cost and expense.

b. ACC Pending Notice. As soon as practicable following the preliminary design review, the ACC will notify the Owner of pending ACC approval along with any questions or clarifications needed. Notice shall include identification of the Tract upon which improvements will be constructed and any variances to this Declaration requested by the Owner which are being considered by the ACC. In the event a variance is requested to this Declaration, a notice will be sent electronically to each Owner's email who has a registered email address with the Association. Owners shall have up to seven (7) days to respond to the ACC via email with written comments related to any proposed variance.

Within fourteen (14) days following the preliminary design review, the ACC shall communicate preliminary design review comments to the Owner, along with written

approval for any variances granted by the ACC (such approval to be kept on file for review by any Owner upon request) or written disapproval for any variances denied by the ACC along with the reason for denial.

c. Final Design Review. Owner shall then submit a complete copy of the final plans and specifications (which shall address such all comments from the preliminary design review) in duplicate by direct delivery or certified mail to the ACC, or electronically as may be requested. The following documents must be submitted to the ACC for the final plan review by the ACC:

(i) Complete Final Set of Construction Plans. The Owner and/or his builder and/or architect shall submit the complete final construction plans to the ACC for final plan review, which shall be prepared by a certified professional architect or professional architectural design firm. The plans shall be approved and sealed by a certified professional engineer, architect, or Certified Professional Building Designer for both the integrity of the framing and the foundation given the soil conditions that exist at the building site. The plans shall include detailed construction plans and specifications for all aspects of the proposed improvements, including without limitation, the final design, all structural, framing, foundation, roof, electrical, plumbing, mechanical, heating, ventilation, air conditioning, and flooring components.

(ii) Landscape and Irrigation Plans. All landscaping should be xeriscape as much as possible, incorporating native plants, grasses, and rocks that occur in the Texas Hill Country. The total gross square footage of irrigated grasses on a Tract shall not exceed seven thousand (7,000) square feet. The following species of grasses shall be the only grasses allowed for yards on a Tract: (i) TifTuf Bermuda, (ii) Bermuda, (iii) Buffalo, (iv) Zoyzia, (v) or any other drought-resistant species approved by the ACC. Any landscape plan for any Tract that goes beyond naturally-occurring materials must be submitted to the ACC prior to the approval of the frame inspection for the main residence or Commercial Building.

For slab on grade construction, it is recommended that perimeter irrigation be installed to provide consistently moist conditions.

(iii) Other Design Documents. Any other design documents required or requested by the ACC.

Upon receipt of all materials listed above, the ACC shall schedule a meeting to discuss and review the final plans and specifications, typically within ten (10) days but in no circumstances greater than twenty (20) days afterwards. At such time as the final plans and specifications are approved by the ACC, the ACC shall send written notice of approval and will retain the plans and specifications. If disapproved by the ACC, the plans and specifications shall be returned marked "Disapproved" and shall be returned to the Owner accompanied by a statement of the reasons for disapproval, which statement shall be signed by an ACC representative. Any modification of an approved set of plans and specifications must again be submitted to the ACC for its review and approval. The

ACC's approval or disapproval, as required herein, shall be in writing, and in no event may the ACC give verbal approval of any plans.

If the ACC fails to approve or disapprove the plans and specifications submitted in accordance with this subsection c within twenty (20) days after the date of its receipt of such plans, the plans shall be deemed disapproved. Persons submitting plans and specifications are strongly encouraged to obtain written confirmation of receipt by the ACC of such plans and specifications. In the case of a dispute about whether the ACC responded within such time period, the Owner submitting the plans shall have the burden of establishing that the ACC received the plans. The receipt of the plans by the ACC may be established by a signed certified mail receipt or by a signed delivery receipt.

The ACC shall act with good faith and due diligence in attempting to review, and either approve or disapprove all submitted plans and specifications to the extent reasonably possible within the above-described time period. The ACC has sole discretion and authority to approve and disapprove submitted plans and specifications, provided specific and valid reasons are given for disapproval, with such disapproval being subject to review by the Board of the Association upon request by the ACC or the Owner.

If the plans are deemed disapproved due to failure of the ACC to approve or disapprove within twenty (20) days the plans and specifications submitted in accordance with this subsection c, then Owner shall submit a copy of plans and specifications to the President of the Board of the Association, along with a copy of the written confirmation of receipt by the ACC of such plans and specifications previously submitted. The President of the Board of the Association shall exercise any and all influence to compel the ACC to approve or disapprove the plans and specifications within thirty (30) days following receipt of plans and specification by Owner, provided that such plans and specifications have not changed since the previous submittal to the ACC. If ACC fails to approve or disapprove the plans and specifications re-submitted to the President of the Board of the Association within thirty (30) days after the date of receipt by the President of the Board of the Association, then the plans shall be deemed approved.

d. Building Permit. Any provision of this Declaration to the contrary notwithstanding, prior to the commencement of any improvement, landscaping, renovation, addition, or alteration of the Tract and/or any residence, Out Building, Commercial Building, or improvement thereon, the Owner of such Tract shall obtain a Building Permit issued by the ACC after completion of the following:

(i) The Owner shall obtain written approval of the final design plans and specifications.

(ii) The Owner shall obtain the written approval of the ACC of the specific builder and/or any other contractor selected by the Owner pursuant to Section 2.5 (Required Approval Process for Builder and Contractor) below.

(iii) The Owner and each such builder or contractor shall execute and deliver to the ACC a written document in such recordable form as the ACC may specify, agreeing and confirming that (a) the Owner and each such builder or contractor shall be bound by and shall comply with this Declaration and any applicable Development Area Declaration, (b) all improvements shall comply with all applicable laws, rules, ordinances, statutes, covenants, conditions and restrictions regarding the use and ownership of the Development and the design and construction of residences and improvements in the Development, (c) Declarant, the Association and/or any Owner shall have the right to enforce the terms of this Declaration against the Owner and/or such builder or contractor pursuant to this Declaration, and (d) all improvements will be constructed according to the final design plans and specifications approved by the ACC.

2.5 Required Approval Process for Builder and Contractor.

a. Submittals. In addition to other requirements set forth herein, the Owner shall be required to provide the following documentation to the ACC for review and approval or disapproval prior to any construction of a main residence, Commercial Building, or other improvement on a Tract, or any renovation, addition or alteration to such main residence, Commercial Building, or other improvement on a Tract:

- (i) Name and ownership of the builder or contractor;
- (ii) Specific locations where the builder or contractor has built homes or other buildings in the past three (3) years in the Hill Country area;
- (iii) For construction of a main residence, price range of new homes built by the builder or contractor in the Hill Country area;
- (iv) History of the builder or contractor in the Hill Country area (length of time in business, previous building businesses, etc.);
- (v) Financial information of the builder or contractor to confirm that the builder or contractor has the financial ability to complete the contemplated construction activities; and
- (vi) Such other information as the ACC may in its sole discretion determine appropriate.

b. Contractors. The ACC shall have the responsibility and the authority to review and approve a specific builder or contractor selected by an Owner to build, improve, renovate, or alter a main residence, Commercial Building, or other improvement on the Owner's Tract. The ACC shall consider the required documentation, as well as any additional documentation and information submitted by the Owner and/or the builder or contractor or otherwise obtained by the ACC, in the review and approval and/or disapproval of the builder or contractor. The ACC shall have the responsibility and authority to approve or reject the requested builder or contractor, based on the sole

discretion of the ACC. The ACC may consider any factor in approving or rejecting the requested builder or contractor, including, without limitation: the history, experience, ownership and construction activities of the builder or contractor; the performance of the builder or contractor under other contracts; the financial ability of the builder or contractor; any current or prior violations of the builder of this Declaration, any applicable Development Area Declaration, any rules, bylaws or guidelines of the Association, or any other governing documents, laws or regulations.

Additionally, all contractors used and contracted directly by the Association to perform services in the Development must comply with and submit bids for contracting services according to the Bylaws of the Association.

c. Previously Approved Contractors. The ACC may, in its discretion, maintain and provide to any Owner, at its request, a list of custom homebuilders who are currently approved to build in the Development. If the proposed builder or contractor is on this list of custom builders, the requisites of this Section 2.5 (Required Approval Process for Builder and Contractor) may be met by the Owner's written notice to the ACC of the name of the builder or contractor and the ACC's subsequent written confirmation to the Owner that the builder or contractor is currently still approved to build in the Development. Declarant and ACC make no representations to any Owner as to the suitability of any active builder for its particular home or other improvements. The architects, engineers and inspectors employed by Owner, not Declarant or ACC, are responsible for compliance and construction quality. The ACC only approves plans, and its obligations are limited to approving construction according to certified plans, assuring consistent standards are maintained within the Development and promoting compliance with the restrictions and guidelines promulgated herein. Each Owner is solely responsible for the administration and satisfaction under its builder contract(s), including sub-contractors and any performance before, during or after the construction.

d. Condition to a Building Permit; Revocation of Approval. The Owner must obtain the ACC's written approval of any builder or contractor before the ACC will issue a Building Permit. The ACC may revoke or suspend the approval of any builder or contractor as to any particular improvement at any time prior to the commencement of significant construction activities.

2.6 Prior to Construction Commencement. The following action and documents must be approved and secured as provided herein prior to construction commencement of any improvement:

a. Blanco County Permits. All required development permits and septic system permits must be approved and issued by Blanco County before construction commencement.

b. Inspection of Final Plan. The ACC-reviewed plan must be reviewed and approved for compliance with all appropriate building codes, by an independent inspector selected or approved by the ACC prior to construction commencement.

c. ACC Building Permit. The ACC must issue written approval pursuant to Section 2.4 (Procedure for Approval) before construction commencement.

2.7 Independent Construction Inspections. The ACC will designate or approve an independent, third- party inspector ("Inspector") to inspect the construction or any improvement, according to the ACC rules and regulations, as the construction occurs and at certain milestones reached during construction. If the Inspector is not available at the beginning of the project, it is the responsibility of the builder to provide the name and contact information of an independent third-party inspector to provide all inspections required. The Inspector will also assure compliance with all regulations that are required by law at the time of construction whether County, Water District or other governmental regulations. The Inspector will consider compliance with other commonly accepted regulations governing the issuance of a Certificate of Occupancy for all residences or Commercial Buildings. The Inspector will review and may comment on the certified plans for the construction of all residences and Commercial Buildings including, but not limited to foundation, framing, electrical, plumbing and HVAC plans. The Owner and his builder or contractor shall be responsible for the securing and paying for such Inspector's initial plan review and for all construction inspections on a timely basis. Such Inspector shall have the authority and responsibility to stop construction if the Owner's builder or contractor does not secure the required construction inspections before the next inspection is required in the construction process. All such inspections shall be submitted to the ACC on a timely basis.

2.8 Certificate of Occupancy.

a. Certificate. If required by the ACC, as a part of approval of any plans for any main residence, Commercial Building, or other improvements to be used for human occupancy, this Section 2.8 (Certificate of Occupancy) shall apply. No improvement completed, or materially renovated or altered, on or after the Effective Date, may be used, occupied or reoccupied until the ACC has issued a written document approving such improvement for occupancy (a "Certificate of Occupancy"). An Owner or its builder or contractor shall provide written notice (a "Notice of Completion") to the ACC by direct delivery or certified mail promptly following the completion of the initial construction or material renovation, addition or alteration of such improvement. The Notice of Completion shall include a final inspection report issued by the Inspector covering such construction, renovation, addition or alteration.

b. Review. The ACC has the sole discretion and authority to approve and disapprove a requested Certificate of Occupancy upon written request by the Owner. The ACC will rely upon the Inspector to advise the ACC regarding the compliance and completion of all required items during construction and upon completion. The ACC may request additional information, inspections or reports from the Owner or the Inspector for its evaluation of the requested Certificate of Occupancy. The Owner shall have the responsibility to pay for all actual out of pocket costs incurred by the ACC in connection with such review and issuance or disapproval of a Certificate of Occupancy.

c. Issuance. If approved by the ACC, a Certificate of Occupancy shall be issued and signed by a representative of the ACC. If disapproved by the ACC, the Notice of Completion shall be returned marked "Disapproved" and shall be accompanied by a signed statement of the reasons for disapproval. In no event shall the ACC give verbal approval of any improvements for use or occupancy. If the ACC fails to issue a Certificate of Occupancy or disapprove the Notice of Completion within thirty (30) days after the date of the ACC's receipt of the Notice of Completion, the improvements shall be deemed disapproved and may not be used or occupied until a Certificate of Occupancy is issued by the ACC. Persons submitting a Notice of Completion are strongly encouraged to obtain written confirmation of the ACC's receipt of such Notice of Completion.

If the Notice of Completion is deemed disapproved due to failure of the ACC to either issue a Certificate of Occupancy or disapprove the Notice of Completion within thirty (30) days of submission to the ACC submitted in accordance with this Section 2.8 (Certificate of Occupancy), then Owner shall submit a copy of the Notice of Completion to the President of the Board of the Association, along with a copy of the written confirmation of receipt by the ACC of such Notice of Completion previously submitted. The President of the Board of the Association shall exercise any and all influence to compel the ACC to either issue a Certificate of Occupancy or disapprove the Notice of Completion along with a signed statement of the reasons for disapproval within thirty (30) days following receipt of the Notice of Completion by Owner. If ACC fails to either issue a Certificate of Occupancy or disapprove the Notice of Completion re-submitted to the President of the Board of the Association, then the improvements shall be deemed to be approved for occupancy, and the combination of the written confirmation of receipt by both the ACC and the President of the Board of the Association shall serve in lieu of the written Certificate of Occupancy.

In the case of a dispute about whether the ACC responded within such time period, the Owner submitting the Notice of Completion shall have the burden of establishing that the ACC and, subsequently the President of the Board of the Association, received the Notice of Completion. The ACC's receipt of the Notice of Completion may be established by a signed certified mail receipt or by a signed delivery receipt.

d. No Liability for Decisions. The members of the ACC shall have no liability for decisions made by the ACC with respect to a Certificate of Occupancy or otherwise so long as such decisions are made in good faith and are not arbitrary or capricious. Any defects, violations, errors or omissions in the design or construction of any improvements shall be the responsibility of the Owner of the Tract to which the improvements relate, and the ACC shall have no obligation to check for any compliance with county codes, state statutes or the common law; such compliance rests with the Inspector and will be included in its final report to the ACC.

e. No Waiver by Issuance. The issuance of a Certificate of Occupancy by the ACC shall not waive any requirements or violations of this Declaration. Any variances approved by the ACC in its sole discretion must be specifically set forth in writing in accordance with Section 5.7 (Variance Provision) below.

f. Fine. If an Owner violates the provisions of this Section 2.8 (Certificate of Occupancy), the Board of the Association may assess a fine for each day that an improvement is used or occupied prior to the issuance of a Certificate of Occupancy by the ACC. The initial fine shall be \$100 for each day of use or occupancy prior to issuance of a Certificate of Occupancy, subject to reasonable, uniform increases that may be approved by the Board of the Association from time to time.

2.9 Timeline for Construction of Improvements. Unless otherwise approved in writing by the ACC, construction with respect to any improvements approved by the ACC shall be commenced by the Owner thereof (including builders) within one hundred twenty (120) days after the ACC issues a Building Permit for such construction, shall be diligently pursued to final completion, and shall be completed within eighteen (18) months after such approval. If construction is not commenced or completed by the applicable date, all ACC approvals with respect thereto shall expire, and the Owner shall re-submit plans for ACC review and approval as provided herein prior to any further construction.

2.10 Standards. The ACC shall use good faith efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Development consistent with this Declaration. The ACC shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the ACC is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built in the Development. The ACC from time to time may publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

2.11 Liability of the ACC. The members of the ACC shall have no liability for decisions made by the ACC, and the ACC shall have no liability for its decisions so long as such decisions are made in good faith and are not arbitrary, capricious, or discriminatory. Any errors in or omissions from the plans and specifications or the site plan submitted shall be the responsibility of the Owner of the Tract to which the improvements relate, and the ACC shall have no obligation to check for errors in or omissions from any such plans or to check for such plans' compliance with the general provisions of this Declaration, county codes, state statutes or the common law, whether the same relate to Tract boundary or Building Envelope lines, building lines, easements or any other matters.

2.12 ACC Approval Not Required; Declarant's ACC Authority as to Initial Development of Lots. Declarant, or any other entity to which any member of Declarant is also a member, is not required to obtain ACC approval or otherwise comply with any provisions of this Article regarding the approval process until completion of the initial

sale of each Tract, and Declarant hereby reserves and retains full and exclusive authority of the ACC as to each Tract, until completion of the initial sale. The foregoing applies notwithstanding any other provision of this Declaration until completion of the initial sale of all Tracts within the Development. As to each Residential Tract, "completion of the initial sale" occurs upon substantial completion of the construction of a single-family residence and related improvements upon the Tract and the sale of the Tract to a person other than Declarant for use and occupancy of the Tract for a single-family dwelling. As to each Commercial Tract, "completion of the initial sale occurs upon substantial completion of the construction of a Commercial Building and related improvements upon the Tract and the sale of the Tract to a person other than Declarant for use and occupancy of the Tract for a professional, business or commercial activity.

ARTICLE III. COVENANT FOR MAINTENANCE ASSESSMENTS

3.1 Personal Obligation of Assessments. With respect to each Tract within the Development, each Owner by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association: (a) annual assessments or charges; (b) special assessments for community improvements (which are those improvements approved by an affirmative vote of sixty-seven (67%) percent of the votes of the Owners who are voting in person or by proxy at a meeting duly called for such purpose) and/or for repayment of funds used and/or borrowed in payment of community improvements; and (c) assessments for mowing and maintaining Tracts or removing trash as permitted herein. Such assessments shall be established and collected as hereinafter provided. All assessments, together with any applicable interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner at the time when the assessment fell due.

Declarant, and any other entity to which any member of Declarant is also a member, shall be exempt from all assessments; however, Declarant shall pay any deficiency in the operating budget, which deficiency shall be reimbursed to Declarant by the Association as funds become available.

3.2 Purpose of Assessments. The assessments levied by the Association shall be used as permitted exclusively herein to promote the recreation, health, safety and welfare of the Owners within the Development and for the improvements and maintenance of the Common Area and any other property owned by the Association. Special Assessments, as provided in Section 3.4 (Owner-Approved Special Assessments) below shall also be the only means by which any funds collected from all of the members of the Association may be expended for the purpose of pursuing any legal initiative for the direct or indirect purpose of challenging, amending, rewriting or altering in any way this Declaration.

3.3 Maximum Annual Assessment. The maximum annual assessment for 2019 (not including assessments for water and trash service and other special assessments) shall be as follows:

- a. \$450 for each Residential Tract; and
- b. \$225 for Commercial Tracts number thirty-one (31) and thirty-two (32).

Commercial Tracts number thirty-three (33) and thirty-four (34) shall be exempt from any annual assessment in any year. The annual assessment for the year of purchase shall be prorated at closing and then shall be paid annually, in advance, on or before the first day of the first month of the calendar year. From and after January 1, 2020, the maximum annual assessment may be adjusted (increased or decreased) as determined by the Board of the Association, provided that any increase shall not exceed twenty (20%) percent of the maximum assessment for the previous year unless approved by an affirmative vote of sixty-seven (67%) percent of the votes cast on the Ballots of the Owners entitled to vote who are voting in person or by proxy at a meeting duly called for such purpose and for which a Quorum is present. The Board of the Association may fix the annual assessment at such amount not in excess of the maximum as the Board of the Association determines.

3.4 Owner-Approved Special Assessments. In addition to the annual assessments authorized above, the Board of the Association may levy, in any assessment year, an Owner-approved special assessment for the purpose of defraying, in whole or in part, the cost of any new construction, reconstruction, repair or replacement of a capital improvement upon the Common Area and/or of any property or improvement owned by the Association, including fixtures and personal property related thereto, or for the accrual of any legal funds used for the purpose of pursuing any Owner-approved changes to this Declaration consistent with Section 5.3 (Amendment) herein, provided that any such Owner-approved special assessment is approved by an affirmative vote of sixty-seven (67%) percent of the votes cast on the Ballots of the Owners entitled to vote who are voting in person or by proxy at a meeting duly called for such purpose and for which a Quorum is present. Notwithstanding the foregoing, if an emergency exists such that the Board of the Association determines that the repair of a capital improvement upon the Common Area is necessary to eliminate or reduce the risk of injury to third parties and there is not enough money held by the Association to repair the capital improvement to reduce or eliminate the risk, the Board may levy a special assessment in an amount sufficient to repair the capital improvement to reduce or eliminate such risk without the affirmative vote of sixty-seven (67%) percent of the Owners entitled to vote.

Notwithstanding the foregoing, if an Owner-approved special assessment is for the purpose of defraying, in whole or in part, the cost of any new construction, reconstruction, repair or replacement of a capital improvement upon Tract number five (5) on the Plat, such special assessment shall not apply to any Owner of a Commercial Tract and such Owner shall not be required to pay any portion of the special assessment.

3.5 Notice and Quorum for any Owner Action. Written notice of any meeting of Owners called for the purpose of taking any action authorized under Sections 3.3 (Maximum Annual Assessment) and 3.4 (Owner- Approved Special Assessments) above shall be mailed (by U.S. first class mail) to all Owners not less than thirty (30) days or

more than sixty (60) days in advance of the meeting. If the required Quorum is not present at any such meeting, the meeting shall be adjourned and another meeting may be called subject to the same notice requirement. No such subsequent meeting shall be held less than thirty (30) days or more than sixty (60) days following the preceding meeting.

3.6 Rate of Assessment; Due Dates. All Tracts shall be subject to the annual assessments determined by the Board of the Association in accordance with the provisions of Sections 3.3 (Maximum Annual Assessment), 3.4 (Owner-Approved Special Assessments) and 3.6 (Rate of Assessment; Due Dates) hereof. The Board of the Association shall fix the amount of the annual assessment against each developed Tract at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed (by U.S. first class mail) to every Owner subject thereto. The Association shall, upon request and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Tract have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request from the Owner for such certificate, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

3.7 Fines. The Board of the Association shall have the right to assess fines or other charges against an Owner for violations of this Declaration, the Bylaws, any rules, regulations or guidelines of the Association published by the Board and filed in the Official Public Records of Blanco County, or any other governing documents, as further described in Section 3.10 (Remedies of the Association) below. Fines may increase for each day such Owner allows the violation to continue. The Board of the Association may in its discretion waive all or part of any fine if there are hardships or unusual circumstances. Attorney's fees incurred by the Association in enforcing this Declaration, the Bylaws, any rules, regulations, or guidelines of the Association or any other governing documents may be assessed only if the Owner is provided a written notice that attorney's fees and costs will be charged to the Owner if the delinquency or violation continues after a date certain. An Owner is not liable for attorney's fees incurred by the Association relating to a matter described in Section 3.10 (b) (Duty to Provide Notice Before Enforcement Action) below if the attorney's fees are incurred before the conclusion of the hearing; or, if the Owner does not request a hearing, before the date by which the Owner must request a hearing. All attorney's fees, costs, and other amounts collected from an Owner shall be deposited into an account maintained at a financial institution in the name of the Association or its Managing Agent. Only Board members or the Association's Managing Agent or employees of its Managing Agent may be signatories on the account. On written request from the Owner, the Association shall provide copies of invoices for attorney's fees and other costs relating only to the matter for which the Association seeks reimbursement of fees and costs.

It is the Owner's responsibility to notify the Association, in writing, when the Owner believes a violation has been cured to allow the Association to reevaluate the violation and consider ceasing the accrual of any additional fines. Fines may continue to be assessed until the Association receives such notice from the Owner.

3.8 Suspension of Privileges. In addition to any rights and remedies available at law or in equity or specifically provided in this Declaration or any other governing document, in the event an Owner or his family, homebuilder, contractor, tenants, occupants or guests violates this Declaration, the Bylaws, or any rules, regulations or guidelines of the Association published by the Board and filed in the Official Public Records of Blanco County, or any applicable regulatory or governmental authority, or violates any other applicable law, regulation, rule or contractual obligation, the Board of the Association and/or the ACC, acting on behalf of the Association, may (a) suspend or condition the right of an Owner of a Residential Tract and any of his family, tenants, occupants or guests to use the facilities and amenities (including all or part of the Common Area(s) owned, operated, or managed by the Association) until such matter or violation is cured or satisfied, (b) suspend any approval for the construction, improvement, renovation, addition or alteration to a Tract or improvement, (c) record a notice of non-compliance regarding such violation (specifying the applicable Tract) in the Official Public Records of Blanco County, Texas, and/or (d) withhold any approval or consent required or permitted to be given pursuant to this Declaration until such matter or violation is cured or satisfied.

3.9 Payments and Alternative Payment Schedule. The Association may at any time without further notice require any payments due to the Association be made in cash, wired federal funds, or other certified funds. The Association hereby adopts reasonable guidelines to establish an alternative payment schedule by which an Owner may make partial payments to the Association for assessments or other amounts owed to the Association without accruing additional penalties. The Association hereby adopts the following guidelines with regard to alternative payment schedules for delinquent assessments and other amounts owed by an Owner:

a. Term. The minimum term for a payment agreement shall be three (3) months and the maximum shall be eighteen (18) months from the date of the Owner's request for a payment plan. Subject to such minimum and maximum terms, the Association shall determine the appropriate term of the payment plan in its sole discretion.

b. Form. Any and all alternative payment agreements shall be in writing and signed by the Owner and a duly authorized member of the Board of the Association.

c. Additional Monetary Expense. So long as an Owner is not in default under the terms of the payment agreement, the Owner shall not incur additional monetary expenses; however, the Owner shall be responsible for all interest accruing during the term of the payment plan as well as reasonable costs associated with administering the payment plan or interest.

d. Application of Payments: If at the time the Association receives a payment, the Owner is not in default under an alternative payment agreement, the

Association shall apply the payment to the owner's debt in the order specified in Section 3.12 (Priority and Application of Payments) below.

e. Default: If the Owner defaults under a payment plan agreement, the account may immediately be turned over to the Association's attorney for collection. The Association shall not be required to enter into an alternative payment agreement with an Owner who failed to honor the terms of a previous payment agreement during the two (2) years following the Owner's default under the previous alternative payment agreement. At the discretion of the Association, an Owner who failed to honor the terms of a previous payment agreement may be required to waive expedited foreclosure proceedings as a condition to an additional alternative payment agreement. If, at any time the Association receives a payment from an Owner who is in default of an alternative payment agreement, the Association is not required to apply the payment in the order of priority specified in Section 3.12 (Priority and Application of Payments) below.

The Association may reduce or waive some or all of the charges addressed by this policy on an *ad hoc* basis without waiving the right to charge such fees on future requests.

3.10 Remedies of the Association.

a. Delinquency; Creation of the Lien. Any assessments, fines, or other sum due under this Declaration, the Bylaws, or any rules, regulations, or guidelines of the Association or other governing documents not paid within thirty (30) days after the due date shall be delinquent and at the discretion of the Board of the Association, shall bear interest from the due date at the rate of the lesser of eighteen (18%) percent per annum or the highest lawful applicable rate permitted by law, and the Board of the Association may impose late fees and collection fees for any unpaid amounts due the Association, or any of the foregoing. Any such assessment, fine, or other amount due and all interest and costs of collection, including administrative costs of the Association and reasonable attorney's fees and any late fees adopted by the Board of the Association shall be secured by a lien upon the Owner's Tract to which such assessment, fine, or other costs relate, which lien (a) shall be superior to all other liens and charges against such Tract, except only for ad valorem tax liens and all sums unpaid on a bona fide mortgage lien or deed of trust lien of record and otherwise permitted hereunder, and (b) shall be coupled with a power of sale in favor of the Association entitling the Association to exercise the right of foreclosure sale and the other rights and remedies afforded under the Texas Property Code, as amended. By acceptance of a deed or other form of conveyance to a Tract, each Owner hereby grants to the Association the lien provided for herein, which shall be deemed to be an express contractual lien and shall be superior to any defense of homestead or other exemption, the lien having been created prior to the creation or attachment of any homestead right with respect to any Tract.

b. Duty to Provide Notice Before Enforcement Action. Except as excluded in Section 3.10 (c) (Hearing Before Board; Alternative Dispute Resolution) below, before the Association may suspend an Owner's right to use the Common Area, file a suit

against an Owner other than a suit to collect an Assessment or charge or foreclose under the Association's lien, charge an Owner for property damage, or levy a fine for violation of this Declaration, the Bylaws, Builder Guidelines, or any rules and regulations of the Association, the Association must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner and inform the Owner that the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension (unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months), may request a hearing under Section 209.007 of the Texas Property Code on or before the thirtieth (30th) day after the date the Owner receives the notice, and may have special rights or relief related to the enforcement action under federal law, including the Service Members Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the Owner is serving on active military duty.

c. Hearing Before Board; Alternative Dispute Resolution. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if a committee is not appointed. If a hearing is to be held before a committee, the notice prescribed by Section 209.006 of the Texas Property Code must state the Owner has the right to appeal the committee's decision to the Board by written notice. The Association shall hold a hearing under this section not later than the thirtieth (30th) day after the date the Board receives the Owner's request for a hearing and shall notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting. The Association may use alternative dispute resolution services. The Owner's presence is not required to hold a hearing.

Notwithstanding anything in this Declaration to the contrary, the notice and hearing provisions of this Declaration do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action, but a party to the suit may file a motion to compel mediation. The notice and hearing provisions of this Declaration do not apply to a temporary suspension of a person's right to use the Common Area if the temporary suspension is the result of a violation that occurred in the Common Area and involved a significant and immediate risk of harm to others in the Development. The temporary suspension is effective until the Board makes a final determination on the suspension action after following the procedures set out in this section.

d. Limit on Foreclosures. Notwithstanding the foregoing, the Association may not foreclose an Assessment lien if the debt securing the lien consists solely of (i) fines assessed by the Association, (ii) attorney's fees incurred by the Association solely associated with fines assessed by the Association, or (iii) amounts added to the Owner's

account as an Assessment under Section 209.005(i) of the Texas Property Code (relating to fees incurred in connection with the reproduction of the Association's books and records).

e. Filing Notice of Lien. To evidence the lien, the Association may file a written notice of such lien in the Official Public Records of Blanco County, Texas, setting forth the amount of the unpaid indebtedness, the name of the Owner of the Tract covered by such lien, and a description of the Tract. Subsequent to the recording of a notice of lien as provided herein, the Association may bring an action at law against the Owner personally obligated to pay the indebtedness secured thereby, and in addition, conduct a nonjudicial foreclosure sale of the Owner's Tract under the Texas Property Code or judicially foreclose the lien against the Owner's Tract, all such remedies being cumulative. In any suit or proceeding against the Owner or the Owner's Tract, the Owners shall be required to pay and shall be liable for all costs, expenses and reasonable attorneys' fees incurred by the Association. No Owner may waive or otherwise avoid liability for the assessments, fines, or other charges provided for herein by non-use of the Common Areas or abandonment of the assessed Tract by the Owner.

3.11 Subordination of the Lien to Mortgages. The lien of the assessments, fines, and other charges provided for herein shall be subordinate to the lien of any first mortgage, subordinate mortgage for home or other improvements, or home equity mortgage, existing at any time upon the particular Tract involved. Sale or transfer of any Tract shall not affect the assessment lien, and all provisions of this Declaration shall be binding as to any Tract acquired by foreclosure, trustee's sale or otherwise after such acquisition of title and as to any breach occurring thereafter. However, the sale or transfer of any Tract pursuant to foreclosure of a mortgage permitted herein (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments that became due prior to such sale or transfer. No sale or transfer shall relieve such Tract from liability for any assessments thereafter becoming due or from the lien thereof, but such lien shall exist as, and constitute, a separate and distinct charge and lien on such Tract.

3.12 Priority and Application of Payments. A payment received by the Association from an Owner shall be applied to the Owner's debt in the following order of priority: (a) any delinquent Assessment; (b) any current Assessment; (c) any attorney's fees or third party collection costs incurred by the Association associated solely with Assessments or any other charge that could provide the basis for foreclosure; (d) any other attorney's fees incurred by the Association that are not subject to clause (c) above; (e) any fines assessed by the Association; and (f) any other amount owed to the Association by such Owner. The foregoing notwithstanding, if, at the time the Association receives a payment from an Owner such Owner is in default under an alternative payment schedule entered into with the Association, the Association is not required to apply the payment in the order of priority specified above, and in applying the payment, a fine assessed by the Association may not be given priority over any other amount owed to the Association. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches

conditions or directions contrary to the foregoing order of priority or to any other policy of the Association. The Association may adopt a policy that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Owner's account.

3.13 Third Party Collections. The Association may not hold an Owner liable for fees of a collection agent (defined below) retained by the Association unless the Association first provides written notice to the Owner by certified mail, return receipt requested, that (a) specifies each delinquent amount and the total amount of the payment required to make the account current; (b) describes the options the Owner has to avoid having the account turned over to a collection agent, including information regarding availability of an alternative payment schedule through the Association; and (c) provides a period of at least thirty (30) days for the Owner to cure the delinquency before further collection action is taken. An Owner is not liable for fees of the Association's collection agent if the obligation for payment by the Association is in any way dependent or contingent on amounts recovered, or the payment agreement between the Association and the collection agent does not require payment by the Association of all fees to a collection agent for the action undertaken by the collection agent. The agreement between the Association and a collection agent may not prohibit the Owner from contacting the Association's Board of the Association or the Association's managing agent regarding the Owner's delinquency. The Association may not sell or otherwise transfer any interest in the Association's accounts receivables for a purpose other than as collateral for a loan. In this Section 3.13 (Third Party Collections), "collection agent" means a debt collector, as defined by Section 803 of the federal Fair Debt Collection Practices Act (15 U.S.C. Section 1692a).

3.14 Prerequisites to Foreclosure. The Association may not foreclose an assessment lien by giving notice of sale under Section 51.002 of the Texas Property Code or commencing an expedited judicial foreclosure action unless the Association has (a) provided written notice of the total amount of the delinquency giving rise to the foreclosure to any other holder of a lien of record whose lien is inferior or subordinate to the Association's lien and is evidenced by a deed of trust recorded in the Official Public Records of Blanco County, Texas; and (b) provided the recipient of such notice an opportunity to cure the delinquency before the sixty-first (61st) day after the date on which the recipient receives such notice. Such notice must be sent by certified mail, return receipt requested, to the address for the lienholder shown in the applicable deed of trust.

3.15 Notice After Foreclosure Sale. After the Association conducts a foreclosure sale of an Owner's Tract, the Association must send to the Owner and to each lienholder of record, not later than the thirtieth (30th) day after the date of the foreclosure sale, a written notice stating the date and time the sale occurred and informing the Tract Owner and each lienholder of record of the right of the Tract Owner and lienholder to redeem the property. The notice must be sent by certified mail, return receipt requested, to the Tract Owner's last known mailing address, as reflected in the records of the Association, the address of each holder of a lien on the Tract subject to foreclosure evidenced by the most recent deed of trust filed of record in the Official Public Records of Blanco County,

Texas, and the address of each transferee or assignee of a deed of trust who has provided notice to the Association of such assignment or transfer. Notice provided by a transferee or assignee to the Association shall be in writing, shall contain the mailing address of the transferee or assignee, and shall be mailed by certified mail, return receipt requested, or United States mail with signature confirmation to the Association according to the mailing address of the Association pursuant to the most recent Management Certificate filed of record. If a recorded instrument does not include an address for the lienholder, the Association does not have a duty to notify the lienholder as provided by this section. For purposes of this section, the Tract Owner is deemed to have given approval for the Association to notify the lienholder. Not later than the thirtieth (30th) day after the date the Association sends the notice, the Association must record an affidavit in the Official Public Records of Blanco County, Texas, stating the date on which the notice was sent and containing a legal description of the Tract. Any person is entitled to rely conclusively on the information contained in the recorded affidavit. The notice requirements of this section also apply to the sale of an Owner's Tract by a sheriff or constable conducted as provided by a judgment obtained by the Association.

3.16 Right of Redemption After Foreclosure. The Owner of a Tract in the Development or a lienholder of record may redeem the Tract from any purchaser at a sale foreclosing the Association's assessment lien not later than the one hundred eightieth (180th) day after the date the Association mails written notice of the sale to the Owner and the lienholder under Sections 209.010 and 209.011 of the Texas Property Code. A lienholder of record may not redeem the Tract as provided herein before ninety (90) days after the date the Association mails written notice of the sale to the Tract Owner and the lienholder, and only if the Tract Owner has not previously redeemed. A person who purchases a Tract at a sale foreclosing the Association's assessment lien may not transfer ownership of the Tract to a person other than a redeeming Tract Owner during the redemption period.

3.17 Removal of Foreclosure Authority. The right to foreclose the lien on real property for unpaid amounts due to the Association may be removed by a vote of at least sixty-seven (67%) percent of the total votes allocated in the Association. Owners holding at least ten (10%) percent of all voting interests may petition the Association and require a special meeting to be called for the purpose of taking a vote for the purposes of this section. This section is required pursuant to Section 209.0093 of the Texas Property Code, and should this provision be amended or repealed in any form, this section shall be deemed to be automatically amended or repealed in accordance therewith.

3.18 Right of Declarant to Set Rate. During the Development Period, Declarant is entitled to change the annual rate of an Annual or Special Assessment as set forth in this section without the joinder, vote, or consent of any Owner and without further formality than giving notice.

ARTICLE IV.
PROPERTY OWNERS' ASSOCIATION

4.1 General Powers and Duties of the Association. Declarant shall cause a Property Owners' Association to be formed to further the common interest of the Owners. The Association, acting through the Board or through persons to whom the Board has delegated such powers (and subject to the provisions of the Bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the Owners, to maintain, improve, and enhance the Common Areas, and to improve and enhance the attractiveness, desirability, and safety of the Development. The Association shall have the authority to act as the agent to enter into any and all contracts on behalf of the members in order to carry out the duties, powers, and obligations of the Association as set forth in this Declaration, the Bylaws, and any rules, regulations, or guidelines of the Association.

4.2 Membership. Every person or entity which is a record owner of any Tract shall be a member of the Association. The foregoing is not intended to include persons or entities which hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership for each Tract owned by such Owner. Memberships shall be appurtenant to and may not be separated from the ownership of the Tracts. Regardless of the number of persons who may own a Tract (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Tract. After the expiration of the Declarant Control Period, the Directors of the Association must be members of the Association. Ownership of a Tract shall be the sole qualification for membership. The voting rights of the members shall be set forth in the Bylaws of the Association. The rights and privileges of membership, including the right to vote, may be exercised by a member or the member's designated representative.

4.3 Classes of Membership. The Association shall have two (2) classes of membership as follows:

a. Class "A". Class "A" members shall be all Tract Owners with the exception of the Class "B" member.

b. Class "B". The Class "B" member shall be Declarant and any successor of Declarant who takes title for the purposes of development and sale of Tracts in the Development.

4.4 Voting. Class "A" members shall be entitled to one (1) vote for each Tract of which they are record Owner. Class "B" member shall be entitled to ten (10) votes per Tract owned. The Class "B" membership shall terminate and be converted to Class "A" on or before the one hundred twentieth (120th) day after the date seventy-five percent (75%) of the Tracts that may be made subject to this Declaration are conveyed to Class "A" members.

4.5 Appointment of the Board of Directors. During the Declarant Control Period, the Class "B" member is entitled to appoint and remove the members of the Board of the Association and the officers of the Association. Notwithstanding, at least one-third (1/3) of the members of the Board shall be elected by the Owners other than the Declarant not later than the tenth (10th) anniversary after the Declaration was recorded in the Official Public Records of Blanco County, Texas.

4.6 Bylaws. The Association shall adopt Bylaws to govern the organization or operation of the Development and the use and enjoyment of the Tracts and Common Area, provided that the same are not in conflict with the terms and provisions of this Declaration.

4.7 Association Books and Records. Upon written request by an Owner or an Owner's authorized representative, including an Owner's agent, attorney or certified public accountant, the Association shall make the books and records of the Association reasonably available for examination by such Owner or such Owner's authorized representative, pursuant to the Association's records production policy.

4.8 Duty to Insure. The Association shall obtain general liability insurance and such other insurance as may be required by law, and as the Association shall deem necessary or desirable.

4.9 Duty to Levy and Collect the Annual Assessment. The Association shall levy, collect, and enforce the annual assessment and other charges and assessments as elsewhere provided in this Declaration.

4.10 Duties with Respect to Architectural Approvals. The Association shall perform functions to assist the ACC as elsewhere provided in this Declaration.

4.11 Duty to Prepare and Record Management Certificates. The Association shall record in the Official Public Records of Blanco County, Texas, a Management Certificate, signed by an officer of the Association, or the Managing Agent stating the name of the Development, the name of the Association, the recording data of the Development, the recording data of this Declaration, the name and mailing address of the Association, the name and mailing address of the Association's Managing Agent or designated representative, and other information the Association considers appropriate. The Association shall record an amended Management Certificate not later than the thirtieth (30th) day after the Association has a change in any information required herein. The Association, and its officers, Directors, employees, and agents are not subject to liability to any person for a delay in recording, or a failure to record the Management Certificate, unless the delay or failure is caused by gross negligence.

4.12 Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce rules and regulations, and levy fines, as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the

operation of the Association, the use and enjoyment of the Owners, and the use of any other property, facilities or improvements owned or operated by the Association.

ARTICLE V.

GENERAL PROVISIONS

5.1 Enforcement. All restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration shall run with the land. The Association, the ACC, Declarant, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by Declarant, the Association, any Owner, or any other party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

All rights and authority granted to Declarant hereunder shall continue until the termination of the Development Period, as set forth in Section 1.15 (Development Period) above. On such date, all rights and authority granted to Declarant hereunder shall vest in, and thereafter be exercised by, the Association, except for rights and authority which by their terms cease to exist hereunder on or prior to such date. Declarant may assign any or all of its rights and authority as Declarant hereunder to any person or entity until the termination of the Development Period by written assignment duly recorded in the Official Public Records of Blanco County, Texas, a copy of which shall be delivered to the Board of the Association. Conveyance by Declarant of a property interest alone shall not constitute an assignment of Declarant's rights and authority as Declarant hereunder.

5.2 Traffic Rules. All persons must obey all traffic signs, all posted speed limits, and all other rules promulgated by the Association throughout the Development. Unless otherwise posted, the speed limit on all roads in the Development is fifteen (15) miles per hour.

5.3 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of fifty (50) years from the Effective Date of this Declaration, after which time they shall be automatically extended for successive periods of twenty (20) years. This Declaration shall be subject to amendment as follows:

a. By Declarant. Declarant, during the Development Period, reserves the sole and exclusive right, without joinder or consent of any Owner, to (i) amend, restate, modify or repeal, this Declaration, the Bylaws, and any rules, regulations, or guidelines of the Association; (ii) amend, revise, modify, or vacate any Plat; and (iii) annex and subject any other property to the scheme of this Declaration, provided that any annexation is not inconsistent with the scheme of the Development. This Declaration, the Bylaws, or any rules, regulations, or guidelines of the Association may not be amended during the period of time between which Declarant loses the majority of voting rights and the time a new Board of Directors of the Association, consisting of Owner members, assumes office.

b. By Owners. This Declaration may be amended or restated by the written agreement or by signed Ballots voting for such of not less than sixty-seven (67%) percent of all of the Owners in the Development. Such amendment must be approved by said Owners within three hundred sixty-five (365) days of the date the first Owner executes such amendment. Otherwise, such amendment shall fail. If the amendment is adopted, it shall bind and affect the respective Tracts whose Owners shall approve such amendment from the time after the date such amendment is approved by each Owner. The date an Owner's signature is acknowledged shall constitute *prima facie* evidence of the date of execution and adoption of said amendment by such Owner. Those members entitled to cast not less than sixty-seven (67%) percent of all of the votes of the Association may also vote to amend this Declaration, in person, or by proxy, at a meeting of the members duly called for such purpose, written notice of which shall be given to all Owners at least ten (10) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. Any such amendment shall become effective when an instrument is filed for record in the Official Public Records of Blanco County, Texas, accompanied by a certificate, signed by a majority of the Board, stating that the required number of members voted in favor of the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose.

c. By the Association. The Board of the Association has the right in its sole judgment, from time to time, and at any time, to amend this Declaration without joinder of any Owner for the following purposes:

(i) to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors, or omissions herein; or (ii) to conform this Declaration to the requirements of any lending institution; provided, the Board has no obligation whatsoever to amend this Declaration in accordance with any such lending institution requirements, and the Board may not so amend this Declaration if, in the sole opinion of the Board, any substantive and substantial rights of Owners would be adversely affected thereby; or

(ii) to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency, Veterans Administration, or Federal Housing Administration, and in this respect, the Board shall so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance; or

(iii) to amend the rules and regulations of the Association, if the Board deems appropriate to comply with the scheme of the Declaration and the Development; and

(iv) to amend the alternative payment schedule for certain assessments, open records policy, records retention policy, and/or other policies to comply with the Texas Property Code.

5.4 Gender and Number. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

5.5 Headings. The section headings herein are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such sections.

5.6 Severability. The invalidity, violation, abandonment, waiver of, or failure to enforce any one or more of any part or provision of this document shall in no way affect or impair the remaining provisions or parts thereof which shall remain in full force and effect.

5.7 Variance Provision. Except as expressly otherwise provided herein, Declarant or the ACC shall have the right, but not the obligation, in its discretion to review and approve or disapprove variances with respect to any requirements of this Declaration requiring approval by the ACC, based on detailed documentation as specified by and provided to Declarant or the ACC.

5.8 Final Plat and Notes, Other Authorities. Each Owner is obligated to read, understand and strictly follow the notes and provisions of each Final Plat. If other authorities, such as the county or state, impose more demanding, expensive or restrictive requirements than those set forth herein, the requirements of such authorities shall be complied with. Other authorities' imposition of lesser requirements than those set forth herein shall not supersede or diminish the requirements herein.

5.9 Addresses. Any notices or correspondence by the ACC or the Association to an Owner of a Tract shall be addressed to the street address of the Tract or to such other address as the ACC or Association and such Owner shall specify. Any notice or plan submission to the ACC shall be addressed to 3001 South Highway 281, Marble Falls, Texas 78654. Any notice to the Association shall be addressed to the address of the Association as it is recorded in the Official Public Records of Blanco County, or by email to the Association as listed on the website for the Association or community. The ACC or Association may change its address for notice and plan submission by recording in the Official Public Records of Blanco County a notice of change of address.

5.10 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by the Association or its agents or employees in connection with any portion of the Development, or any improvement thereon, its or their physical condition, compliance with applicable laws, fitness for intended use, or in connection with the sale, operation, maintenance, cost of maintenance, taxes, or regulation thereof, unless and except as specifically shall be set forth in writing.

5.11 Conflicts between Bylaws and Declaration. Conflicts between the Bylaws of the Association and this Declaration shall be controlled by this Declaration.

5.12 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose and intent of this Declaration.

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

5.14 Effect of Violations on Mortgages. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

5.15 Governing Law. This Declaration shall be construed and governed under the laws of the State of Texas.

5.16 Delivery Of Development Information To Owner. Not later than the tenth (10th) business day after the date a written request for Development information is received from an Owner or the Owner's agent, a purchaser of a Tract or Tracts in the Development or the purchaser's agent, or a title insurance company or its agent acting on behalf of the Owner or purchaser, and the evidence of the requestor's authority to order a resale certificate is received and verified, the Association shall deliver to the Owner or the Owner's agent, the purchaser or the purchaser's agent, or the title insurance company or its agent: (i) a current copy of the Declaration, (ii) a current copy of the Bylaws and rules and regulations of the Association, and (iii) a resale certificate prepared not earlier than the sixtieth (60th) day before the date of delivery that complies with Texas Property Code § 207.003. For a request from a purchaser of property in the Development or the purchaser's agent, the Association may require the purchaser or purchaser's agent to provide to the Association, before the Association begins the process of preparing or delivers the items listed, reasonable evidence that the purchaser has a contractual or other right to acquire property in the Development. A resale certificate must contain: (i) a statement of any right of first refusal, other than a right of first refusal that is prohibited by statute, and any other restraint contained in this Declaration, the Bylaws, or any rules, regulations, or guidelines of the Association that restricts the Owner's right to transfer the Owner's Tract, (ii) the frequency and amount of any maintenance charges or Annual Assessments, (iii) the amount and purpose of any Special Assessment that has been approved before and is due after the resale certificate is delivered, (iv) the total of all amounts due and unpaid to the Association that are attributable to the Owner's Tract, (v) capital expenditures, if any, approved by the Association for the current fiscal year, (vi) the amount of reserves, if any, for capital expenditures, (vii) the Association's current operating budget and balance sheet, (viii) the total of any unsatisfied judgments against

the Association, (ix) the style and cause number of any pending lawsuit in which the Association is a party, other than a lawsuit relating to unpaid ad valorem taxes of an individual member of the Association, (x) a copy of a certificate of insurance showing the Association's property and liability insurance relating to the Common Areas and common facilities, (xi) a description of any conditions on the Owner's Tract that the Board has actual knowledge are in violation of the Declaration or Bylaws or rules and regulations, (xii) a summary or copy of notices received by the Association from any governmental authority regarding health or housing code violations existing on the preparation date of the resale certificate relating to the Owner's Tract or any Common Areas, (xiii) the amount of any administrative or transfer fee charged by the Association or its managing agent for a change of ownership of Tracts in the Development, (xiv) the name, mailing address, and telephone number of the Association's managing agent, (xv) a statement indicating whether the restrictions allow foreclosure of the Association's lien on the Owner's Tract for failure to pay assessments, and (xvi) a statement of all fees associated with the transfer of ownership, including a description of each fee, to whom each fee is paid, and the amount of each fee. The Association may charge a reasonable fee to assemble, copy, and deliver the information required by this section and may charge a reasonable fee to prepare and deliver an update of a resale certificate. The Association may require payment before beginning the process of providing a resale certificate but may not process a payment until the resale certificate is available for delivery. The Association may not charge a fee if the resale certificate is not provided in the time prescribed. The Association shall deliver the information required to the person specified in the written request. A written request that does not specify the name and location to which the information is to be sent is not effective. The Association may deliver the information required and any update to the resale certificate by mail, hand delivery, or alternative delivery means specified in the written request. Neither the Association nor its managing agent is required to inspect a Tract before issuing a resale certificate or an update. Not later than the seventh (7th) business day after the date a written request for an update of a resale certificate is received from an Owner, Owner's agent, or title insurance company, the Association shall deliver to the Owner, Owner's agent, or title insurance company or its agent an updated resale certificate that contains the following information: if a right of first refusal or other restraint on sale is contained in this Declaration, the Bylaws, or any rules, regulations, or guidelines of the Association, a statement of whether the Association waives the restraint on sale; the status of any unpaid Annual or Special Assessments, maintenance charges, dues, or other payments attributable to the Owner's Tract(s); and any changes to the information provided in the resale certificate issued previously. Requests for an updated resale certificate must be made within one hundred eighty (180) days of the date the original resale certificate was issued. The updated request may be made only by the party requesting the original resale certificate.

5.17 Online Development Information Required. The Association shall make this Declaration, any Development Area Declaration, the Bylaws, any rules, regulations, or guidelines of the Association, and any other governing documents relating to the Development and filed in the Official Public Records of Blanco County, Texas, available on its website if the Association has, or its managing agent on behalf of the Association maintains, a publicly accessible website.

SIGNED this 12th day of November, 2019, to be effective as of the date this Declaration is filed for record in the Official Public Records of Blanco County, Texas (the "Effective Date").

DECLARANT:

**281 Round Mountain, LLC,
a Texas limited liability company**

By: *Grant Dean, Manager*
Grant Dean, Manager

THE STATE OF TEXAS

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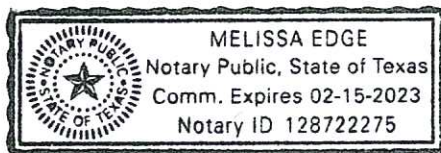
COUNTY OF BURNET

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ACKNOWLEDGMENT

This instrument was acknowledged before me on this 12th day of November, 2019, by Grant Dean, Manager of 281 Round Mountain, LLC, a Texas Limited Liability company, on behalf of said company.



By: *M. Edge*
Notary Public, State of Texas