

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS FOR
INDIAN SPRINGS IN HAMILTON/MILLS COUNTY SUBDIVISION
PHASE 3**

STATE OF TEXAS

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**KNOWN ALL MEN BY THESE
PRESENTS**

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COUNTY OF MILLS

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COUNTY OF HAMILTON

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This Declaration is made on the date hereinafter set forth by LSLP Indian Springs, LLC a Delaware Limited Liability Company, hereinafter referred to as "Developer" or "Declarant".

WITNESSETH:

WHEREAS, Developer is the owner of that certain tract of land located in Hamilton County, Texas and Mills County, Texas, containing approximately 991.41 acres of land that has been developed in three phases; Phase 3 is more fully described on the map and plat recorded in Plat Cabinet ____, Pages ____, of the Map and Plat Records of Mills County, Texas and recorded in Plat Cabinet ____, Pages ____, of the Map and Plat Records of Hamilton County, Texas;

WHEREAS Phase 1 of the Indian Springs in Hamilton/Mills County Subdivision contains 376.65 acres and is more fully described in the Declaration of Covenants, Conditions, Restrictions, Easements, Charges, and Liens for Indian Springs in Hamilton/Mills County Subdivision – Phase 1, filed of record under Clerk's Instrument Number 20211035 in Official Records of the Hamilton County Clerk, Hamilton County, Texas and under Clerk's Instrument Number 2113264 in Official Records of the Mills County Clerk, Mills County, Texas;

WHEREAS Phase 2 of the Indian Springs in Hamilton/Mills County Subdivision contains 180.169 acres and is more fully described in the Declaration of Covenants, Conditions, Restrictions, Easements, Charges, and Liens for Indian Springs in Hamilton/Mills County Subdivision – Phase 2, filed of record under Clerk's Instrument Number 20211145 in Official Records of the Hamilton County Clerk, Hamilton County, Texas and under Clerk's Instrument Number 2113317 in Official Records of the Mills County Clerk, Mills County, Texas;

WHEREAS, all three phases of the development defined above that comprise the 991.41 acres of land is hereinafter referred to as "Indian Springs in Hamilton/Mills County Subdivision", "Property" or "Subdivision"; and

WHEREAS, the Developer will be developing the Subdivision in three phases, governed by one Property Owners Association; and

WHEREAS, it is the desire and purpose of Developer to place certain restrictions, easements, covenants, conditions, charges, liens and reservations (hereinafter referred to as "Restrictions" or "Declaration") upon the Subdivision in order to establish a uniform plan for its development, insure the use of the Subdivision for residential purposes only, prevent nuisances, prevent the impairment of the value of the Subdivision, maintain the desired character of the community, and insure the preservation of such uniform plan for the benefit of the present and future Owners of the land in the Subdivision; and

WHEREAS, this Declaration shall apply to Phase 3 of the Subdivision which contains _____ acres being more fully described on the map and plat recorded in Plat Cabinet _____, Pages _____, of the Map and Plat Records of Mills County, Texas and recorded in Plat Cabinet _____, Pages _____, of the Map and Plat Records of Hamilton County, Texas herein referred to as "Indian Springs in Hamilton/Mills County Subdivision - Phase 3" or "Phase 3"; and

NOW, THEREFORE, Developer hereby adopts, establishes and imposes upon the Indian Springs in Hamilton/Mills County Subdivision - Phase 3, the following Restrictions for the purposes of enhancing and protecting the value, desirability and attractiveness of the Subdivision, which Restrictions shall run with the land and inure to the benefit of each Tract Owner and his invitees:

ARTICLE I **DEFINITIONS**

1.01. Architectural Control Committee or ACC. "Architectural Control Committee" or "ACC" shall mean the Developer until the Control Transfer Date and thereafter a committee initially appointed by the Developer pursuant to these Restrictions to review and approve plans for the construction of Improvements as more specifically provided by Article VIII hereof.

1.02. Annual Assessment. "Annual Assessment" means the amount set forth in Section 5.02 hereof.

1.03. Assessment. "Assessment" means the Annual Assessment, Special Assessments or other charges, interest, penalties and fees authorized by these Restrictions together with the cost and expense incurred in collecting Assessments, including, but not limited to court costs and attorney's fees.

1.04. Association. "Association" means and refers to the Developer until the Control Transfer Date and thereafter Indian Springs in Hamilton/Mills County Property Owners' Association, Inc. and its successors and assigns.

1.05. Board of Directors. "Board of Directors" means and refers to the Developer prior to the Control Transfer Date and the thereafter, the Board of Directors of the Association appointed by the Developer and/or elected by the Members of the Association.

1.06. Bylaws. "Bylaws" mean the Bylaws of the Association as from time to time amended.

1.07. Common Area. "Common Area" means the portions of the Subdivision, including any applicable easements, owned by the Association for the common use and enjoyment of the Members including, but not limited to, the entrances, controlled entrance gate, cluster mailboxes, easements and roads located in all three phases of the Subdivision, together with such other property as the Association may acquire in the future for the common use and enjoyment of the Members.

1.08. Common Area Expense. "Common Area Expense" means all expense necessary to maintain, replace, repair and expand the Common Area as well as all necessary expense to operate the Association including, but not limited to, casualty and liability insurance, directors and officers liability insurance and all other reasonable and necessary expenses of the Association. Additionally, Common Area Expense shall include, but is not limited to, (a) mowing of the Common Area (b) Common Area maintenance and replacement of landscaping, (c) repairing and maintaining the roads and (d) any such other expense and capital enhancements as may be determined by the Board of Directors to promote the safety, health, recreation and welfare of the Members and maintain the Subdivision in an attractive manner.

1.09. Control Transfer Date. The "Control Transfer Date" shall mean the earlier date of: 1.) Developer no longer owns any part of the entire Subdivision, including but not limited to Common Area; 2.) Fifteen (15) years from date of recordation of this Declaration; or 3.) Developer, in its sole discretion, voluntarily relinquishes control of the Association as set forth herein. Notwithstanding this provision, on or before the 120th day after the date seventy five percent (75%) of the lots that may be created and made subject to this Declaration are conveyed to owners other than Developer, at least one-third of the board members must be elected by owners other than the Developer.

1.10. Developer. "Developer" means and refers to LSLP Indian Springs, LLC, a Delaware Limited Liability Company, its successors and assigns.

1.11. Member. "Member" means and refers to every current Tract Owner.

1.12. Notice. Whenever any "notice" is required by these Restrictions, such notices shall be in writing and shall be deemed received when actually received, or five days after the deposit of such notice in the United States mail, postage prepaid and addressed to the last known address of an Owner appearing on the books of the Association, whether or not such notice is actually received. It shall be the duty of each Tract Owner to keep the Association apprised of its current address.

1.13. Owner or Tract Owner. "Owner" or "Tract Owner" means and refers to the record owner, whether one or more persons or entities, of the fee-simple title to any Tract(s), but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any

proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors, and assigns of any Owner. The Developer shall not be deemed an Owner.

1.14. Plans and Specifications. "Plans and Specifications" means any and all drawings and documents describing the construction or erection of any Improvement, including, but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, fencing plans, elevation drawings, floor plans, specifications concerning building products and construction techniques, samples of exterior colors and materials, plans for utility services, and all other documentation or information relevant to the construction or installation of any Improvement.

1.15. Plat. "Plat" means and refers to the plat of the Indian Springs in Hamilton/Mills County Subdivision – Phase 3, filed on _____, 2021, in Plat Cabinet _____, Pages _____ of the Map and Plat Records of Mills County, Texas and filed on _____, 2021, in Plat Cabinet _____, Pages _____ of the Map and Plat Records of Hamilton County, Texas.

1.16. Road. Road or roads means any land located within the Subdivision which has been dedicated by an easement for the purpose of ingress and egress through the Subdivision for the benefit of the Tract Owners.

1.17. Tract or Lot. "Tract" or "Lot" means the 41 individual tracts of land or lots identified on the Plat or any amendments thereto, and any lots annexed into the Subdivision located in Phase 3.

1.18. Special Assessment. "Special Assessment" shall have the meaning given to that term in Section 5.03 hereof.

1.19. Vote of the Members. "Vote of the Members" means the affirmative vote of two thirds (2/3) of the Members entitled to vote who are present at a meeting of Members, either in person or by written proxy. In accordance with Section 4.03, only one Member is entitled to vote for each Tract and only one vote shall be counted for each Tract even though a Tract may have several Owners.

ARTICLE II **RESTRICTIONS**

2.01. Single Family Residences. Any Tract located in the Subdivision is to be used for single family residential purposes only.

2.02. Minimum Square Footage. The main residence constructed on a Tract shall have least one thousand (1,000) square feet of heated and cooled living area and must be constructed with a minimum of three feet (3') of masonry wainscoat on the front exterior.

2.03. Timeline for Construction. Upon start of construction, the exterior of any main residence must be completed within twelve (12) months from the slab being poured and must be built to applicable building and windstorm/flood codes.

2.04. Storage of RV's. Before the main residence is constructed, travel trailers and RV's may be temporarily stored on the Tract but only for a maximum of 6 months of the calendar year. Travel trailers and RV's shall not be used as a residence. After the main residence is constructed, all boats, travel trailers and RV's must be stored behind the residence.

2.05. No Mobile Homes, Manufactured Homes or Modular. Mobile homes, manufactured homes and modular homes are prohibited on a Tract.

2.06. Junk and Debris. No junk cars, abandoned cars or scrap, trash, landscaping trimmings or other debris may be placed on the Tract. The designation of such an item as being a violation under this section is at the sole and absolute discretion of the Association.

2.07. Animals. Domestic livestock and exotic animals shall be allowed on any Tract so long as such animals do not exceed one (1) animal for every two (2) fenced acres and do not become a nuisance or threat to other Owners. The Association shall have the sole discretion in determining if any animal is a nuisance and make regulations on banning such animal. Pigs, hogs and peacocks are not allowed on any Tract. Chickens, turkeys and other birds shall be allowed so long as such birds are kept in a coup and do not exceed twenty (20) birds per Tract. All animals being raised by the individual Tract Owners must be kept in a fenced area on the Owner's Tract. No overgrazing is permitted on any portion of the Tract as determined by the sole discretion of the Association. Dogs, cats or other common household pets may be kept on a Tract. Dogs will not be permitted to run loose in the Subdivision. Dogs and cats must be vaccinated for rabies and other diseases required by applicable laws, rules and regulations and shall be licensed or registered as may be required by applicable laws, rules and regulations. No feedlots for any type shall be permitted.

2.08. Signs. No signs for advertising, or billboards, may be placed on a Tract with the exception of one professionally made "for sale" sign.

2.09. Limit on Activity. No activity whether for profit or not, shall be conducted on a Tract which is not related to the occupation of the Tract for single family residential purposes, unless said activity meets the following criteria: (a) no exterior sign of the activity is present, (b) no additional traffic is created as a result of the activity and (c) no toxic substances (as determined at the sole discretion of the Association) are stored on a Tract. Nothing herein shall prohibit the use of home offices in compliance with the preceding subsections (a), (b) and (c). This restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision. No activity which constitutes a nuisance or annoyance shall occur on a Tract or within the Subdivision. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

2.10. No Further Subdividing. No Tract may be subdivided into smaller tracts. Any Owner of one or more adjoining Tracts may, with the prior written approval of the Architectural Control Committee or Developer (prior to the transfer control date) consolidate two or more Tracts into one Tract or building site, in which case the common boundary line between any combined Tract shall be eliminated and the setback lines shall be measured from the remaining exterior boundary lines. Any portion of any building line, utility, road and drainage easement located within the common boundary lines of any combined Tract shall be eliminated if such easements are not being used at the time any Tracts are combined. Annual assessments are applicable on each individual Tract as originally sold by the Developer regardless of whether two or more Tracts are combined by an Owner to form one new parcel. When a Tract or Tracts are combined, annual assessments are assessed to each original Tract, and each original Tract retains its voting rights.

2.11. Water Wells and Irrigation Systems. Water wells may be drilled for residential, agricultural or irrigation purposes. All water well locations must be approved by the Architectural Control Committee or Developer (prior to the transfer control date). Installation of a water well is the Tract Owner's responsibility and any permits, if required, must be obtained by the Tract Owner. All water wells must meet state and local requirements for the size and placement. There is no approved water supply furnished to any Tract.

2.12. Mailboxes. The Subdivision will be served by cluster boxes approved by the U.S. Postal Service and individual mailboxes will not be allowed.

2.13. Limit on Structures. No more than three (3) structures may be constructed on a Tract. This limitation is to limit the number of major structures, such as the main residence, outbuildings, storage buildings, barns, guest quarters and garages. Specifically, not considered as a major structure, includes, but is not limited to a well house or a dog house.

2.14. Re-plating and Subdividing. No Tract may be subdivided into smaller tracts.

ARTICLE III

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

3.01. Property Subject to Restrictions. Indian Springs in Hamilton/Mills County Subdivision - Phase 3, including all the individual Tracts, are subject to these Restrictions which shall run with the land and be binding on all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

3.02. Utility Easements. Each Tract of land sold from the Property shall be subject to a utility easement measuring thirty feet (30') in width across the front and rear of each tract and fifteen feet (15') which is reserved along the sides of each tract. The utility easement shall be used for the construction, maintenance and repair of utilities, which may

include, but is not limited to, electrical systems, telephone, cable, water, gas and any other utilities which the Developer or utility providers may install for the benefit of an owner of a tract of land in the Subdivision. Notwithstanding the foregoing, the Developer has no obligation to provide utilities and all such utilities may be provided by the local utility companies in accordance with the policies of such utility companies. All utility easements may also be used for the construction of drainage facilities in order to provide for improved surface drainage within the Subdivision. The Developer reserves the right to grant specific utility easements without the joinder of any owner of a tract of land in the Subdivision to public utility providers within the boundaries of any of the easements herein reserved. Any utility company serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installing, repairing, and maintaining their respective facilities. Neither Developer nor any utility company, political subdivision or other authorized entity using the easements herein reserved shall be liable for any damages done by them or their assigns, agents or employees to fences, shrubbery, trees and lawns or any other property of a Tract Owner located within the easements.

3.03. Construction of Improvements on Utility Easements. No buildings or walls shall be located over, under, upon or across any portion of any utility easement. The Owner of each Tract shall have the right to construct, keep and maintain concrete drives, landscaping, fences and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Tracts, provided, however, any concrete drive, landscaping, fencing or similar improvement placed upon any utility easement shall be constructed, maintained and used at the Owner's risk and each Tract Owner shall be responsible for repairing any damage caused by the utility providers to Improvements constructed within the easements located on his Tract.

3.04. Setback Lines. Except for fencing, light posts, driveways, walkways and landscaping, all other improvements must be located on the Lot at least thirty feet (30') from front and rear lot lines and fifteen feet (15') from all side lot lines unless otherwise noted on the Plat. The Architectural Control Committee or Developer (prior to the Control Transfer Date) may waive or alter any setback line, if in the Architectural Control Committee's or Developer's (prior to the Control Transfer Date) sole discretion, such waiver or alteration is necessary to permit effective utilization of a Tract due solely to drainage or land contour related concerns. If for any reason the land contour of a Lot does not allow building without violating the Setback Lines set forth above, the Architectural Control Committee or Developer (prior to the Control Transfer Date) shall grant a variance.

3.05. Fencing and Gates. Each Tract Owner shall be responsible for the proper maintenance of the perimeter fencing and entrance gate on his Tract. A Tract Owner shall not remove the perimeter fencing, unless the Tract Owner completely fences his entire Tract.

ARTICLE IV
INDIAN SPRINGS IN HAMILTON/MILLS COUNTY
PROPERTY OWNERS' ASSOCIATION, INC.

4.01. Non-Profit Corporation. Indian Springs in Hamilton/Mills County Property Owners' Association, Inc., a non-profit corporation, has been organized and it shall be governed by the Certificate of Formation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

4.02. Bylaws. The Association has adopted, whatever Bylaws it may choose to govern the organization and operation of the Association, provided that the same are not in conflict with the terms and provisions contained herein.

4.03. Membership. Every person or entity who is a record Owner of any Tract in the Subdivision shall be a "Member" of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation or those only having an interest in the mineral estate. Memberships shall be appurtenant to and may not be separated from the Tracts. Regardless of the number of persons who may own a Tract, there shall be but one membership for each Tract and one (1) vote for each Tract. Ownership of the Tracts shall be the sole qualification for Membership.

4.04. Voting Rights. The Association shall have two classes of voting memberships. Developer shall be entitled to ten (10) votes for each Tract owned. Each Tract, other than those owned by the Developer, shall have only one vote regardless of the number of Owners of the Tract. In the event that more than one person owns a Tract and the group of Owners do not have a unified vote for purposes hereunder, then the Association shall not recognize the vote for that Tract and such vote shall not be counted when the calculating membership votes. Notwithstanding the foregoing, the presence of any Owner of a Tract at a meeting of Members permits the inclusion of the Tract represented when calculating any necessary quorum.

ARTICLE V

ASSESSMENTS

5.01. Assessments. Each Tract Owner by acceptance of a deed therefore, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association the Assessments provided herein. The Assessments shall be a charge on the Tracts and shall be a continuing lien upon the Tract against which each such Assessment is made. Both Annual and Special Assessments must be fixed at a uniform rate for all Tracts subject to assessment and may be collected on a monthly basis or on an annual basis at the discretion of the Board of Directors.

5.02. Annual Assessment.

(a) An Annual Assessment shall be paid by each of the Tract Owners and the Annual Assessment shall be used to pay all reasonable and necessary operating expenses and reserve requirements of the Association as herein

provided. The Annual Assessment for the year of purchase shall be pro-rated as of the purchase date and then shall be paid annually.

(b) The initial amount of the Annual Assessment applicable to each Tract in Phase 3 will be two hundred and fifty dollars (\$250.00) per Tract. The Annual Assessment is payable in advance and is due on the first (1st) day of January during each calendar year. All other matters relating to the collection, expenditure and administration of the Annual Assessment shall be determined by the Board of Directors of the Association, subject to the provisions hereof.

(c) The Board of Directors of the Association, from and after control is transferred from the Developer, shall have the further right at any time to adjust, alter, increase or decrease the Annual Assessment from year to year as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association and to enable the Association to carry out its duties hereunder. However, the Board of Directors shall not increase the Annual Assessment by more than ten percent (10%) from the previous year without the affirmative Vote of the Members.

5.03. Special Assessments. In addition to the Annual Assessment, the Association, upon the Vote of the Members, may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. A Special Assessment may be assessed to the Tract Owners in an individual phase of the Subdivision or to Tract Owners in all phases in the Subdivision.

5.04. Interest of Assessment. Any Assessment which is not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law.

5.05. Purpose of the Assessments. The Annual Assessments and Special Assessments shall be used exclusively for the purpose of promoting the health, safety, security and welfare of the Subdivision and the maintenance of the Common Area. In particular, the Assessments shall be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described herein, including the maintenance of any Subdivision roads, Subdivision drainage easements, Common Area, Common Area Expenses, the enforcement of these Restrictions and the establishment and maintenance of reserve funds. Any questions regarding whether an item is a Common Area or a Common Area Expense shall be determined by the Board. The Assessments may be used by the Association for any purpose which, in the judgment of the Association's Board of Directors, is necessary or desirable to maintain the property value of the Subdivision, including but not limited to, providing funds to pay all taxes, insurance, repairs, utilities and any other expense incurred by the Association. Except for the Association's use of the Assessments to perform its duties as described in these Restrictions, the use of the Assessments for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Board of Directors as to the

expenditure of Assessments shall be final and conclusive so long as such judgment is exercised in good faith.

5.06. Creation of Lien and Personal Obligation. In order to secure the payment of the Assessments, each Owner of a Tract hereby grants the Association a contractual lien on such Tract which may be foreclosed by non-judicial foreclosure, pursuant to the provisions of Chapter 51 of the Texas Property Code (and any successor statute); and each such Tract Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said section 51.002 of the Texas Property Code, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the association by means of written instrument executed by the President or any Vice-President of the Association and filed for record in the Official Public Records of Real Property in the county where the Tract is located. In the event the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Chapter 51 of the Texas Property Code and to exercise the power of sale hereby granted, the Association, or the Association's agent, shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended. Upon request by the Association, the Trustee shall give any further notice of foreclosure sale as may be required by the Texas Property Code as then amended, and shall convey such Tract to the highest bidder for cash by Trustee's Deed. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with collecting the Assessments and foreclosing on the Tract, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount of the Assessment in default; and third, the remaining balance shall be paid to the Tract Owner or Lien Holder for the benefit of the Tract Owner. Following any such foreclosure, each occupant of a Tract which is foreclosed upon shall be deemed a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action for forcible detainer.

In the event of non-payment by any Tract Owner of any Assessment or other charge, fee, assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, exercise all other rights and remedies available at law or in equity, including but not limited to bringing an action at law against the Tract Owner personally obligated to pay the same.

It is the intent of the Provisions of this Article to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale. In the event of the amendment of Section 51.002 of the Texas Property Code, the Association, acting without joinder of any Tract Owner or Mortgagee, may, by amendment to these Restrictions, file any required amendments to these Restrictions so as to comply with said amendments to Section 51.002 of the Texas Property Code or any other statute applicable to foreclosures.

Notwithstanding anything contained this Article, all notices and procedures relating to foreclosures shall comply with Chapter 209 of the Texas Property Code.

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

5.08. Developer Exemption. In consideration of the Subdivision infrastructure, the Developer shall be exempt from the payment of all Assessments.

5.09. Liens Subordinate to Mortgages. The lien described in this Article V shall be deemed subordinate to any lien in favor of any bank, mortgage company, real estate lending establishment, financial institution, insurance company, savings and loan association, or any other third party lender, including the Developer, who may have advanced funds, in good faith, to any Tract Owner for the purchase, improvement, equity lending, renewal, extension, rearrangement or refinancing of any lien secured by a Tract, provided that any such lien holder has made due inquiry as to the payment of any required assessments at the time the lien is recorded. Any consensual lien holder who obtains title to any Tract pursuant to the remedies provided in a deed of trust or mortgage or by judicial foreclosure shall take title of the Tract free and clear of any claims for unpaid assessments or other charges against said Tract which ad prior to the time such holder acquired title to such Tract. No such sale or transfer shall relieve such holder from liability for any Assessments or other charges or assessments thereafter becoming due. Any other sale or transfer of a Tract shall not affect the Association's lien for Assessments or other charges or assessments. The Association shall make a good faith effort to give each such mortgage sixty (60) days advance written notice of the Association's foreclosure of an Assessment lien, which notice shall be sent to the nearest office of such mortgage by prepaid United State registered or certified mail, return receipt requested, and shall contain a statement of delinquent Assessment or other charges or assessments upon which the said action is based, provided however, the Association's failure to give such notice shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article V.

ARTICLE VI
DEVELOPER'S RIGHTS AND RESERVATIONS

6.01. Period of Developer's Rights and Reservations. Developer shall have, retain and reserve certain rights as set forth in these Restrictions with respect to the Association from the date hereof, until the earlier of the date the Developer gives written notice to the Association of Developer's termination of the rights or for the time allowed under the Texas Property Code. Notwithstanding the foregoing, the Developer rights shall not be released until such time as a document relinquishing said rights is filed of record or the Developer no longer holds record title to any land in the Subdivision. The rights and reservations hereinafter set forth shall be deemed accepted and reserved in each conveyance by the Developer whether or not specifically stated therein. The rights, reservations and easements set forth herein shall be prior and superior to any other provisions of these Restrictions and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment to these Restrictions. Developer's consent to any amendment shall not be construed as consent to any other amendment.

6.02. Developer's Rights to Grant and Create Easements. Developer shall have and hereby reserves the right, without the consent of any Owner or the Association, to grant or create temporary or permanent easements throughout the Subdivision, for ingress, egress, utilities, cable and satellite television systems, communication and security systems, drainage, water and other purposes incidental to the development, sale, operation and maintenance of the Subdivision or purposes deemed necessary by the Developer. Notwithstanding the foregoing, the Developer has no obligation to provide utilities and all such utilities, if available, will be provided by the local utility companies in accordance with the policies of such utility companies.

6.03. Developer's Rights to Convey Common Area to the Association. Developer shall have and hereby reserves the right, but shall not be obligated to, convey real property and improvements thereon, if any, to the Association for use as Common Area at any time and from time to time in accordance with these Restrictions, without the consent of any Owner or the Association.

6.04. Annexation of Additional Areas. Developer may cause additional real property to be annexed into Subdivision, by causing a written Annexation Declaration confirming the annexation thereof, to be recorded in the Official Public Records of Real Property in the county in which the property is located or by filing a Declaration covering a certain Phase of the Subdivision to be filed. No consent shall be required of the Association or any Member thereof, each Tract Owner being deemed to have appointed the Developer as his agent and attorney-in fact to effect this Annexation, which power hereby granted to the Developer is and shall be a power coupled with any interest. Thereafter, the Association shall be the Association for the entirety of the Development, including the annexed property.

ARTICLE VII
DUTIES AND POWERS OF THE PROPERTY OWNERS' ASSOCIATION

7.01. General Duties and Powers of the Association. The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has designated 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 Members and to improve and enhance the attractiveness, desirability and safety of the Subdivision. The Board of Directors shall minimally be composed of three individuals serving three year staggered terms, with the titles of President, Vice-President, and Secretary/Treasurer, being assigned annually by the board of Directors.

7.02. Duty to Accept the Property and Facilities Transferred by Developer. The Association shall accept title to any real property, improvements to real property, personal property and any related equipment which the Developer transfers to the Association, together with the responsibility to perform any all maintenance and administrative functions associated therewith, provided that such property and responsibilities are not inconsistent with the terms of these Restrictions. Property interest transferred to the Association by the Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by the Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of any declaration of covenants, conditions and restriction or easements set forth in the transfer instrument. Except as otherwise specifically approved by resolution of the board of Directors, no property or instrument transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to the Developer or any affiliate of the Developer including, but not limited to, any purchase price, rent charge or fee.

7.03. Other Insurance Bonds. The Association shall obtain such insurance as may be deemed necessary or desirable by the Board or by law, including but not limited to, comprehensive liability and casualty insurance, worker's compensation insurance, fidelity and indemnity insurance, officers and directors liability insurance, as well as such other insurances or bonds as the Association shall deem necessary or desirable.

7.04. Duty to Prepare Annual Budgets. The Association shall prepare an annual budget for the Association.

7.05. Duty to Levy and Collect Assessments. The Association shall levy, collect and enforce the Assessments as provided in these Restrictions.

7.06. Duty to Provide Annual Financial Statement. The Association shall prepare an annual financial statement, including a balance sheet, for review by the Members.

7.07. Duties with Respect to Architectural Approvals. The Association, through the ACC, shall perform the ACC duties described in these Restrictions after the Control Transfer Date. Prior to the Control Transfer Date the Developer shall perform the ACC duties.

7.08. Power to Acquire Property and Construct Improvements. The Association may acquire property or an interest in property (including leases and easements) for the common benefit of Owners including any improvements and personal property. The Association may construct improvements and may demolish any existing improvements in the Common Area.

7.09. Power to Adopt Rules and Regulations. The Association shall have the power to make reasonable rules and regulations regarding the use of the Common Area. The Association shall also have the right to promulgate such rules and regulations with respect to the Subdivision so long as the Board of the Association deems such rules and regulations necessary to promote the recreation, health, safety and welfare of the Members of the Association, or may be necessary or desirable to further the common interest of the Members and to improve and enhance the attractiveness, desirability and safety of the Subdivision all in accordance with the provisions of these Restrictions. The rules and regulations may be enforced in the same manner as any other provision of these Restrictions.

7.10. Enforcement of Restrictions. The Association (or any Owner if the Association fails to do so after reasonable written notice) shall enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, charges, rules and regulations now or hereafter imposed by the provisions of these Restrictions. Failure by the Association or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. If it becomes necessary for any Owner or the Association to file a Court action to enforce these Restrictions, the defaulting Owner shall be liable for all reasonable attorney's fees and costs incurred by the enforcing Owner or the Association to obtain compliance by the defaulting Owner. The defaulting Owner shall be liable for all damages suffered by the enforcing Owner or the Association which shall be in an amount established by the Court.

7.11. Remedies. In the event a Tract Owner fails to remedy any violation of these Restrictions, after written notice by the Association, the Association, or its authorized representatives, may take any one or more of the following actions:

- (a) Enter upon the Tract Owner's property and remove the violating condition, document the violating condition and/or cure the violation, at the expense of the Tract Owner, and the violating Tract Owner shall pay on demand all costs and expenses, including reasonable attorney's fees, incurred by the Association in removing such violating condition;
- (b) Assess a charge of \$50.00 per day against any Tract Owner and/or his Tract until the violating condition is corrected. The Violation charge may be

increased by the Association in accordance with increases in the National Consumer Price Index using 2021 as a base year. Failure to pay such assessment by the violating Tract Owner within ten (10) days from receipt of assessment will result in a lien against the Tract with the same force and effect as the lien for Annual or Special assessments; and/or

- (c) File suit in order to enforce the above remedies and/or pursue any other remedy which may be available at law or in equity; and/or
- (d) Suspend an Owner's right to use the Common Area; and/or
- (e) Take any action allowed by the Texas Property Code.

After a Tract Owner receives a written notice of a violation of these Restrictions, the violating Tract Owner shall not be entitled to any further notice of the same violation if it occurs within a six (6) month period. The Association reserves the easement across each Owner's Tract for the purpose of correcting or removing conditions in violation of these Restrictions, and in doing so, shall have no liability for trespass or other tort in connection therewith, or arising from such correction or removal of a violating condition. The Association shall further have the right to have any vehicle or other property stored or used in violation of these Restrictions removed from the Owner's Tract at the expense of the Owner and stored at the expense of the Owner.

7.12. Authority to Combine ACC and Board. In order to efficiently manage the Association, and to perform the duties of the Association, the Association may elect to combine the duties of the Board of Directors and the duties of the ACC into one body to be known as the ACC/ Board.

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

8.01. Basic Control & Applications.

- (a) No Improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made to the exterior design or appearance of any Improvement, without first obtaining the Architectural Control Committee's or Developer's (prior to the Control Transfer Date) approval. No demolition or destruction of any Improvement by voluntary action shall be made without first obtaining the Architectural Control Committee's or Developer's (prior to the Control Transfer Date) approval. The Architectural Control Committee's or Developer's (prior to the Control Transfer Date) shall have the sole discretion to approve or deny any Improvement. "Improvement" means every structure and all appurtenances of every type and kind, including but not limited to buildings, outbuildings, patios, storage buildings, barns, garages, decks, stairs, retaining walls, screening walls, fences, landscaping art or statuary, poles, signs, exterior air conditioning units, exterior water softener fixtures or

equipment, pumps, wells, tanks, reservoirs, pipes, utilities, lines, meters, antennas, towers, satellite dishes or any other sound or data receivers or transmitters. The term "Improvement" excludes the interior of the main residence, and the ACC shall have no authority to approve or disapprove improvements made to the interior of such buildings where the exterior of the building is not affected by the interior improvement.

(b) Each application made to the Architectural Control Committee or Developer (prior to the Control Transfer Date) for approval, shall contain an application in the form specified by the Architectural Control Committee or Developer (prior to the Control Transfer Date), two sets of professionally drawn Plans and Specifications for all proposed Improvements, showing the location of all Improvements in the Tract, and any applicable fees or deposits together with such other reasonable necessary information as the Architectural Control Committee or Developer (prior to the Control Transfer Date) shall request. These plans must be submitted in PDF format to the Developer, or after the Control Transfer Date, to the ACC. A non-refundable fee of \$250.00 is required at time of plan submittal to cover administrative costs involving the home plan approval process.

8.02. Architectural Control Committee.

(a) All ACC authority is initially vested in the Developer. The ACC authority of the Developer shall cease upon the appointment of a three (3) member Architectural Control Committee by the Developer. The Developer shall continue to have ACC authority as to any Plans and Specifications or Construction projects submitted to the Developer prior to the initial appointment of the ACC members.

(b) After the initial members of the ACC are appointed by the Developer, the Developer shall cause an instrument transferring ACC authority to the Association to be recorded in the Official Public Records of Hamilton County, Texas and Mills County, Texas. Subsequent appointments of the ACC members shall be by the Board of Directors. The ACC members shall serve staggered terms with the first term ending on the date of the next succeeding annual meeting of Members following the Control Transfer Date. After the Control Transfer Date, each Member of the ACC must be a Tract Owner in the Subdivision.

8.03. Effect of Inaction. All approvals or disapprovals issued by the ACC shall be in writing. In the event the ACC fails to approve or disapprove any request received by it in compliance with Article VIII within thirty (30) days following the submission of a completed application and full compliance with the declarations set out herein, such request shall be deemed approved and the construction of any Improvements may commence in accordance with the Plans and Specifications submitted for approval. Any ACC approval obtained as a result of inaction by the ACC shall not authorize the construction of any

Improvement in violation of these Restrictions.

8.04. Effect of Approval. The granting of an ACC approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the ACC that the proposed Improvement to be erected complies with these Restrictions; and such approval shall not prevent the Association from requiring removal of any Improvement which fails to comply with these Restrictions. Further, no ACC member shall incur any liability by reason of the good faith exercise of the authority granted hereunder.

8.05. Variance. The ACC or the Developer, may on a case by case basis, authorize variances from the requirements of the Restrictions if, in the reasonable opinion of the ACC or the Developer, the Restrictions unreasonably restrain the development of a Tract in accordance with the general scheme of the Subdivision or the Developer or ACC deems the variance appropriate. The Developer will retain the right to grant variances after the Control Transfer Date so long as the Developer continues to own any land in the Subdivision. All variances shall be in writing and signed by the Developer or if granted by the ACC then it must be signed by at least two (2) members of the ACC. No violation of these Restrictions shall be deemed to have occurred with respect to any matter for which a variance is granted. The granting of such a variance shall not operate to waive any of the terms and provisions of these Restrictions for any purpose except as to the particular Lot and Improvements and the particular provision covered by the variance, nor shall it affect in any way the Tract Owner's obligation to comply with all governmental laws and regulations affecting the use of the Tract Owner's Lot.

ARTICLE IX

GENERAL PROVISIONS

9.01. Term. The provisions hereof shall run with the land and shall be binding upon all Owners, their guests and invitees and all other persons claiming under them for a period of forty (40) years from the date these Restrictions are recorded. These Restrictions shall be automatically extended for successive periods of twenty (20) years each time unless these Restrictions are cancelled by a two-thirds (2/3) majority vote of every Member entitled to vote and an appropriate document is recorded evidencing the cancellation of these Restrictions.

9.02. Amendments. Except for any amendment affecting any existing Improvements, these Restrictions may be amended or changed, in whole or in part, at any time by a two-third (2/3) majority vote of every Member entitled to vote. Copies of any records pertaining to such amendments shall be retained by the Association permanently.

9.03. Amendment by the Developer. The Developer shall have and reserve the right at any time prior to the transfer of control to the Association, without the joinder or consent of any Tract Owner or other party, to amend these Restrictions by an instrument in writing duly signed, acknowledged, and filed for record so long as the Developer owns a portion of the Property and provided that any such amendment shall be consistent with

and is furtherance of the general plan and scheme of development of the Subdivision and evidenced by these Restrictions.

9.04. Severability. Each of these provisions of these Restrictions shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partially unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

9.05. Effect of Violation 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 mortgage under any such mortgage, the holder of any such lien or beneficiary of any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

9.06. Liberal Interpretation. The provisions of these Restrictions shall be liberally construed as a whole to effectuate the purpose of these Restrictions.

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

9.08. Terminology. All personal pronouns used in these Restrictions, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limits nor amplifies the provisions of these Restrictions. The terms "herein", "hereof" and similar terms, as used in this instrument, refer to the entire document and are not limited to referring only to the specific paragraph, Section or Article which such terms appear.

9.09. Effective Date. This Declaration Of Covenants, Conditions, Restrictions, Easements, Charges and Liens for the Indian Springs in Hamilton/Mills County Subdivision – Phase 3 shall be effective upon recording in the Official Public Records of Hamilton County, Texas and Mills County, Texas.

IN WITNESS WHEREOF, the undersigned, being the Developer, herein, has hereunto set its hand on this _____ day of _____ 2021.

[Signature follows on next page.]

LSLP Indian Springs, LLC, a Delaware limited liability company

By: American Land Partners, Inc., a Delaware corporation, Manager

By: _____
Davy Roberts, Authorized Agent

STATE OF TEXAS

COUNTY OF _____

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Before me, the undersigned Notary Public, on this day personally appeared Davy Roberts who is personally known to me (or proved to me through a federal or state issued ID with photo and signature of person identified) to be the person whose name is subscribed to the foregoing instrument, and who has acknowledged to me that he executed the instrument for the purposes and consideration therein expressed and in the capacity stated herein.

Given under my hand and seal of office on this ____ day of _____ 2021.

NOTARY PUBLIC, State of Texas