

43+1
c

RIVER VALLEY

A SINGLE FAMILY RESIDENTIAL DEVELOPMENT

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS



TABLE OF CONTENTS

~~UNDER CONSTRUCTION~~ 

PREAMBLE

RECITALS

ARTICLE ONE — DEFINITIONS..... 1

- 1.1. Architectural Control Committee..... 1
- 1.2. Assessment..... 2
- 1.3. Association..... 2
- 1.4. Association Rules..... 2
- 1.5. Board..... 2
- 1.6. Bylaws..... 2
- 1.7. Certificate of Formation..... 2
- 1.8. Common Area..... 2
- 1.9. Declarant..... 3
- 1.10. Declaration..... 3
- 1.11. Design Guidelines..... 3
- 1.12. Development..... 3
- 1.13. Development Wall..... 3
- 1.14. Governing Documents..... 3
- 1.15. Improvement..... 3
- 1.16. Lot..... 4
- 1.17. Member..... 4
- 1.18. Owner..... 4
- 1.19. Plans and Specifications..... 4
- 1.20. Plat..... 4
- 1.21. Property..... 4
- 1.22. Supplemental Declaration..... 5

ARTICLE TWO - ARCHITECTURAL CONTROL..... 5

- 2.1. Architectural Control Committee..... 5
- 2.2. Approval of Plans and Specifications..... 5
- 2.3. Application for Approval..... 5
- 2.4. Standard for Review; Duration of Architectural Control Committee Approval..... 6
- 2.5. Failure of Committee to Act..... 6
- 2.6. Design Guidelines, Establishment of Rules..... 6
- 2.7. Delegation of Authority..... 7
- 2.8. Variances..... 7
- 2.9. Inspection..... 8
- 2.10. Maintenance Rights During Construction..... 8
- 2.11. No Waiver of Future Approvals..... 8
- 2.12. Professional Advice..... 8

ARTICLE THREE - USE RESTRICTIONS AND ARCHITECTURAL STANDARDS	8
3.1. General	8
3.2. Common Area Use	9
3.3. Common Area/Recreational Improvements	9
3.4. Common Area Vehicles, Etc.	9
3.5. Residential Use Only	9
3.6. Type of Buildings Permitted	9
3.7. Minimum Construction Requirements	10
3.8. Foundations	10
3.9. Swimming Pool Equipment	10
3.10. Exterior Lighting	11
3.11. Window or Wall Units	11
3.12. Resubdivision or Consolidation	11
3.13. Easements	11
3.14. Noxious or Offensive Activities Prohibited	11
3.15. Hazardous Activities	11
3.16. Prohibited Residential Uses	12
3.17. Unsightly Property; Equipment	12
3.18. Signs	12
3.19. Rubbish, Trash and Garbage	13
3.20. Sewage Disposal	14
3.21. Water Supply	14
3.22. Animals	14
3.23. Fences, Walls	14
3.24. Driveways	15
3.25. Vehicles/Parking	15
3.26. Wood-Burning Stoves and Fireplaces	15
3.27. Poles, Masts, and Antennas	15
3.28. Water Softeners and Air Conditioning Equipment	16
3.29. Landscaping and Open Space; Trees	16
3.30. Maintenance	16
3.31. Construction Completion	16
3.32. Noise	17
3.33. Underground Utility Lines	17
3.34. Construction Activities	18
3.35. Compliance with Provisions of the Governing Documents	18
3.36. Setbacks	18
3.37. No Warranty of Enforceability	19
ARTICLE FOUR - EASEMENTS	19
4.1. Reserved Easements	19
4.2. Installation and Maintenance	19
4.3. Drainage Easement	20
4.4. Development Wall/Fence	20
4.5. Surface Areas; Nonliability to Owner for Easement Use	20
4.6. Title to Easement and Appurtenances Not Conveyed	21
4.7. Use of Common Area	21
4.8. Underground Electrical System	22
4.9. Transfer of Easements	22

ARTICLE FIVE — RIVER VALLEY PROPERTY OWNERS ASSOCIATION	22
5.1. Organization	22
5.2. Membership.....	22
5.3. Transfer of Membership.....	23
5.4. Management of Association.....	23
5.5. Voting Rights	23
5.6. Number of Directors; Annual Meetings.....	24
5.7. Authority and Powers of the Association.....	24
5.8. Indemnification	27
5.9. Non-liability of Board, Architectural Control and other Committee Members.....	28
 ARTICLE SIX - FUNDS AND ASSESSMENTS	 28
6.1. General	28
6.2. Maintenance Fund.....	29
6.3. Regular Annual Assessments	29
6.4. Special Assessments.....	30
6.5. Owner’s Personal Obligation for Payment of Assessments.	30
6.6. Assessment Lien; Foreclosure.....	30
6.7. Master Association.....	31
 ARTICLE SEVEN - ADDITIONS TO THE PROPERTY	 32
7.1. Annexation (Prior to January 1, 2037)	32
7.2. Annexation (After January 1, 2037)	32
7.3. Filing Supplemental Declarations	32
7.4. Merger or Consolidation	32
 ARTICLE EIGHT - GENERAL PROVISIONS.....	 33
8.1. Enforcement	33
8.2. Severability.....	33
8.3. Alternative Dispute	33
8.4. Choice of Law	33
8.5. Notices.....	33
8.6. Time	34
8.7. Covenants Running With the Land	34
8.8. Duration.....	34
8.9. Amendment	34
8.10. Attorneys’ Fees	34
8.11. Liberal Interpretation.....	35
8.12. Non-Waiver.....	35
8.13. Construction	35
8.14. Disclaimer	36

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

of

RIVER VALLEY

A SINGLE FAMILY RESIDENTIAL DEVELOPMENT

Preamble

This Declaration of Covenants, Conditions, and Restrictions is made on the 14th day of July, 2015, by HAUPTSTRASSE VILLAGE, LLC, a Texas limited liability company (“Declarant”), whose mailing address is 505 Madison Oak Drive, San Antonio, Texas 78258.

Recitals

1. Declarant is the owner of all that certain real property (the “Property”) located in Comal County, Texas, known as RIVER VALLEY, being a tract of land containing approximately 44.84 acres, more or less, and being all of the real property described on Exhibit A attached hereto shown and the same Property being partially subdivided on plat recorded at Document No. 201506016611, Deed and Plat Records, Comal County, Texas.

2. The Declarant has devised a general plan for the entire Property as a whole, with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development, improvement, maintenance and sale of the Property for the benefit of the present and future owners of the Property for the purposes of enhancing and protecting the value, desirability and attractiveness of said Property.

3. In accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant desires to restrict the Property according to these covenants, conditions, and restrictions in furtherance of this general development plan.

NOW, THEREFORE, it is declared that all of the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, conditions, reservations, charges and liens, which shall run with the Property and shall inure to the benefit of each Owner.

ARTICLE ONE — DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration or any Supplemental Declaration shall have the following meaning:

Architectural Control Committee.

1.1. “Architectural Control Committee” or the “ACC” means the committee created and empowered pursuant to this Declaration.

Assessment.

1.2. "Assessment" means and refers to all monetary charges against each Owner and each Lot made by the Association in accordance with and for the purposes set forth herein.

Association.

1.3. "Association" means the FAIR OAKS RIVER VALLEY PROPERTY OWNERS ASSOCIATION, a Texas non-profit corporation, or its successors and assigns, or any other incorporated association consisting of all Owners. Each Owner shall become a member of the Association contemporaneously with acquiring a Lot, without any further documentation of any kind.

Association Rules.

1.4 "Association Rules" means and refers the rules, regulations or policies adopted by the Declarant or the Board as the same may be amended from time to time.

Board.

1.5 "Board" means the Board of Directors of the Association.

Bylaws.

1.6. "Bylaws" means and refers to the Bylaws of the Association, as the same may be amended or restated from time to time.

Certificate of Formation.

1.7. "Certificate of Formation" means and refers to the Certificate of Formation of the Association, as the same may be amended or restated from time to time.

Common Area.

1.8. "Common Area" means that portion of Property owned or to be owned by the Association for the common use and enjoyment of Members of the Association including, but not limited to, private streets, signs, gates, monuments, Development Wall, medians, islands, any interior walls or fences, bridges, walkways, easements, open spaces, greenbelts, parks, water quality areas, and related improvements and equipment. The Common Area to be owned by the Association shall include: (i) any area of land shown on the Plat of the Property identified thereon as being held for passive or recreational purposes for the benefit of all Owners including, but not limited to, all lots designated as open spaces, greenbelts, parks, and water quality areas, (ii) the streets within the Property, including the entry way street, which are indicated as streets on the Plat, (iii) the Development Wall, and (iv) other land or improvements deeded or transferred to the Association by the Declarant or any third party for the common use and enjoyment of the Members. Declarant

reserves the right to effectuate redesigns, reconfiguration or deletions of the Common Area by any means, including, but without limitation, amending the Plat.

Declarant.

1.9. “Declarant” means HAUPTSTRASSE VILLAGE, LLC, a Texas limited liability company, and its successors and assigns. Any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant hereunder shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

Declaration.

1.10 “Declaration” means and refers to this Declaration of Covenants, Conditions and Restrictions, as may be amended or supplemented from time to time.

Design Guidelines.

1.11. “Design Guidelines” means and refers to any additional criteria and guidelines established by the Architectural Control Committee applicable to architecture design, construction, placement, location, alteration and maintenance of Improvements, landscaping and vegetation, as the same may be adopted and/or amended from time to time, by the Architectural Control Committee in accordance with Section 2.6 of this Declaration.

Development.

1.12. “Development” shall mean the Property, which Declarant purposes to develop and subdivide into units or phases to be known as River Valley, a subdivision in Comal County, Texas.

Development Wall.

1.13. “Development Wall” shall mean the wall or fence described in Section 4.4 hereof.

Governing Documents.

1.14. “Governing Documents” means and refers to the Declaration, the Certificate of Formation, Bylaws, the Association Rules, Design Guidelines and any other written rule, regulation or policy promulgated by the Association, the Board or the Architectural Control Committee, whether now existing or hereafter created.

Improvement.

1.15. “Improvement” shall mean every structure and all appurtenances thereto of every type and kind located on the Property including, but not limited to, buildings, homes, outbuildings, accessory buildings, storage sheds, playhouses, greenhouses, patios, recreational courts (such as tennis courts, basketball courts and other sports courts), playscapes, swimming pools (in-ground

only), garages, storage buildings, fences, trash enclosures, animal enclosures, screening walls, retaining walls, stairs, decks, landscaping (including hardscape and softscape), tanks, reservoirs, poles (including, without limitation, basketball poles and flag poles), signs, exterior air-conditioning or water softeners, antenna and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

Lot.

1.16. "Lot" means any of the parcels of land within the Property shown on any Plat of the Property, on which there is or will be built a single family dwelling or which parcel of land is described as a Lot on the Plat. The term "Lot", however, does not include any lot designated as Common Area.

Member.

1.17. "Member" or "Members" means and refers to all Owners, Membership in the Association is mandatory.

Owner.

1.18. "Owner" or "Owners" means the record owner or owners of the fee simple title to any Lot or portion of a Lot within the Property. "Owner" includes a Seller under a contract for deed but excludes all mortgagees and others having only a security interest in a Lot.

Plans and Specifications.

1.19. "Plans and Specifications" shall mean any and all documents and drawings designed to guide or control 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, clearing plans, sewage disposal system plans, landscaping and fencing plans, signage, lighting, elevation drawings, floor plans, specifications on all building products and construction techniques, samples or exterior color, plans for utility services, and all other documentation or information relevant to such Improvement. The Plans and Specifications must locate by scaled drawings all driveways, utility lines and all other Improvements.

Plat.

1.20. "Plat" means the subdivision plat(s) of the Property recorded in Plat Records of Comal County, Texas, and any amendments or supplements thereto and any other subdivision plat of the Development.

Property.

1.21. "Property" shall mean the tract of land containing approximately 44.84 acres, more or less, located in Comal County, Texas, being fully described on Exhibit A, and being partially subdivided on Plat recorded at Document No. 201506016611 of the Deed and Plat Records of

Comal County, Texas, and shall also include any subsequent real property made subject to the covenants, conditions and restrictions of this Declaration or any Supplemental Declaration by filing of a Supplemental Declaration describing such additional property.

Supplemental Declaration.

1.22. "Supplemental Declaration" shall mean and refer to any declaration of covenants, conditions and restrictions which may be recorded hereafter in order to (i) subject any area of the Property to further covenants, conditions or restrictions (ii) withdraw land from the Property or (iii) annex additional land into the Development.

ARTICLE TWO - ARCHITECTURAL CONTROL

Architectural Control Committee.

2.1. Declarant shall designate and appoint an Architectural Control Committee consisting of not less than three (3) persons but not more than seven (7), as Declarant or its successors or assigns, deems appropriate. Declarant, its successors or assigns, shall have the right to remove any member of the Architectural Control Committee. The Declarant may delegate the right to appoint or remove members of the Architectural Control Committee to the Board by written instrument. Thereafter, the Board shall have the right to appoint or remove all members of the Architectural Control Committee. In the event Declarant fails to delegate its rights hereunder to the Board, such rights shall automatically devolve to the Board upon the recording of any transfer or conveyance of the Common Areas to the Association.

Approval of Plans and Specifications.

2.2. No Improvement shall be commenced, erected, constructed, placed or maintained upon any Lot or the Common Area, nor shall any exterior addition to or change or alteration be made therein unless and until the Plans and Specifications therefore shall have been submitted to and approved by the Architectural Control Committee in accordance herewith. In furtherance of, but not in limitation of, the foregoing, the Architectural Control Committee must review and approve in writing all of the following projects on the Property:

- (a) construction of any residence, building, guest house, pool house, greenhouse, children's playhouse, fence, wall, swimming pool, recreational court or other structure and/or Improvement;
- (b) any exterior addition, change, or alteration in any residence, building, fence, wall, or other structure and/or Improvement;
- (c) any landscaping or grading of any Lot or Lots, including paving of driveways.

Application for Approval.

2.3. To obtain approval to do any of the work described in Paragraph 2.2 and prior to

commencing construction of an Improvement, or any addition, change or alteration to an Improvement, an Owner must submit an application to the Architectural Control Committee showing the Plans and Specifications for the proposed work or Improvement. Such Plans and Specifications shall detail the nature, shape, height, materials, colors, and location of the proposed work or Improvement and any other information requested by the Architectural Control Committee. The Architectural Control Committee shall have the right to set and require a reasonable submission fee for each set of plans, specifications and materials submitted for review, this submission fee shall be in addition to any compensation paid to a professional under Section 2.12.

Standard for Review; Duration of Architectural Control Committee Approval.

2.4. The Architectural Control Committee shall review applications for proposed work or Improvement in order to (i) ensure conformity of the proposal with the Governing Documents, and (ii) ensure harmony of external design in relation to surrounding structures and topography. An application can be rejected for providing insufficient information. The Architectural Control Committee shall have broad, discretionary authority to interpret and apply these standards. In rejecting an application, the Architectural Control Committee should detail the reasons for rejection. Unless approved by the Architectural Control Committee, any work submitted for approval by the Architectural Control Committee which is either expressly approved or approved pursuant to Section 2.5 hereof, must be commenced and completed within twelve (12) months from the date of such approval, or deemed approval in accordance with Section 2.5, or such approval shall be null and void. In such case, the applicant must resubmit the application for the proposed work or Improvement to the Architectural Control Committee. The Architectural Control Committee shall not be responsible for policing or supervising the construction of any Improvement or ensuring compliance of any construction with the approved Plans and Specifications, nor shall its approval of any Plans or Specifications be deemed approval thereof in the standpoint of structural safety, engineering soundness, or conformance with applicable building or other codes or ordinances of governmental regulatory authorities.

Failure of Committee to Act.

2.5. If the Architectural Control Committee fails to either approve or reject an application for proposed work within thirty (30) days after submission of the Plans and Specifications and any other information requested by it, then Architectural Control Committee approval shall not be required, and the applicant shall be deemed to have fully complied with this Article.

Design Guidelines, Establishment of Rules.

2.6. The Architectural Control Committee may adopt Design Guidelines, which may hereafter be amended from time to time. The Design Guidelines shall not conflict with but may be more restrictive than the covenants, conditions and restrictions set forth in this Declaration. All Improvements shall be constructed in accordance with the Design Guidelines, and the Architectural Control Committee shall have the authority to disapprove any proposed Improvement based on the restrictions set forth in the Design Guidelines. Any decision of the Architectural Control Committee pursuant to this Section shall be final and binding so long as it is

not arbitrary, capricious or discriminatory. In the event of a conflict between the Design Guidelines and this Declaration (or any Supplemental Declaration), the Declaration shall control. The Architectural Control Committee may charge an Owner a reasonable fee for each set of Design Guidelines supplied to any Owner.

In addition, the Architectural Control Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including but not limited to, the establishment of building, fire, housing, landscaping, or drainage codes.

PRIOR TO ACQUIRING ANY INTEREST IN A LOT, EACH PROSPECTIVE PURCHASER, TRANSFEREE, MORTGAGEE, AND OWNER IS STRONGLY ENCOURAGED TO CONTACT THE ARCHITECTURAL CONTROL COMMITTEE TO OBTAIN AND REVIEW THE MOST RECENT DESIGN GUIDELINES AND RULES WHICH WILL CONTROL THE DEVELOPMENT, CONSTRUCTION AND USE OF THE LOT. THE GUIDELINES AND RULES MAY CONTAIN STANDARDS, REQUIREMENTS, OR LIMITATIONS IN ADDITION TO THOSE EXPRESSLY SET FORTH OR REFERRED TO IN THIS DECLARATION AND MORE STRINGENT STANDARDS, REQUIREMENTS, OR LIMITATIONS THAN ANY SPECIFIC STANDARD, REQUIREMENT OR LIMITATION SET FORTH OR REFERRED TO IN THIS DECLARATION. It shall be the responsibility of each Owner or other applicant to become aware of the current Design Guidelines and rules as of the date of application. Failure by the Owner or other applicant to do so shall not bind the Architectural Control Committee to approve or disapprove any feature or matter submitted to it, or to waive the exercise of the Architectural Control Committee's discretion as to any such matter.

Delegation of Authority.

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

Variances.

2.8. Unless specifically prohibited herein, the Architectural Control Committee may grant variances from compliance with any of the provisions of this Declaration, any Supplemental Declaration or any Design Guideline, when, in the opinion of the Architectural Control Committee, in its sole and absolute discretion, the variance will not impair or detract from the high quality development of the Property, and the variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument, in recordable form, and must be signed by at least two (2) of the members of the Architectural Control Committee. The granting of any variance shall not operate to waive or amend any of the terms or provisions of the Declaration, any Supplemental Declaration or any Design Guideline but shall be applicable only as to the particular Lot and in the particular instance covered by the

variance, and the variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

Inspection.

2.9. There is reserved to the Architectural Control Committee, and their agents and contractors, a right of ingress and egress upon and over each Lot at any reasonable time or times to inspect the progress or status of any construction, alteration or other work as to the compliance with approved Plans and Specifications.

Maintenance Rights During Construction.

2.10. All trash, rubbish and debris shall be kept contained and shall be removed from any construction site regularly so as to prevent accumulation. If an Owner of any Lot fails to maintain the premises in a neat and orderly manner, the Declarant or the Architectural Control Committee shall have the right to enter the Lot in order to clean and remove any accumulated trash or debris, repair, maintain, and restore the Lot, including landscaping and the exterior of any buildings and other Improvements located on the Lot, all at the expense of the Owner. There is reserved to the Declarant and Architectural Control Committee, and their employees, agents and contractors, a right of ingress and egress upon and over each Lot to perform such functions.

No Waiver of Future Approvals.

2.11. The approval or consent of the Architectural Control Committee to any Plans or Specifications for any work done or proposed in connection with any other matter requiring the approval or consent of the Architectural Control Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.

Professional Advice.

2.12. The Architectural Control Committee may employ the services of an architect, engineer or other person whom it deems qualified to render advice and may pay a reasonable compensation for such services, which compensation may be charged to any Owner or other applicant who has submitted plans, specifications or materials which are reviewed by such architect, engineer or other person, provided that such compensation may only be charged to such Owner or other applicant after first informing the Owner or applicant in advance that such compensation will be charged. Any such professional shall be entitled to such compensation even if serving the Architectural Control Committee as an advisory member.

ARTICLE THREE - USE RESTRICTIONS AND ARCHITECTURAL STANDARDS

General.

3.1. All Lots and Common Area shall be improved, occupied, maintained and used in

accordance with the Governing Documents.

Common Area Use.

3.2. No land within the Common Area shall be improved, used or occupied, except in such manner as shall have been approved by Declarant. Such required approval shall extend to the nature, duration and type of use, occupancy and improvement. In addition, the hours of operation for the entryway guardhouse, entry gate or other means of controlled access to the Property shall be determined by the Declarant in its sole and absolute discretion. Access to any of the Common Area may be limited to persons currently paying assessment fees and other charges and in compliance with the Governing Documents, or otherwise conditioned or restricted, or made available to Owners, all on such terms and conditions as Declarant may determine, in its sole discretion. Declarant reserves the right to promulgate reasonable use restrictions for the Common Area. Declarant may, by written instrument, delegate its rights and authorities under this Section 3.2 to the Board. In the event Declarant fails to delegate its rights and authorities hereunder to the Board, such rights and authorities shall automatically devolve to the Board upon the recording of any transfer or conveyance of the Common Areas to the Association.

Common Area/Recreational Improvements.

3.3. Any proposed construction of recreational improvements within the Common Area shall be subject to approval by the Architectural Control Committee.

Common Area/Vehicles, Etc.

3.4. No motorcycles, motorbikes or other motorized vehicles (except those used for maintenance, repairs and upkeep of the Common Area) shall be permitted on any park, open space, easements or other areas of the Common Area. No unlicensed vehicles of any type shall be permitted on any roads, streets or easements within the Common Area.

Residential Use Only.

3.5. All Lots shall be used for private, single-family residential purposes only. Single family use consists of use as a dwelling by two or more natural persons who are related by marriage, blood, adoption or kinship or by not more than three (3) natural persons who are not related by marriage, blood, adoption or kinship. However, Declarant, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the construction and sales period, to use facilities as may be reasonably necessary or convenient for its business purpose of constructing and selling residences on the Property.

Type of Buildings Permitted.

3.6. Unless otherwise provided or required herein, no residence, building, structure or similar improvement shall be erected, altered, or permitted to exist on any Lot other than one detached single-family dwelling not to exceed two stories in height (a minimum of 1,800 square feet of living space), with a private garage for not more than three (3) vehicles but at least two (2)

vehicles. Garages must be attached to the dwelling. Additionally, a detached guest quarters or pool house may be erected so long as it complies with the construction requirements of Paragraph 3.7 and is approved by the Architectural Control Committee. All other ancillary outbuildings including, without limitation, children's playhouses, greenhouses, accessory buildings, or storage buildings, may be permitted only after approval by the Architectural Control Committee as set out in Article Two. Declarant, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the construction and sales period, to construct and maintain the facilities as may be reasonably necessary or convenient for its business of constructing and selling dwelling units on the Property, including, but not limited to, offices and storage areas.

Minimum Construction Requirements.

3.7. The exterior walls of each residence shall be constructed of masonry, rock, stucco, or masonry veneer on all sides (exclusive of porches situated on the front of the residence and/or boxed windows situated on the sides of the residence). Windows, doors, openings, gables and other areas which are not permitted to have masonry by applicable municipal code and/or building ordinances are excluded from the calculation of the total exterior wall area. Masonry or masonry veneer includes stucco, rock and all other material commonly referred to in Comal County, Texas as masonry, but shall exclude brick, and any product, regardless of composition, which is manufactured to have a wood or other non-masonry appearance. All other siding materials and all siding colors must be approved in writing by the Architectural Control Committee prior to installation. Absent the express written consent of the Architectural Control Committee, vinyl siding and aluminum siding shall not be used. All roofs must be 30-year wood simulated fiberglass, composition asphalt or other material permitted under any shingle criteria adopted, and from time-to-time amended, by the Board. All exterior building materials are subject to approval by the Architectural Control Committee, in its sole discretion.

Foundations.

3.8. On all main buildings, including detached garages, and on all permitted outbuildings, either attached or detached, all foundations must be concrete slab-on-grade and must be fully enclosed at the perimeter unless otherwise approved by the Architectural Control Committee. Such foundations must be designed by a professional engineer expert in foundation design, in accordance with the most recent criteria established by the Builders Research and Advisory Board (B.R.A.B.) or Post Tension Institute (P.T.I.) or other comparable standard designated by the Architectural Control Committee.

Swimming Pool Equipment.

3.9. All pool or pool service equipment located on or used in connection with a Lot shall be located either (a) in a side yard between the front and rear boundaries of the residence, or (b) in the rear yard directly abutting and adjacent to the residence. In addition, this equipment must be visually screened by a solid masonry wall or wood fence of approved type and construction. All screening walls shall be fully landscaped with landscaping of a type, quality and quantity approved by the Architectural Control Committee.

Exterior Lighting.

3.10. The number and location of exterior lights must be approved by the Architectural Control Committee so as not to cause light pollution or unnecessary illumination of any adjacent Lot, residence or Common Area. All exterior lights located or placed on any Improvement, any tree or elsewhere on the Lot must have housings which can shield or directionally focus the light source downward at an angle of not more than thirty degrees (30°). No exposed bulb or wrap around lens (“yard lights”) are permitted; and the light bulb in any exterior light fixture may not exceed one hundred (100) watts. Holiday lighting shall be allowed annually only during the two (2) month period beginning on November 15 and ending on the immediately following January 15. The Architectural Control Committee shall have the sole discretion as to whether the number, location and/or type of any exterior lighting is in violation of this Section 3.10. All exterior lighting must comply with all local laws, including any “dark sky” regulations applicable to the Property.

Window or Wall Units.

3.11. No window or wall type air conditioners shall be permitted to be used, placed or maintained on or in any building or in any part of the Property without the prior written consent of the Architectural Control Committee.

Resubdivision or Consolidation.

3.12. No Lot shall be resubdivided or split except any person owning two or more adjoining Lots may consolidate those Lots into one building site, with the privilege of constructing Improvements, as permitted by this Declaration, on the building site with the prior written approval of the Architectural Control Committee.

Easements.

3.13. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat. No utility company, water district, political subdivision, or other authorized entity using these easements shall be liable for any damage done by them or their assigns, agents, employees, or servants, to shrubbery, trees, flowers, or to other property of the Owner situated in the easement.

Noxious or Offensive Activities Prohibited.

3.14. No noxious or offensive activities shall be carried on, in, upon, or around any Lot, any Common Area or other areas of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to other Owners or residents, or which shall in any way interfere with the quiet enjoyment of any Owner or resident. The Board shall be the sole judge as to whether an activity is noxious, offensive or creates a nuisance.

Hazardous Activities.

3.15. No activities shall be conducted on the Property and no improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property. Notwithstanding the foregoing, the Board may, in isolated cases, approve the discharge of fireworks to celebrate a holiday or other event, but, in such event, the party discharging such fireworks shall be designated by the Board and shall be done so in strict accordance with the Association Rules and other rules and regulations established for that event. No open fires shall be lighted or permitted except (i) within safe and well- designated interior fireplaces; (ii) within contained barbecue units while attended and in use for cooking purposes; or (iii) in compliance with ordinances, regulations and permit requirements of local governmental authorities. Hunting, whether with firearms or bows or otherwise, shall be prohibited on the Property.

Prohibited Residential Uses.

3.16. No structure not approved for residential use by the Architectural Control Committee, including but not limited to trailers, mobile homes, motor homes, recreational vehicles, basements, tents, shacks, garages, and other outbuildings above ground pools and accessory structures, shall be used on any Lot at any time as a residence, either temporarily or permanently. Notwithstanding the foregoing, the Architectural Control Committee may approve the use and location of temporary improvements (such as sales trailers and/or construction trailers) by builders during the construction and/or sale of residences within the Property. Such approved temporary trailers shall be permitted to use window and/or wall-type air conditioners.

Unightly Property; Equipment.

3.17. No article of property of any kind, including, without limitation, any lawn or garden decorations, deemed to be unightly by the Architectural Control Committee shall be permitted to remain on any Lot so as to be visible from any other portion of the Property or public or private thoroughfares. Without limiting the generality of the foregoing, graders, tractors, mowers and other yard or garden maintenance equipment shall be kept at all times, except when in actual use, in enclosed structures or screened from view. No repair or maintenance work shall be done on any vehicle or equipment of any kind (other than minor emergency repairs), except in enclosed garages or other structures approved by the Architectural Control Committee. Service areas, storage areas, loading areas and compost piles shall be appropriately screened from view from other Lots and Common Areas, and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept stored or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view from public or private thoroughfares and adjacent properties.

Signs.

3.18 No sign, poster, banner, advertisement or other display of any kind may be placed or displayed upon any Lot, building, fence, or other Improvement upon such Lot, so as to be visible from any street or Lot except the following:

- (a) One sign of customary and reasonable dimension advertising the sale or rental of Owner's Lot,
- (b) One small sign adjacent to Owner's residence notifying the public that the residence is protected by a security monitoring service,
- (c) Signs promoting a political candidate or a position on an issue for which an election is to be held provided, however, that such right shall be limited to one sign per political race and one sign for each issue for which an election is to be held and provided further that such signs may not be erected more than ninety (90) days in advance of the election to which they pertain and must be removed within ten (10) days following such election, and
- (d) Prior to the occupancy of a Lot as a residence, a builder may place model home signs, directional signs, marketing or promotional signage in accordance with rules and regulations promulgated by Architectural Control Committee or the Declarant.

The Architectural Control Committee shall have the right to promulgate rules and regulations regarding the size, location, composition, color and quality of all permitted signs other than signs erected by Declarant. All permitted signs shall be affixed to a stake or pole that is ground-mounted. Further, all signs visible from the street shall be constructed for low maintenance and shall be approved in advance by the Architectural Control Committee. In the event a sign is not properly maintained, the Architectural Control Committee may give the sign owner written notice thereof, required repairs must be made within five (5) business days of notification by the Architectural Control Committee. The Architectural Control Committee shall have the right, but not the obligation, to have repairs made and charged to the sign owner. An easement on, over and across the Common Area is hereby retained by Declarant for placement of project signs, project monuments, directional signs, and marketing signs.

On corner Lots, the Declarant and/or the Association reserves the right and an easement, including the right of ingress and egress, to place streets signs, directional signs and traffic signs within a ten (10) foot radius from the corner of such Lots.

In no event shall any sign (a) in the nature of a "protest" or complaint against Declarant or any homebuilder, (b) that describes, maligns or refers to the reputation, character or building practices of Declarant or any homebuilder, (c) that discourages or otherwise impacts or attempts to impact anyone's decision to acquire a Lot or residence located on the Property shall be displayed to the public view on any Lot, (d) violate or other not be in compliance with any local laws or ordinances. Declarant, any homebuilder or their agents shall have the right, without notice, to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal.

Rubbish, Trash and Garbage.

3.19. No Lot shall be used or maintained as a dumping ground for rubbish, trash or other debris of any kind. All garbage (including all recyclable waste), trash and other refuse shall be kept in sanitary, covered, animal proof containers within enclosures or appropriately screened from view

except to make available for collection and then only for the shortest time reasonably necessary to effect such collection. All refuse, garbage and trash not collected by a governmental agency or other collection service shall be collected or disposed of by Owner, at Owner's expense. There shall be no burning or incineration of trash, garbage, leaves, brush, or other debris on any Lot. In the event the Owner fails or refuses to keep, or cause to be kept, Owner's Lot or any Improvements thereon free from rubbish, trash or other debris of any kind, and such failure or refusal shall continue for thirty (30) days after delivery of written notice thereof to Owner, then the Association may enter upon such Lot and remove or correct the same at the expense of the Owner and such entry shall not be deemed a trespass.

Sewage Disposal.

3.20. No individual sewage-disposal system shall be permitted on any Lot.

Water Supply.

3.21. Water used for residential use and consumption for each Lot may be purchased from the water company owning and operating a Certificate of Convenience and Necessity covering the Property or its successors and assigns. The drilling of water wells on any Lot is prohibited. The foregoing provision shall not prohibit the Declarant or the water company servicing the Property from drilling water wells on part of the Common Area or upon Lots owned by the Declarant or such water company.

Animals.

3.22. No animals, livestock, or poultry of any kind shall be raised, bred, boarded or kept on any Lot for commercial purposes, and, specifically, no kennels, stables, enclosures or runs of any kind for the purpose of breeding dogs or cats or any other animals will be permitted. Only domestic household pets living inside a residence or inside an outdoor fenced enclosure shall be allowed. Not more than four (4) household pets may be kept or maintained on any Lot. Household pet is defined as dogs, cats, birds, and other domestic pets within the ordinary meaning and interpretation of such words. No animal shall be allowed outside a residence or enclosure unless restrained in some manner (such as by leash) by an adult or person capable of maintaining control over the animal. Owners are responsible for disposing of any waste left by the Owner's animal anywhere on the Property other than Owner's Lot. All outside fenced enclosures containing animals must be kept clean, sanitary and reasonably free of insects, vermin and manure. No animal which is or may become a nuisance or danger to any Owner, resident, guest or invitee shall be allowed to remain on the Property. The Board shall be the sole judge of whether an animal constitutes a nuisance or danger. Barking between the hours of 10:00 p.m., and 6:00 a.m. shall be deemed a nuisance.

Fences, Walls.

3.23. Fences may be constructed along and adjacent to the property line of each Lot with the exception that no fence, wall, hedge or other barrier shall be constructed within the limits of the Lot's front setback line. Except for the Development Wall or as otherwise provided for herein, no fence constructed on a Lot shall exceed six (6) feet in height without prior approval from the

Architectural Control Committee. Other than the Development Wall, fences constructed on the side Lot lines between Lots or any fence on the rear Lot line may be constructed of wood, masonry, stucco, wrought iron or other materials approved by the Architectural Control Committee. No fences described as cyclone (unless specifically approved by the Architectural Control Committee), or metal cloth fencing shall be permitted in the Property. The design and material of construction for any fencing must be submitted to and approved by the Architectural Control Committee prior to start of construction pursuant to Article Two hereof. Further, all such fences facing a street shall be either unstained or stained with a natural color, which color must be approved by the Architectural Control Committee. Notwithstanding this Section, (a) all fences on the rear Lot lines of Lots 48 through 72 must be constructed of wrought iron only, and (b) all fences that front a side street (Lots 1, 10, 33 and 34) must be constructed of masonry, stone, stucco or wrought iron only.

Driveways.

3.24. All driveways shall be paved with concrete or other material approved by the Architectural Control Committee.

Vehicles / Parking.

3.25. Owners shall not keep, place or allow more than two (2) passenger vehicles (to include automobiles, passenger vans, light pickup trucks and similar vehicles) in the driveway or in such manner as to be visible from any other portion of the Property for any period in excess of forty-eight (48) hours. All other vehicles, trucks, boats, trailers, tractors, campers, wagons, buses, motor homes, recreational vehicles, motorcycles, and motor scooters shall be kept at all times in enclosed structures or screened from view. Commercial vehicles (which includes all vehicles of any type displaying commercial or advertising signage), construction and repair equipment may be parked in the driveway or in the street in front of any Lot only while a residence or residences are being built or repaired in the immediate vicinity or while providing services to the Lot or residence. No automobile or other vehicle of any type may be parked overnight on any street or roadway or on any portion of the Common Area except that guests of Owners may park a vehicle overnight in the street immediately in front of such Owner's Lot for a period not exceeding forty-eight (48) hours. No vehicle which does not have a current license and valid registration or is inoperable may be parked at any time in the street, the driveway, or on any other portion of a Lot unless in an enclosed structure or screened from view.

Wood-Burning Stoves and Fireplaces.

3.26. No fireplace or wood-burning stove shall be installed or used on any Lot unless it meets the requirements, standards, and complies with all safety codes and construction requirements within the industry and otherwise complies with all rules, statutes, ordinances, guidelines and regulations of all local, state and federal governmental bodies having jurisdiction over the construction and use of fireplaces and wood-burning stoves.

Poles, Masts, and Antennas.

3.27. No antenna, mast, dish or other apparatus or equipment intended for the reception of radio, television, satellite, cellular or other media may be placed or maintained on any Lot unless within the envelope of a building or structure without the prior written consent of the Architectural Control Committee, EXCEPT that a dish or antenna intended for the reception of satellite television which is one meter or less in diameter may be placed on a Lot without the prior written consent of the Architectural Control Committee if located in a place shielded from view from the street or other Lots to the maximum extent possible to allow an acceptable quality signal. The Architectural Control Committee is hereby empowered to regulate the placement and required screening of any such media receptors to the full extent permissible without violating any applicable federal law or Federal Communications Commission rules or regulations.

Water Softeners and Air Conditioning Equipment.

3.28. The location, type, and screening of water softeners and air conditioning units shall be first approved by the Architectural Control Committee before installation or use.

Landscaping and Open Space; Trees.

3.29. Each Lot is permitted a maximum of sixty-five percent (65%) impervious cover, such cover being buildings, structures or permanent improvements including, but not limited to, patios, driveways, walkways, pools, hard surface recreational courts and any other non-permeable improvement, that may be constructed or erected, and each Lot must contain at least two (2) 3-inch caliper trees with at least one of those trees in the front yard. The Architectural Control Committee reserves the right to implement a landscaping code which promotes and encourages the use of landscaping vegetation, including lawns, shrubbery, trees and plants, which are drought tolerant or use little or no water in order to promote water conservation and the preservation of water resources, and to prohibit certain trees, shrubbery, plants and grasses that are invasive or otherwise constitute a nuisance to the Development. No tree within the Property may be removed or destroyed which has a caliper exceeding eight inches (8") unless otherwise approved by the Architectural Control Committee. Further, the Architectural Control Committee reserves the right to promulgate rules and regulation regarding the trimming, cutting, pruning or cutting of oak trees or other trees to prevent the spread of oak wilt and other tree diseases within the Property.

Maintenance.

3.30. Each Owner shall maintain all Improvements in good repair and in a good and attractive condition and shall keep all shrubs, trees, grass and plantings of every kind on such Owner's Lot mowed, trimmed, weeded and maintained in a clean, attractive manner and free of trash and other unsightly material. All dead grass and other vegetation must be removed and replaced.

Construction Completion.

3.31. The entire exterior of any residence constructed any on Lot, together with the driveways, and other Improvements associated with the residence, must be completed within twelve (12) months from the date of approval under Section 2.4 unless approved by the Architectural Control Committee. The Architectural Control Committee may, in its sole discretion, grant extensions of

the completion deadline.

Accessory buildings, detached garages, guest houses, and other Improvements may be constructed simultaneously with the residence, but shall not precede the start of construction for the residence. Construction of all accessory structures visible from a street must be completed within twelve (12) months from the date of approval under Section 2.4 unless approved by the Architectural Control Committee.

If all or any portion of the Improvements are damaged or destroyed by fire or other casualty, it shall be the duty of the Owner thereof, with all due diligence, to reconstruct such Improvements in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Any variation or deviation from the original approved Plans and Specifications must be submitted to and approved by the Architectural Control Committee in accordance with Section 2.4. Reconstruction shall be undertaken within six (6) months after the damage occurs unless otherwise allowed by the Architectural Control Committee. Due to the impossibility of being able to ascertain the exact amount of actual damages, Owner's failure to comply herewith shall result in liquidated damages being due to the Association in the amount of \$100.00 for each day of noncompliance.

Noise.

3.32. No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security or public safety purposes) shall be located, used or placed on any of the Property such that it becomes or will become clearly audible at the property line of adjoining Lot Owners. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

Underground Utility Lines.

3.33. No utility lines, including but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, or cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any portion of the Property unless the same shall be contained in pipes, conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements as approved in writing by the Architectural Control Committee; provided however that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements or the use of model homes or construction trailers which have been previously approved in writing by the Architectural Control Committee and further provided that this provision shall not apply to existing utilities. The installation of utility facilities, including without limitation the location, type of installation equipment, trenching method and other aspects of the installation for both temporary and permanent utilities shall be shown in the Plans and Specifications and shall conform to all requirements of governmental authorities or the applicable utility provider.

Construction Activities.

3.34. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event of any dispute regarding such matters, a temporary waiver of the applicable provision may be granted by the Architectural Control Committee, provided that such waiver shall be only for the reasonable period of such construction. The Architectural Control Committee is also empowered in the event of a dispute to set a reasonable schedule including days of the week and times for the performance of construction activities.

Compliance with Provisions of the Governing Documents.

3.35. Each Owner shall, and by accepting ownership of a Lot covenants and agrees to, comply strictly with the provisions of the Governing Documents as the same may be amended from time to time. Failure to comply with any of the Governing Documents shall constitute a violation of this Declaration, and subject to the requirements of Chapter 209 of the Texas Property Code, shall give rise to such actions as allowed hereunder including, without limitation, fines, removal of privileges, limitations on use of Common Area, and a cause of action to recover sums due for fines, penalties, assessments, damages or injunctive relief or both, asserted by the Board on behalf of the Association or by any aggrieved Owner.

Setbacks.

3.36 No building, structure or Improvement, other than landscape plant materials, driveways, walkways, irrigation systems, and fences shall be located on any Lot nearer than fifteen (15) feet to the front Lot line, or nearer than ten (10) feet to the rear Lot line or nearer than five (5) feet to any side Lot line. For purposes of this covenant, eaves, steps, and open porches (covered and uncovered alike) shall not be considered as a part of the building; provided, however, construction of any portion of the building shall not encroach upon another Lot. If two or more Lots, or portions of two or more Lots, are consolidated into a building site in conformity with Section 3.12, these building setback requirements shall apply to the resulting building site as if it were one original, platted Lot. Notwithstanding the above (a) Lots 25, 27, 28, 29 and 30 shall have a front setback line in accordance with the City of Fair Oaks Ranch Code of Ordinances but in no event be no less than 15 feet, and (b) Lots with front attached garages which shall have a front setback line of 20 feet.

The Architectural Control Committee shall specifically have the right to grant a variance of the setback lines if it deems the variance appropriate. The granting of any variance shall not be deemed a modification, amendment or waiver of this Section 3.36 with respect to other Lots within the Property.

No Warranty of Enforceability.

3.37. WHILE DECLARANT HAS NO REASON TO BELIEVE THAT ANY OF THE RESTRICTIVE COVENANTS OR OTHER TERMS AND PROVISIONS CONTAINED IN THIS ARTICLE III OR ELSEWHERE IN THIS DECLARATION ARE OR MAY BE INVALID OR UNENFORCEABLE FOR ANY REASON OR TO ANY EXTENT, DECLARANT MAKES NO WARRANTY OR REPRESENTATION AS TO THE PRESENT OR FUTURE VALIDITY OR ENFORCEABILITY OF ANY SUCH RESTRICTIVE COVENANTS, TERMS, OR PROVISIONS. ANY OWNER ACQUIRING A LOT IN RELIANCE ON ONE OR MORE OF SUCH RESTRICTIVE COVENANTS, TERMS OR PROVISIONS SHALL ASSUME ALL RISKS OF THE VALIDITY AND ENFORCEABILITY THEREOF AND, BY ACQUIRING THE LOT, AGREES TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS THEREFROM.

ARTICLE FOUR - EASEMENTS

Reserved Easements.

4.1. All dedications, limitations, restrictions and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions and related rights, made by Declarant prior to the Property becoming subject to this Declaration, are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. If a party to whom the easement is reserved is not indicated on the Plat, such easement shall be reserved in favor of the Declarant, its successors and assigns. Declarant reserves the right to make changes in and additions to said easements and rights-of-way for the purpose of most efficiently and economically developing the Property and other property made subject to this Declaration. Further, Declarant reserves the right, without the necessity of the joinder or consent of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time rights-of-way and easements for access, ingress and egress for public or private utility purposes, (including, but without limitation, gas, water, cable television, electricity, telephone and drainage) in favor of any person or entity, along and on either or both sides of any Lot line and along the rear Lot line of each Lot, which said easements shall have a maximum width of five (5) feet on each side of such Lot line and ten (10) feet from the rear Lot line. An easement over the Common Area shown on the Plat is hereby retained by Declarant, its successors and/or assigns or designees, for the benefit of the Property.

Installation and Maintenance.

4.2. There is hereby created for the benefit of all easement owners, Declarant, the Association, and their successors and assigns, a perpetual easement upon, across, over and under all of the Property for ingress and egress for the purpose of installing, replacing, repairing, maintaining and extending all utilities, including, but not limited to, water, sewer, gas, cable, television, telephones, electricity and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires,

conduits, service lines or other utility facilities or appurtenances thereto, on, across and under the Property, within the utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvement located within the Property. Notwithstanding any provision contained in this Section, no water, cable, or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Control Committee. The utility companies providing a service shall have the right to remove all rubbish, trash, vegetation, obstructions, Improvements, underground irrigation equipment and other encroachments situated within any utility easement on any Lot or other portions of the Property, in order to maintain, repair and operate such utility service and shall have the right to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

Drainage Easement.

4.3. Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of Improvements approved by the Architectural Control Committee thereon, require in order to comply with the grading plan and overall drainage plan of the Property. No Improvement on any Lot or any other act by Owner shall inhibit, alter, retain, divert or increase the flow of water flowing across or from any Lot in conflict with the drainage and grading plan for the Property unless approved in writing by the Architectural Control Committee. Each Owner further covenants not to alter, disturb or displace any trees or other vegetation within the drainage easements or natural creeks as shown on the Plat; alter, change or modify the design of any drainage easement so as to affect in any way the flow of surface water; or place, store or allow to accumulate anything including, without limitation, any trash, debris or other materials without or upon any easement area. There shall be no construction of Improvements, temporary or permanent, in any drainage easement or natural creeks, except as approved in writing by the Architectural Control Committee.

Development Wall/Fence.

4.4. Developer may construct a wall or fence along all or certain portions of the perimeter of the Property, and/or along certain portions of Keeneland and Battle Intense. An easement for the construction, reconstruction, repair, and maintenance of the Development wall and/or fence (including, without limitation, all columns) now or hereafter erected on any Lot is hereby reserved to Declarant and the Association upon and across each such Lot. No Owner of any Lot on which the Property wall or fence is placed shall do or permit any act which damages, defaces or alters such wall or fence. From and after construction of such wall or fence, it shall be maintained by the Association in substantially the same condition and configuration as originally constructed.

Surface Areas; Nonliability to Owner for Easement Use.

4.5. Each Owner shall maintain the surface area of all easements located within the Lot or Lots owned by Owner and all Improvements located therein except for such Improvements for which a public authority or utility company is responsible. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or their respective agents, employees,

servants or assigns, to any of the aforesaid vegetation, landscaping, aboveground or underground Improvement, structure or irrigation system as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

Title to Easement and Appurtenances Not Conveyed.

4.6. Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any easement, street, roadway or the Common Area or any drainage, water, gas, cable, sewer, storm sewer, electrical light, electrical power, telegraph or telephone easement or facility, or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Property. The rights to maintain, repair, sell, or lease such appurtenances and easements to any municipality or other governmental agency or to any public or private utility service corporation or to any other party is hereby expressly reserved in Declarant.

Use of Common Area.

4.7. Each Owner shall have an easement of use and enjoyment in and to all Common Area (including rights of ingress and egress over the streets within the Property) which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

- (a) The right of the Association to suspend the Owner's voting rights and right to use the Common Area for any period during which any assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the Governing Documents;
- (b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a majority vote of the Members;
- (c) The right of the Association to borrow money for the purpose of improving the Common Area and, in furtherance thereof, upon the approval of sixty-seven percent (67%) of the numbers of votes entitled to be cast pursuant to Section 5.5 hereof, to mortgage the Common Area, all in accordance with the Governing Documents;
- (d) The right of the Association to make reasonable rules and regulations regarding the use or suspension of use of the Common Area and any facilities thereon;
- (e) The right of the Association to contract for services with third parties on such terms as the Association may determine;
- (f) The rights of existing lienholders who have a lien or security interest in all or a portion of the Common Area;
- (g) Any rights granted by Declarant prior or are subsequent to the recording of this

Declaration in and to third parties including, but limited to, rights of ingress and egress over and across the streets within the Property and utility easements over and across portions of the Common Area; and

(h) The right of Declarant, in its sole and absolute discretion, to determine and set the hours of operation for the entryway guard house, entry gate or other means of controlled access to the Property.

Underground Electrical System.

4.8. An underground electricity distribution system shall be installed to serve all Lots within the Property. The Owner of each Lot, at the Owner's cost, shall furnish, install, and maintain (all in accordance with the requirements of local governmental authorities and the National Electrical Code) an underground service cable and appurtenances from the meter installed on the Lot by the electric company to such point as may be designated by the company on the property line of the Lot. The company furnishing electric service shall make the necessary connection at the property line and at the meter. Each Owner, at the Owner's cost, shall install, furnish, *and* maintain a meter loop (in accordance with then-current standards and specifications of the electric company) for the residence constructed on the Lot. For as long as underground service is maintained, the electric service to each Lot shall be uniform in character and exclusively of the type known as single-phase 120/240 volt, 3-wire, 60-cycle alternating current.

Transfer of Easements.

4.9. Declarant may transfer all easements, streets and Common Area to the Association.

ARTICLE FIVE — RIVER VALLEY PROPERTY OWNERS ASSOCIATION

Organization.

5.1. Declarant shall, at such time as Declarant deems appropriate, cause the formation of the Association as a non-profit corporation under the laws of the State of Texas. The Association shall be created for the purposes, charged with the duties, governed by the provisions and vested with the powers prescribed by law or set forth in its Governing Documents. Neither the Association's Certificate of Formation nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Membership.

5.2. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject, by covenants of record, to assessment by the Association, including sellers in a contract for deed or an executory contract yet to close, 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 any obligation. Membership shall be appurtenant to and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. Any mortgagee or lienholder who

acquired title to any Lot which is a part of the Property through judicial or non-judicial foreclosure, shall be a Member of the Association. It is understood that the Development may be developed in phases or sections, and such completed sections or phases or any part thereof shall, at the option and election of Declarant, be incorporated within the scheme of this Declaration and become bound hereby and a part hereof, which incorporation shall be evidenced by the filing of the Supplemental Declaration. In such case, the Owners of Lots within the additional property made subject to this Declaration shall become Members of the Association.

Transfer of Membership.

5.3. Association membership shall be transferred automatically to the grantee of a conveyance of a Lot in fee. Membership shall not be assigned, pledged, or transferred in any other way. Any attempt to make a prohibited transfer shall be void.

Management of Association.

5.4. The Association shall be managed by the Board pursuant to the procedures set forth in the Association's Governing Documents.

Voting Rights.

5.5. The Association shall have two (2) classes of voting memberships:

(a) Class A. Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B. The Class B Member(s) shall be Declarant, and its successors and assigns, and shall be entitled to ten (10) votes (i) for each Lot owned by it, and (ii) for each one (1) acre of the Development not then subject to a recorded plat ("Future Lot"); provided that the Class B membership shall cease and be converted to Class A membership (subject to reversion back to Class B membership upon the annexation of additional land) on the happening of either of the following events, whichever occurs earlier:

(1) the complete development of the Development and sale of all platted Lots indicated thereon; or

(2) January 1, 2030.

From and after the occurrence of one of the above events, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot and one (1) vote for each Future Lot then owned by such Class B Member. The Class B membership shall be immediately reinstated upon annexation of any additional land. Such reinstatement of the Class B Member shall in any event cease on January 1, 2037.

Number of Directors; Annual Meetings.

5.6. The Board shall consist of not less than three (3) and not more than nine (9) directors. The Declarant shall appoint the initial directors of the Board who shall serve their respective terms as set forth in the Association's Bylaws. Upon the expiration of a term of a director of the initial Board, such directorship shall be filled in accordance with the Association's Bylaws. The Board shall meet at least once a year.

Authority and Powers of the Association.

5.7. To the maximum extent possible, the Association, acting through the Board, is granted and shall have all the powers and authority provided to a Texas non-profit corporation from time to time, subject only to the limitations provided in the Governing Documents or applicable law. In addition, the Association is empowered to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the powers expressly granted it by the Governing Documents or by law, Without limiting the breadth of authority granted, the Association shall have the power and authority to perform the following functions:

- (a) To adopt rules, regulations and policies to implement and/or enforce this Declaration and the Association's Bylaws.
- (b) To establish recommend, adopt, implement, amend, revoke and enforce rules, regulations, mechanisms, and procedures governing use of the entry gate, entry road and streets, and other Common Areas, covering items such as (but not limited to):
 - (1) identification and entry programs for Members, their respective immediate families, their guests, and vehicles owned or driven by any of them;
 - (2) speed limits, designated parking areas, restricted parking areas, and no parking areas;
 - (3) signs and graphics to provide announcements to the public concerning matters such as potential criminal trespass matters or towing of unauthorized vehicles;
 - (4) towing of unauthorized vehicles;
 - (5) disclaimers of liability for any and all matters or occurrences on or related to the Common Area; and
 - (6) restrictions related to use or suspension of use of Common Areas.
- (c) To adopt a "fines" system through which the Association can levy and collect fines from its Members, their guests, and invitees, and from contractors, their subcontractors and suppliers, for violations of the applicable Association Rules.

- (d) To take any and all actions to enforce this Declaration, the Association Rules, the Design Guidelines and all other Governing Documents as allowed herein, including, but not limited to, the right to file suit and/or take other legal action to prosecute, restrain, enjoin or remedy violations of the covenants, restrictions and conditions set forth herein or in any supplement or amendment hereto; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.
- (e) To elect officers of the Board and select members of the Architectural Control Committee when that power devolves to the Board or is assigned to the Board by Declarant in writing.
- (f) To establish committee and delegate its powers to committees, officers, or employees.
- (g) To retain and pay for legal, accounting and management services necessary or proper in the operation of the Association,
- (h) To prepare a balance sheet and operating income statement for the Association and deliver a report to the membership at its annual meeting.
- (i) To establish and collect regular assessments to defray expenses attributable to the Association's duties, to be levied against each Owner, however at no time shall Declarant be liable for any such assessments.
- (j) To establish and collect special assessments for capital improvements or other purposes.
- (k) To file notices of non-payment against Owners because of nonpayment of assessments duly levied and to foreclose on those liens under the power of sale provided herein.
- (l) To receive complaints regarding violations of this Declaration. To enter at any time in an emergency (or in case of a non-emergency, after twenty-four (24) hours written notice); without being liable to any Owner, upon any Lot and into any Improvement thereon for the purpose of enforcing this Declaration or for the purpose of maintaining or repairing any area, Improvement or other facility to conform to this Declaration. The expense incurred by the Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be a lien upon the Lot entered upon and upon the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided for regular and special Assessments.
- (m) To hold hearings to determine whether to discipline Owners who violate this Declaration,

- (n) To give reasonable notice to all Owners of all annual meetings of the membership and all discipline hearings.
- (o) To hold regular meetings of the Board at least quarterly.
- (p) To manage and maintain all of the Common Area in a state of high quality and in good repair.
- (q) To pay taxes and assessments that are or could become a lien on the Common Area.
- (r) To obtain and pay the costs of any general liability, fire and casualty insurance for the benefit of the Association covering the Improvements and activities in and on the Common Areas and any liability insurance for members of the Board in such amounts as the Board deems prudent.
- (s) To buy, sell, acquire, own, manage and maintain real and personal property, including, but not limited to the Common Area, greenbelts, easements and streets within the Property which may be necessary or advisable to promote the health, safety and welfare of Owners within the Property, for the administration and performance of the duties of the Association or for the economical and efficient development of the Property.
- (t) To enter into contracts and agreements with third parties to provide present or future services to the Association, the Property and/or the Owners, including, but not limited to, contracts with respect to utility services provided to the Property, contracts with respect to the monitoring services for and maintenance of the Property, contracts for legal, bookkeeping, and accounting services and to procure insurance with respect to the Property owned or managed by the Association.
- (u) To exercise any right of Declarant set forth herein, which has been assigned and/or delegated to the Board in writing by Declarant.
- (v) To establish, amend, revoke and enforce rules and regulations for the use of the Common Area.
- (w) To exercise any right, power or authority granted in the Association's Governing Documents as the same may be amended from time to time, and have the power and authority to perform any acts granted to a non-profit corporation by the laws of the State of Texas, provided, however, that all of the foregoing do not conflict with the other terms and provisions of this Declaration or any amendments hereto.
- (x) With respect to the Common Area:
 - (1) to accept, own, operate and maintain all of the Common Area which may be conveyed or leased to the Association by Declarant together with all improvements located thereon; and

- (2) to enter into contracts for the construction, maintenance, repair and operation of improvements located or to be located on the Common Area;
- (3) to pay all real and personal property taxes and other assessments levied upon or due with respect to any property owned or leased by it, to the extent such taxes and assessments are not levied directly upon the Members, and to contest the legality and amount of any such taxes; and
- (4) upon the approval of sixty-seven percent (67%) of the numbers of votes entitled to be cast pursuant to Section 5.5 hereof, to execute mortgages, both construction and permanent, for the construction of facilities and Improvements on the Common Area.

Indemnification.

5.8. THE ASSOCIATION SHALL INDEMNIFY ANY PERSON WHO WAS OR IS A PARTY, OR IS THREATENED TO BE MADE A PARTY TO ANY THREATENED, PENDING OR COMPLETED ACTION, SUIT OR PROCEEDING, WHETHER CIVIL, CRIMINAL, ADMINISTRATIVE OR INVESTIGATIVE BY REASON OF THE FACT THAT HE IS OR WAS A PARTNER OF THE DECLARANT HEREIN OR A DIRECTOR, OFFICER, COMMITTEE MEMBER, EMPLOYEE, SERVANT OR AGENT OF THE ASSOCIATION AGAINST EXPENSES, INCLUDING ATTORNEYS' FEES, REASONABLY INCURRED BY HIM IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING UNLESS IT IS FOUND AND DETERMINED BY THE BOARD OR A COURT THAT HE OR SHE (1) ACTED IN BAD FAITH AND IN A MANNER HE OR SHE REASONABLY BELIEVED NOT TO BE IN, OR OPPOSED TO, THE BEST INTERESTS OF THE ASSOCIATION, AND (2) WITH RESPECT TO ANY CRIMINAL ACTION OR PROCEEDING, HAD REASONABLE CAUSE TO BELIEVE HIS OR HER CONDUCT WAS UNLAWFUL. THE TERMINATION OF ANY ACTION, SUIT OR PROCEEDING BY SETTLEMENT, OR UPON A PLEA OF NOLO CONTENDERE OR ITS EQUIVALENT, SHALL NOT OF ITSELF CREATE A PRESUMPTION THAT THE PERSON DID NOT ACT IN GOOD FAITH OR IN A MANNER WHICH HE OR SHE REASONABLY BELIEVED TO BE IN, OR NOT OPPOSED TO, THE BEST INTERESTS OF THE ASSOCIATION, AND WITH RESPECT TO ANY CRIMINAL ACTION OR PROCEEDING, HAD REASONABLE CAUSE TO BELIEVE THAT HIS OR HER CONDUCT WAS UNLAWFUL. THE BOARD MAY PURCHASE AND MAINTAIN INSURANCE ON BEHALF OF ANY PERSON WHO IS OR WAS THE DECLARANT OR A PARTNER OF THE DECLARANT HEREIN OR A DIRECTOR, OFFICER, COMMITTEE MEMBER, EMPLOYEE, SERVANT OR AGENT OF THE ASSOCIATION AGAINST ANY LIABILITY ASSERTED AGAINST HIM OR HER OR INCURRED BY HIM OR HER IN ANY SUCH CAPACITY, OR ARISING OUT OF HIS OR HER STATUS AS SUCH, WHETHER OR NOT THE ASSOCIATION WOULD HAVE THE POWER TO INDEMNIFY HIM OR HER AGAINST SUCH LIABILITY HEREUNDER OR OTHERWISE. ADDITIONALLY, THE ASSOCIATION SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DECLARANT AND ITS PARTNERS,

AGENTS AND EMPLOYEES AGAINST ANY EXPENSE OR LIABILITY, INCLUDING REASONABLE ATTORNEYS' FEES, EXPERT WITNESS OR OTHER FEES AND COSTS OF COURT INCURRED BY ANY OF THEM IN CONNECTION WITH OR ARISING OUT OF (I) THE USE OF THE PRIVATE ROADWAYS WITHIN THE PROPERTY OR ANY OTHER PORTION OF THE COMMON AREA BY ANY PARTY PRIOR TO ITS CONVEYANCE OR DEDICATION TO THE ASSOCIATION AND (II) ANY CLAIM RELATED TO THE DESIGN, MANNER OR TYPE OF CONSTRUCTION OR MAINTENANCE OF THE ROADWAYS OR OTHER IMPROVEMENTS ON OR WITHIN THE PROPERTY.

Non-liability of Board, Architectural Control and other Committee Members.

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

ARTICLE SIX - FUNDS AND ASSESSMENTS

General.

6.1. (a) Assessments established by the Board pursuant to the provisions of this Article VI (the regular and special assessments provided for in this Article VI shall be collectively referred to as the "Assessments") shall be levied on a uniform basis against each Lot within the Property, except for any Lots owned by Declarant and except for any reduced or prorated Assessment which may be agreed upon in writing between Declarant and a builder owning a Lot which is not being occupied as a residence. No Assessment shall be due by Declarant for any Lots owned by Declarant, including any Lots that may hereafter be annexed under Article VII, or any acreage owned or held by Declarant unless agreed to in writing between the Declarant and the Association. The Common Area shall not be subject to Assessments.

(b) Each unpaid Assessment together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the Owner of the property against which the Assessment fell due, and shall become a lien against each such Lot and all Improvements thereon. The Association may enforce payment of such Assessments in accordance with the provisions of this Article.

(c) Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be

prorated as of the date when said obligation first arose to the duration of the Assessment year or other period remaining after said date. Such proration shall be calculated on a per diem basis.

Maintenance Fund.

6.2. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended. Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds pursuant to any Supplemental Declaration.

Regular Annual Assessments.

6.3. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions, including but not limited to, the cost of all maintenance, the cost of providing street lighting, the cost of servicing debt owed by the Association, the cost of constructing any Improvements on the Common Area, the cost of landscaping the Common Area, the cost for monitoring services the Property and the operation of the control access points the Property, the cost of all legal, accounting, bookkeeping and consulting services contracted for by the Association, the cost of enforcing the Governing Documents and a reasonable provision for contingencies, a reserve fund for road maintenance, and appropriate replacement reserves less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment the Association may at any time, and from time to time, levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in either annual or semi-annual installments on or before the due date as set by the Board, or in such other manner as the Board may designate in its sole and absolute discretion. In no event shall the regular annual Assessment for the year 2015 exceed the sum of \$500.00 per Lot.

For all annual Assessments accruing from and after January 1, 2016, the annual Assessment may be adjusted up from the base amount of \$500 by the Maximum Allowable Increase upon a majority vote of the Board and without the approval of the membership of the Association. The "Maximum Allowable Increase" is defined as the amount resulting from: the number of years since 2016 multiplied by 10% multiplied by \$500.00. For example, annual Assessments for the year 2017 may not exceed \$550.00, and annual Assessments for the year 2019 may not exceed \$650.00. Any increase in excess of the Maximum Allowable Increase shall require the approval of sixty-seven percent (67%) of the votes of each Class of Members of the Association who are voting in person or by proxy at a meeting duly called and held in accordance with the Governing Documents of the Association.

Special Assessments.

6.4. In addition to the regular annual Assessments provided for above, the Board, with the approval of sixty-seven percent (67%) of the votes of each Class of Members, may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the functions of the Association under the Governing Documents. The amount of any special Assessments shall be at the reasonable discretion of the Board and all such special Assessments shall be due and payable to the Association within thirty (30) days of the date of written notice of such special Assessment.

Owner's Personal Obligation for Payment of Assessments.

6.5 The regular and special Assessments, and any fines and penalties provided for herein, shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, fine or penalty, the Owner of the Lot to which the delinquent Assessment accrued shall be obligated to pay interest on the amount of the Assessment from the due date at a percentage rate of eighteen percent (18%) per annum, together with all costs and expenses of collection, including reasonable attorney's fees.

Assessment Lien; Foreclosure.

6.6. All Assessments and all charges, fines, penalties and other amounts (including interest as provided in Section 6.5 hereof, attorneys' fees and other expenses incurred by the Association in collecting unpaid amounts or enforcing the Governing Documents) payable by an Owner or payable with respect to an Owner's Lot shall be a charge on that Owner's Lot; shall be secured by a continuing lien upon that Owner's Lot; and shall also be the personal, joint and several obligation of all Owners of the Lot at the time that the Assessment, charge, fine, penalty or other amount becomes due. Each Owner by accepting title to a Lot, or any interest therein, whether or not it shall be expressed in the deed or other instrument conveying title, recognizes that Assessment lien as existing prior to his ownership of his Lot and shall be deemed to grant the Association a power of sale to foreclose this lien in accordance with the provisions of this Section 6.6.

The aforesaid lien shall be superior to all other liens and charges against the said Lot except only for (and the Assessment lien shall be subordinate to the following):

- (a) All liens for taxes or special assessments levied by the applicable city, county or state government, or any political subdivision or special district thereof,
- (b) All liens securing all amounts due or to become due under any mortgage, vendor's lien or deed of trust filed for record prior to the date any Assessment became due and payable; and

(c) All liens including, but not limited to, vendor's liens, deeds of trust and other security agreements, which secure any loan made by any lender to a Member for any part of the purchase price of any Lot, or for any part of the cost of constructing, repairing, adding to or remodeling any Improvements utilized for residential purposes.

Notwithstanding the above, and to the extent allowed by law, no lien shall be deemed or held superior to the Assessment lien hereby created unless the Association is made a party to any court proceeding to enforce any of the above listed liens if such liens are enforced through judicial process. The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association. Upon the written request of any mortgagee of an Owner, the Association shall report to such mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

To evidence the aforesaid lien, the Association may prepare a written notice of lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the Official Records of Comal County, Texas; provided, however, no such written evidence shall be necessary for the creation or attachment of such lien.

The lien may be enforced by: (i) non-judicial foreclosure of the defaulting Owner's Lot under the power of sale herein granted in like manner as a mortgage on real property, as provided in the Texas Property Code §51.002 (as may be amended or revised from time to time), (ii) the Association instituting legal proceedings against the Owner personally obligated to pay the Assessment and/or seeking a court order to proceed with foreclosure of the lien, or (iii) any other action at law or in equity to which the Association may be entitled from time to time. In any foreclosure proceeding, whether judicial or non-judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorney's' fees incurred by the Association. The Association is hereby given the right and power to appoint a trustee to conduct any such foreclosure under the power of sale by filing an appointment of trustee in the Official Records of Comal County, Texas. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. If any provision of this Declaration governing the enforcement of the provisions herein is inconsistent with applicable law, the applicable law will control.

Master Association.

6.7 Each Owner shall also be a member of the Fair Oaks Ranch Homeowner's Association, Inc. (the "Master Association"), subject to all applicable provisions of the articles of incorporation and the Master Association Bylaws (defined below) (including all amendments and supplements) governing the Master Association and benefiting from the easements and rights to the common areas declared therein. The Master Association shall have no rights pertaining to architectural control or other matters inconsistent with this Declaration. Any assessment lien of the Master Association shall be subordinate to the lien created by this Declaration and otherwise subordinate to other liens as provided herein. As of January 1, 2015, Master Association assessments are: \$75

per year for Lots with completed homes and \$45 per year for all other Lots. "Master Association Bylaws" means the Third Amended Bylaws of the Fair Oaks Ranch Homeowners Association, Inc., which are recorded at Document No. 201006008507, Official Public Records of Comal County, Texas.

ARTICLE SEVEN - ADDITIONS TO THE PROPERTY

Annexation (Prior to January 1, 2037).

7.1. Declarant, its successors and assigns, shall have the right, at any time prior to January 1, 2037, to incorporate within the scheme of this Declaration additional properties in future phases of the development of the subdivision without the consent or approval of any party, including the Owners of any Lots (other than Declarant). As additional properties are annexed, Declarant shall, with respect to said properties, record Supplemental Declarations which may incorporate this Declaration by reference, which may supplement or modify this Declaration with additional covenants, restrictions and conditions which may be appropriate for those additional properties.

Annexation (After January 1, 2037).

7.2. After January 1, 2037, additional properties may be annexed within River Valley Subdivision and incorporated within the scheme of this Declaration at any time with the consent of sixty-seven percent (67%) of all of Members entitled to cast a vote pursuant to Section 5.5 hereof and the written approval of Declarant. As additional properties are annexed, Declarant shall, with respect to said properties, record Supplemental Declarations which may incorporate this Declaration by reference, and which may supplement or modify this Declaration with additional covenants, restrictions and conditions which may be appropriate for those additional properties.

Filing Supplemental Declarations.

7.3. To evidence the incorporation or annexation of additional property, Declarant shall record a Supplemental Declaration which shall incorporate this Declaration by reference. Following the annexation and the recordation of such additional plats or maps, the Owners of all Lots in the original and annexed Subdivision shall have the rights, privileges and obligations set forth in this Declaration and each applicable Supplemental Declaration.

Merger or Consolidation.

7.4. Upon a merger or consolidation of the Association described herein with another association, this Association's properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the property, rights and obligations of this Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property, together with the covenants and restrictions established upon any

other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration pertaining to the Property except as hereinafter provided.

ARTICLE EIGHT - GENERAL PROVISIONS

Enforcement.

8.1. The Declarant or the Association or any Owner (at his or her own expense) shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations imposed by this Declaration. Failure to enforce any covenant or restriction shall not be deemed a waiver of the right of enforcement either with respect to the violation in question or any other violation. All waivers must be in writing and signed by the party to be bound.

Severability.

8.2. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

Alternative Dispute.

8.3. The parties agree to mediate in good faith to resolve any dispute under this instrument before filing a suit for damages and submitting such matter to binding arbitration. Following mediation, all unresolved issues shall be resolved by binding arbitration. Absent an agreement to use other rules, the arbitration will be controlled by the American Arbitration Association's Commercial Arbitration Rules.

Choice of Law.

8.4. This instrument shall be subject to and governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this instrument to the laws of another state. Each party hereby submits to the jurisdiction of the state and federal courts in the State of Texas and to venue in Comal County, Texas.

Notices.

8.5. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail, and addressed to the intended recipient at the address shown herein, and if not so shown, then at the last known address according to the records of the party delivering the notice. Notice given in any other manner shall be effective only if and when received by the addressee. Any address for notice may be changed by written notice delivered as provided herein.

Time.

8.6. Time is of the essence. Unless otherwise specified, all references to “days” shall mean and refer to calendar days. Business days shall exclude all Saturdays, Sundays, and Texas legal banking holidays. In the event the date for performance of any obligation hereunder shall fall on a Saturday, Sunday or Texas legal banking holiday, then that obligation shall be performable on the next following regular business day.

Covenants Running With the Land.

8.7. These easements, restrictions, covenants, and conditions are for the purpose of protecting the value and desirability of the Property. Consequently, they shall run with the Property and shall be binding on all parties having any right, title, or interest in the Property in whole or in part, and their heirs, successors, and assigns. These easements, covenants, conditions, and restrictions set forth in this Declaration and any amendments or supplements hereto shall be for the benefit of the Property, each Lot, and each Lot Owner.

Duration.

8.8. The covenants, conditions and restrictions of this Declaration shall be effective for a term of thirty (30) years from the date this Declaration is recorded unless, within six (6) months of the expiration of said thirty (30) year term, an instrument signed by more than sixty-seven percent (67%) the Members entitled to cast a vote pursuant to Section 5.5 hereof has been filed in the Official Public Records of Real Property of Comal County, Texas.

Amendment.

8.9. (a) By Declarant. This Declaration or any Supplemental Declaration may be amended by Declarant acting alone without the necessity of notice to, joinder by or the approval of the Association or any Owners, to correct typographical and grammatical errors, and ambiguities.

(b) By Owners. In addition to the method in Section 8.9(a), this Declaration may be amended by the recording in the Official Records of Real Property of Comal County, Texas an instrument executed by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by the Members entitled to cast at least sixty-seven percent (67%) of the number of votes entitled to be cast pursuant to Section 5.5 hereof.

Attorneys' Fees.

8.10. If any controversy, claim, or dispute arises relating to this instrument, its breach, or enforcement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees, and costs.

Liberal Interpretation.

8.11. This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the Property.

Non-Waiver.

8.12. The failure to enforce any provisions of the Governing Documents, including the terms of this Declaration, at any time shall not constitute a waiver of any right thereafter to enforce any such provision or any other provision thereof.

Construction.

8.13. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neutral gender shall include all genders. The captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraphs, sections or articles hereof.

[Declaration Continues Next Page]

Disclaimer.

8.14. EXCEPT AS SPECIFICALLY STATED HEREIN OR EXPRESSLY MADE IN A CONTRACT TO SELL A LOT TO AN OWNER, DECLARANT HAS NOT MADE, DOES NOT MAKE AND DISCLAIMS ANY WARRANTY, GUARANTY, AND REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, AS, TO, OR CONCERNING (I) THE NATURE AND CONDITION OF THE PROPERTY, INCLUDING BUT NOT BY WAY OF LIMITATION, THE WATER, SOIL, GEOLOGY AND THE SUITABILITY THEREOF, AND OF THE PROPERTY, FOR ANY AND ALL ACTIVITIES AND USES WHICH OWNER MAY ELECT TO CONDUCT THEREON OR ANY IMPROVEMENTS ANY OWNER MAY ELECT TO CONSTRUCT THEREON, EXPENSES TO BE INCURRED WITH RESPECT THERETO, OR ANY OBLIGATION OR ANY OTHER MATTER OR THING RELATED TO OR AFFECTING THE SAME, (II) THE MANNER OF CONSTRUCTION AND CONDITION OF ANY OF THE IMPROVEMENTS ON COMMON AREA CONSTRUCTED BY THE DECLARANT AND (III) THE DESIGNATION OR LOCATION OF COMMON AREA OR TYPE OR NATURE OF ANY AMENITIES OR IMPROVEMENTS THAT COULD BE CONSTRUCTED THEREON OTHER THAN ANY AMENITIES OR IMPROVEMENTS SHOWN ON ANY RECORDED PLAT.

[Signature and Acknowledgement Follow]

This Declaration is executed this 13 day of July, 2015.

HAUPTSTRASSE VILLAGE, LLC,
a Texas limited liability company

By: 
Dana Green,
Manager

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on the 13th day of July, 2015
by DANA GREEN, as Manager of HAUPTSTRASSE VILLAGE, LLC, a Texas limited
liability company, for and on behalf of said company.





Notary Public, State of Texas

EXHIBIT A

The Property

Field Notes
For
44.84 Acres

BEING 44.84 acre tract out of the Maria De La Luz Guerra Survey No. 172, Abstract 173 and out of the original Fair Oaks Tract as recorded in Volume 2883, Page 27 of the Deed Records of Bexar County, Texas in the City of Fair Oaks Ranch, Comal County, Texas, said 44.84 acres being more particularly described by metes and bounds as follows:

BEGINNING at a found ½" iron rod on the south right-of-way line of Keenland Drive, a 50 foot right-of-way as recorded in Volume 12, Page 226 of the Real Property Records of Comal County, Texas for the northwest corner of Lot 1860, also a variable width drainage easement in Fair Oaks Ranch, Comal County, Unit 5 as recorded in Volume 12, Page 226 of the Deed and Plat Records of Comal County, Texas and the northeast corner of the herein described tract;

THENCE South 20° 54' 39" East, a distance 2157.94 feet departing said right-of-way to a found ½" iron rod with "ACES" cap for a corner of a remainder of a 4883.27 acre tract out of said original Fair Oaks Tract and being in the north line of lot 2048, Fair Oaks Ranch, Comal County Unit 9 as recorded in Document number 201006041196 of the Deed and Plat Records of Comal County, Texas and the southeast corner of the herein described tract;

THENCE North 74° 56' 37" West, a distance 282.00 feet to a found ½" iron rod with "ACES" cap along the north line of said Lot 2048 and the south line of this tract for an angle point of the herein described tract;

THENCE North 68° 32' 37" West, a distance 766.65 to the northwest corner of said Lot 2048 and the northeast corner of Lot 2008 Fair Oaks Ranch, Comal County Unit 8 Subdivision as recorded in Volume 15, Page 91 of the Deed and Plat Records of Comal County, Texas for a total distance of 1753.75 feet to a found iron rod with "ACES" cap on the east right-of-way line of Battle Intense, a 50 foot right-of-way as recorded in Volume 14, Page 371 of the Deed and Plat Records of Comal County, Texas for the northwest corner of said Fair Oaks Ranch, Cibolo Trails Unit 8 Subdivision and the southwest corner of the herein described tract;

THENCE North 21° 26' 46" East, along and with said right-of-way, a distance of 309.27 feet, to a found ½" iron rod with "ACES" cap for a point of curvature;

THENCE Continuing along and with said right-of-way, a curve to the left, having a radius of 825.00 feet, a central angle of 16° 35' 14", a chord bearing and distance of North 13° 09' 09" East, 238.01 feet and a curve length of 238.84 feet to a found ½" iron rod with "ACES" cap for a point of tangency;

THENCE North 04° 51' 31" East, a distance of 160.34 feet, continuing along and with said right-of-way to a found ½" iron rod with "ACES" cap for an angle point;

THENCE North 10° 33' 29" East, a distance of 50.35 feet, continuing along and with said right-of-way to a found ½" iron rod with "ACES" cap for an angle point;

THENCE North 04° 52' 47" East, a distance of 33.22 feet, continuing along and with said right-of-way to a found ½" iron rod with "ACES" cap for the south line of a curve return that joins the east right-of-way of said Battle Intense to the south line of said Keenland Drive and the northwest corner of the herein described tract;

THENCE along and with said right-of-way, a curve to the right, having a radius of 25.00 feet, a central angle of 73° 11' 39", a chord bearing and distance of North 41° 28' 37" East, 29.81 feet and a curve length of 31.94 feet to a found ½" iron rod with "ACES" cap for a point of tangency;

THENCE North 78° 04' 27" East, a distance of 89.65 feet to a found ½" iron rod for a point of curvature;

THENCE along and with said right-of-way, a curve to the left, having a radius of 730.00 feet, a central angle of 39° 15' 17", a chord bearing and distance of North 58° 26' 48" East, 490.42 feet and a curve length of 500.14 feet to a found ½" iron rod with "ACES" cap for a point of reverse curvature;

THENCE Along and with said right-of- way, a curve to the right having a radius of 670.00 feet, a central angle of 42° 05' 01", a chord bearing and distance of North 59° 51' 40" East, 481.13 feet, and a curve length of 492.11 feet to the **POINT OF BEGINNING** and containing 44.84 acres, more or less, in Comal County, Texas.

[End of Exhibit A]

FILED AND RECORDED

Instrument Number: *201506028088*

Recording Fee: 194.00

Number Of Pages: 44

Filing and Recording Date: 07/14/2015 4:28PM

Deputy: LAURA JENDRUSCH

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Comal County, Texas.



Bobbie Koepf

Bobbie Koepf, County Clerk
Comal County, Texas

NOTICE: It is a crime to intentionally or knowingly file a fraudulent court record or instrument with the clerk.

DO NOT DESTROY - *Warning, this document is part of the Official Public Record.*