

Del Webb®

HILL COUNTRY RETREAT

AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
HILL COUNTRY RETREAT

Cross reference that certain Declaration of Covenants, Conditions and Restrictions for Hill Country Retreat, recorded at Document No. 20070021778 in the Official Public Records of Bexar County, Texas; as amended by that certain First Amendment to the Declaration of Covenants, Conditions and Restrictions for Hill Country Retreat, recorded at Document No. 20090036704 in the Official Public Records of Bexar County, Texas; as amended by that certain Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Hill Country Retreat, recorded at Document No. 20110231846 in the Official Public Records of Bexar County, Texas.

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**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR HILL COUNTRY RETREAT**

RECITALS:

WHEREAS Hill Country Retreat is a master planned community located in Bexar County, Texas, that is governed by that certain Declaration of Covenants, Conditions and Restrictions for Hill Country Retreat, recorded at Document No. 20070021778 in the Official Public Records of Bexar County, Texas; as amended by that certain First Amendment to the Declaration of Covenants, Conditions and Restrictions for Hill Country Retreat, recorded at Document No. 20090036704 in the Official Public Records of Bexar County, Texas; as amended by that certain Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Hill Country Retreat, recorded at Document No. 20110231846 in the Official Public Records of Bexar County, Texas (collectively, the **"Original Declaration"**).

WHEREAS, pursuant to and in accordance with the provisions of Article XXI, Section 21.1 of the Declaration, Pulte Homes of Texas, L.P., ("Declarant") maintains the right to amend the Declaration unilaterally for any purpose prior to the date on which there has been a termination of Class "B" Membership.

WHEREAS, the Class "B" Membership has not been terminated and is still in effect.

WHEREAS, Declarant now desires to amend and restate the Original Declaration in its entirety as set forth hereinbelow and that upon the recordation of this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hill Country Retreat (this "Declaration"), this Declaration shall control, and all provisions of, rights granted and covenants made in the Original Declaration are hereby waived, released and superseded in their entirety and shall have no further force or effect.

NOW, THEREFORE, it is hereby declared that the real property described on Exhibit A, attached hereto and incorporated herein by reference, together with all improvements thereon and all easements, rights, and appurtenances thereto (collectively, the **"Properties"**), will be held, sold, conveyed, leased, occupied, used, insured, and encumbered with this Declaration, which will run with the Properties and be binding upon all parties having right, title, or interest in or to such property, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof.

INTRODUCTION TO THE COMMUNITY

Declarant is the developer of the Properties. This Declaration imposes upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. An integral part of the development plan is the creation of an association comprised of all Owners in Hill Country Retreat to own, operate, and maintain common property and community improvements and to administer and enforce the Governing Documents for Hill Country Retreat. The name of the association is Hill Country Retreat Community Association, Inc.

ARTICLE I

CREATION OF THE COMMUNITY

1.1 Development Intent. Declarant hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Declaration by Supplemental Declaration shall be held, sold, used, and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with title to the land. This Declaration shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in the Properties or any part thereof, their heirs, successors, successors-in-title, and assigns.

1.2 Duration. This Declaration shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of 20 years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of ten years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding each extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein.

1.3 Governing Documents. This Declaration together with the Bylaws of Hill Country Retreat Community Association, Inc., and the Certificate of Formation of Hill Country Retreat Community Association, Inc. (collectively, the "Governing Documents") shall contain the standards for the Properties and the Association. The Governing Documents shall be supplemented by the Design Guidelines, Use Restrictions and Rules, and resolutions of the Board of Directors, as may be promulgated or amended from time to time by the Board of Directors.

(a) Severability. Invalidation of any provision of this Declaration, in whole or in part, or any interpretation of a provision of this Declaration by judgment or court order shall in no way affect other provisions or interpretations.

(b) Exhibits. Exhibits "A", "B", and "C", which are attached to this Declaration, are incorporated herein by this reference are made a part hereof, and amendment of such exhibits shall be governed by the provisions of Article XXI. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

ARTICLE II

CONCEPTS AND DEFINITIONS

The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

2.1. "Age-Qualified Occupant": Any Person: (a) 50 years of age or older who owns and occupies a Dwelling Unit and was the original purchaser of the Dwelling Unit from the Declarant; or (b) 55 years of age or older who occupies a Dwelling Unit. The terms "occupy", "occupies", or "occupancy" or any derivative thereof used throughout this Declaration, shall

mean staying overnight in a particular Dwelling Unit for at least 60 days in any 12-month period. An "Occupant" shall be any Person who occupies a Dwelling Unit.

2.2. "Area of Common Responsibility": The Common Area, together with those areas, if any, which the Association does not own but which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, or by contract become the responsibility of the Association.

2.3. "Architectural Modifications Committee": The committee established by the Board pursuant to Section 5.2(b) to review applications for modifications to Lots or Dwelling Units and to administer and enforce architectural standards.

2.4. "Association": Hill Country Retreat Community Association., Inc., a Texas nonprofit corporation, its successors and assigns.

2.5. "Base Assessment": Assessments levied on all Lots subject to assessment under Section 9.11 to fund Common Expenses for the general benefit of all Lots, as more particularly described in Article IX.

2.6. "Benefited Assessment": Assessments levied under Section 9.7.

2.7. "Board of Directors" or "Board": The body responsible for administration of the Association.

2.8. "Business" and "Trade": Shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producer of such goods or services and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

2.9. "Bylaws": The Bylaws of Hill Country Retreat Community Association, Inc., as they may be amended from time to time.

2.10. "Capital Improvement Fund": Money set aside for capital improvements, which are the additions of a permanent structural change or the restoration of some aspects of a property that will either enhance the property's overall value, prolong its useful life, or adapt it to new uses.

2.11. "Certificate": The Certificate of Formation of Hill Country Retreat Community Association, Inc., as filed with the Texas Secretary of State, and amendments thereto filed from time to time with the Texas Secretary of State.

2.12. "Common Area": All real and personal property that the Association now or hereafter owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The term may include, without limitation, recreational facilities,

clubhouses or other buildings, perimeter walls and fences, entry features, gated entrances and entrance ways, streets and roads and associated rights of way, sidewalks, paths, street lights, hike and bike trails, signage, trees, shrubs, landscaped medians, enhanced and native open space, drainage areas, detention or retention areas and facilities, lakes, ponds, rivers, streams, water courses, wetlands, and green belts, if any.

2.13. “Common Expenses”: The actual and estimated expenses incurred or anticipated to be incurred by the Association in furtherance of the powers and purposes of the Association enumerated in the Certificate or in the discharge of obligations imposed on the Association under this Declaration or otherwise for the general benefit of the Lots or Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses may include, but are not limited to: (a) all expenses or charges incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Areas, any portions of the Lots that the Association is obligated to maintain or repair under the Governing Documents, including but not limited to the entry ways, and the interior roads or streets as well as the sidewalks, landscaping and medians on or adjacent to the roads or streets; (b) all expenses or charges reasonably incurred to procure insurance for the protection of the Association and its Board of Directors; (c) any amounts reasonably necessary for reserves for maintenance, repair and replacement of the Common Areas (including roads and streets) and any portions of any Lots that the Association is obligated to maintain, repair, or replace under the Governing Documents and for nonpayment of any Assessments; (d) any lease or similar payments required of the Association pursuant to the agreements that exist between the Association and the owners of recreational facilities made available to Owners; (e) management fees and costs paid to the manager of the Association, which may be a professional management company; (f) expenses or charges reasonably incurred in connection with any internet domain name, website, URL, blogs or similar functionality on the world wide web operated or maintained by or for the Association for its internal administration or for the benefit of the Owners and Occupants or prospective residents; and (f) the use of such funds to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board as provided in the Governing Documents.

2.14. “Community-Wide Standard”: The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties as may be described in this Declaration or the Design Guidelines. Such standard may be more specifically determined by the Board and the Architectural Modifications Committee (defined above) with the approval of the Board.

2.15. “County Clerk's Office”: The Official Records of Bexar County, Texas and any other county in which part of the Properties are located.

2.16. “Covenant to Share Costs”: Any declaration that was executed by Declarant and recorded in the County Clerk's Office which created easements, licenses or other rights for the benefit of the Association and the present and future owners of the real property subject thereto and which obligates the Association and such owners to share the costs of maintaining certain described property.

2.17. "Declarant": Pulte Homes of Texas, L.P., a Texas limited partnership, or any successor, successor-in-title, or assignee of Pulte Homes of Texas, L.P., who has or takes title to any portion of the property described in Exhibit "A" for the purpose of development and/or resale in the ordinary course of business and who is designated as the Declarant in an instrument executed by the immediately preceding Declarant and recorded in the County Clerk's Office.

2.18. "Design Guidelines": The architectural, design, development, and other guidelines, standards, controls, and procedures including but not limited to, application and review procedures, adopted pursuant to Article V, as amended from time to time.

2.19. "Dwelling Unit": Any building or structure or portion of any building or structure situated upon a Lot which is intended for use and occupancy as an attached or detached residence for a single family.

2.20. "Governing Documents": has the meaning set forth in Section 1.3.

2.21. "Hill Country Retreat": The Properties as described in Section 2.30.

2.22. "Home Owner": An Owner other than the Declarant.

2.23. "Lot": A portion of the Properties, whether improved or unimproved, that may be independently owned and conveyed and which is intended to be developed, used, and occupied as a Dwelling Unit. The term "Lot" does not include Common Area, property dedicated to the public, or property owned by a governmental entity and operated for public use (for example fire stations). The term "Lot" includes the land, if any, which is part of the Lot as well as any improvements, including any Dwelling Unit, thereon. In the case of any structure containing multiple Dwelling Units, each Dwelling Unit shall be deemed to be a separate Lot. Prior to recordation of a subdivision plat, a parcel of vacant land or land on which improvements are under construction shall be deemed to be a single Lot.

2.24. "Member": A Person entitled to membership in the Association. Every Owner as defined in Section 2.28 shall be a Member, subject to the limitations on Co-Owners as provided in this Declaration, including Sections 7.2, 7.3 and the Bylaws.

2.25. "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

2.26. "Mortgagee": A beneficiary or holder of a Mortgage.

2.27. "Owner": Collectively, one or more Persons who hold the record title to any Lot, except Persons holding an interest merely as security for the performance of an obligation in which case the equitable owner will be considered the Owner.

2.28. "Person": A natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.29. "Properties": The real property described in Exhibit "A", together with such additional property as is annexed to this Declaration.

2.30. "Private Amenities": Real property and any improvements and facilities located adjacent to, in the vicinity of, or within the Properties, developed by the Declarant or any affiliate or designee of the Declarant, which are privately owned and operated by Persons other than the Association for recreational and related purposes.

2.31. "Qualified Occupant": Any of the following Persons occupying a Dwelling Unit: (a) any Age-Qualified Occupant; (b) any Person 19 years of age or older occupying a Dwelling Unit with an Age Qualified Occupant; and (c) any Person 19 years of age or older who occupied a Dwelling Unit with an Age Qualified Occupant and who continues, without interruption, to occupy the same Dwelling Unit after termination of the Age Qualified Occupant's occupancy thereof.

2.32. "Reserve Fund": designated sums of money set aside for future expenses, such as building repairs or replacements.

2.33. "Reviewing Body": The body authorized to exercise architectural review pursuant to Section 5.2.

2.34. "Special Assessment": Assessments levied under Section 9.6.

2.35. "Supplemental Declaration": An amendment or supplement to this Declaration filed pursuant to Article X which subjects additional property to this Declaration, identifies any Common Area within the additional property, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

2.36. "Use Restrictions": The rules and use restrictions attached as Exhibit "B" and incorporated by reference, as they may be modified, canceled, limited or expanded under Article IV.

ARTICLE III **AGE RESTRICTION**

Hill Country Retreat is intended to provide housing primarily for persons 55 years of age or older. The Properties shall be operated as an age restricted community in compliance with all applicable state and federal laws. No person under 19 years of age shall stay overnight in any Dwelling Unit for more than 90 days in any 12-month period.

Subject to Section 11.11, each Dwelling Unit, if occupied, shall be occupied by at least one Person 55 years of age or older; provided, however, that once a Dwelling Unit is occupied by an Age Qualified Occupant, other Qualified Occupants of that Dwelling Unit may continue to occupy the Dwelling Unit, regardless of the termination of the Age Qualified Occupant's occupancy. Notwithstanding the above, at all times, at least 80% of the occupied Dwelling Units within the Properties (as calculated pursuant to federal or state law and applicable regulations,

including 24 Code of Federal Regulations § 100.305, as amended from time to time) shall be occupied by at least one person 55 years of age or older.

The Board shall publish and abide by policies and procedures from time to time as necessary to maintain its status as an age restricted community under state and federal law and demonstrate its intent that Hill Country Retreat be operated as housing for persons 55 years of age or older.

ARTICLE IV **USE AND CONDUCT**

4.1. Plan of Development; Applicability; Effect. The Properties under this Declaration were developed by the Declarant to promote all Owners' collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the community. This Declaration, including the Use Restrictions attached hereto as Exhibit "B", and the rules and resolutions adopted by the Board adopted as provided herein establish affirmative and negative covenants, easements, and restrictions on the Properties.

All provisions of this Declaration, of any rule or policy of the Board adopted hereunder, and any Governing Documents shall apply to all Members, Owners, Occupants, tenants, guests and invitees of any Lot. Any lease on any Lot shall provide that the lessee and all Occupants of the leased Lot shall be bound by the terms of this Declaration, the Bylaws, and the Governing Documents of the Association.

4.2. Rule Making Authority.

(a) Subject to the terms of this Article and in accordance with its duty of care and loyalty to the Association and its Members, the Board may adopt rules and policies that modify, cancel, limit, create exceptions to, or expand the Use Restrictions or any previous rule adopted by the Board; provided that (a) the Board shall send notice to all Owners concerning any such proposed action in compliance with Section 209.0051 of the Texas Property Code and (b) Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Any such rules shall become effective after compliance with subsection (c) of this Section unless such rules are disapproved at a meeting of the Members by at least a majority of the total voting power of the Members. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the Bylaws. If a meeting to consider disapproval of a rule is requested by the Members prior to the effective date of such rule, the rule may not become effective until after such meeting is held.

(b) Alternatively, the Members, at a meeting duly called for such purpose, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions and

previously adopted rules by a vote of at least a majority of the total voting power of the Members.

(c) Within 30 (thirty) days after the effective date of any action under subsections (a) or (b) of this Section, the Board shall either (i) send a copy of the rule to each Owner specifying the effective date of such rule, which notice shall be sent to Owners who have provided their email address to the Association for the purpose of receiving notices, by email, or (ii) post in a prominent place in the Common Areas and post on the Association's website and/or the Association's newsletter (which may be distributed electronically), if any, a copy of the rule specifying the effective date of such rule.

(d) Nothing in this Article shall authorize the Board or the Members to modify or amend this Declaration (with the exception of Exhibit "B"), the Bylaws, the Certificate, or the Design Guidelines. Such documents may be amended only as provided therein or as may otherwise be permitted by Chapter 209 of the Texas Property Code or Chapter 22 of the Texas Business Organizations Code. In the event of a conflict between the Design Guidelines and the Use Restrictions, the Design Guidelines shall control.

4.3. Owners' Acknowledgment. All Owners are subject to the Use Restrictions and are given notice that: (a) their ability to use their privately owned property is limited thereby, and (b) the Board and/or the Members may add, delete, modify, create exceptions to, or otherwise amend the Use Restrictions, the Design Guideline, the Use Restrictions in Exhibit B and any Board rules or policies in the manner provided for in the document, or this Declaration including Article XXI. Each Owner by acceptance of a deed acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Use Restrictions and rules may change from time to time.

4.4. Protections of Owners. Except as may be specifically set forth in this Declaration including the Use Restrictions, neither the Board nor the Members may adopt any rule in violation of the following provisions:

(a) Equal Treatment. Similarly situated Owners and Occupants shall be treated similarly.

(b) Speech. The rights of Owners and Occupants to display on their Lot political signs and symbols of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods in individually owned property shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions regulating signs and symbols which are visible from outside the Lot. This Declaration and any Rules adopted by the Board shall not be construed to supersede or limit governmental ordinances regulating signs or symbols on Lots.

(c) Religious and Holiday Displays. The rights of Owners and Occupants to display religious and holiday signs, symbols, and decorations on their Lots of the kinds customarily displayed in residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions regulating displays which are visible from outside the Lot in accordance with Texas Property Code 202.018.

(d) Assembly. The rights of Owners and Occupants to assemble on such portions of the Common Area as are designated by the Board from time to time shall not be eliminated; provided, however, the Board may adopt reasonable time, place, and manner restrictions on assembly. At no time shall Common Area be construed as a place of public assembly.

(e) Household Composition. No rule shall interfere with the freedom of Occupants of Dwelling Units to determine the composition of their households, within the limitations imposed by Article III, except that the Association shall have the power to require that all Occupants be members of a single housekeeping unit and to limit the total number of Occupants permitted in each Dwelling Unit on the basis of the size and facilities of the Dwelling Unit and its fair share use of the Common Area, provided that such limits shall not be less restrictive than applicable city codes in establishing the total number of Occupants.

(f) Activities Within Dwelling Units. No rule shall interfere with the activities carried on within the confines of Dwelling Units, except that the Association may prohibit (i) the conducting of Businesses or Trades within a Dwelling Unit in violation of the Use Restrictions, (ii) activities not normally associated with property zoned for single-family residential use or not permitted in that location under applicable law or any applicable zoning district or county regulation, and (iii) any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of Occupants of other Dwelling Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Dwelling Unit, or that create an unreasonable source of annoyance.

(g) Pets. The Association may adopt reasonable rules designed to minimize damage and disturbance to other Owners and Occupants, including rules requiring damage deposits, waste removal, leash controls, noise controls, and pet occupancy limits based on size and facilities of the Lot and fair share use of the Common Area; provided, however, any rule prohibiting the keeping of ordinary household pets shall apply prospectively only and shall not require the removal of any pet which was being kept on the Properties in compliance with the rules in effect prior to the adoption of such rule. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance as determined by the Board or its designee. Owners shall be permitted to have up to the number of pets permitted in the Use Restrictions. However, monkeys, ferrets, pigs and snakes are prohibited and no Owner shall be permitted to raise, breed or keep animals of any kind, including livestock or poultry, for commercial or business purposes. All Owners shall comply with applicable governmental ordinances regarding pets.

(h) Alienation. No rule shall prohibit the leasing or transferring of any Lot, or require consent of the Association or Board for leasing or transferring of any Lot; provided, the Association or the Board may require a minimum lease term of up to 12 months. The Association may require that Owners use lease forms approved by the Association, but shall not impose any fee on the lease or transfer of any Lot, other than those described in Articles IX or XIX, greater than an amount reasonably based on the costs to the Association of its costs to administer that lease or transfer.

(i) Abridging Existing Rights. Any rule which would require Owners to dispose of personal property being kept on the Properties shall apply prospectively only and shall not require the removal of any property which was being kept on the Properties prior to the adoption of such rule and which was in compliance with all rules in force at such time unless otherwise required to be removed by law.

(j) Application of Rules. No rule shall be applied retroactively except as otherwise required by law. The limitations in this Section 4.4 shall apply to Use Restriction rules only; they shall not apply to amendments to this Declaration adopted in accordance with Article XXI.

4.5. Drilling. Following the date of recording of this Declaration, no Owner shall enter into any lease or other agreement permitting drilling for minerals, oil, natural gas, water, or other substances on or under his or her Lot.

ARTICLE V

ARCHITECTURE AND LANDSCAPING

5.1. General. No improvements, alterations, placement or posting of any object on the exterior of any Lot (e.g., fences, signs, statues, antennae and satellite dishes, clotheslines, playground equipment, pools, propane and other fuel tanks (other than portable gas grills), lighting, temporary structures, solar devices, and artificial vegetation, or planting or removing of landscaping) shall take place within the Properties except in compliance with this Declaration, and the Design Guidelines and with the approval of the Architectural Modifications Committee under Section 5.2

Any Owner may remodel, paint or redecorate the interior of structures, including the Dwelling Unit, on his or her Lot without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Lot that are visible from outside the structures on the Lot shall be subject to this Article.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme.

This Article shall not apply to improvements to the Common Area by or on behalf of the Association. Improvements to the Common Area shall be prohibited except as approved by the Board. This Article shall not apply to the activities of a governmental entity performed on property owned by such governmental entity and used for public purposes so long as the governmental entity complies with the separate deed restrictions applicable to such property if any.

Notwithstanding anything to the contrary in this Article or in the Declaration, this Article shall not apply to any Lot so long as it is owned by Declarant or its successor or assign that has been assigned the rights of Declarant under this Declaration. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any Private Amenity or any land subject to this Declaration or subject to annexation to this Declaration.

Neither the Association, Board nor AMC approval is required for any improvements

constructed, erected, altered, added onto or repaired by Declarant or a builder designated by Declarant to be exempt from this Article V. Declarant shall be the sole architectural review authority with respect to Lots owned by Declarant or any successor of Declarant. Notwithstanding any provision contained in this Declaration to the contrary, to the extent that any improvement constructed or modified by the Declarant on the Property does not comply with a restriction or requirement contained in this Declaration, the Declarant shall be deemed to have been granted a variance from such restriction or requirement and such improvement shall not be considered to violate any restriction or requirement in this Declaration or any of the other Governing Documents.

5.2. Architectural Review. The Architectural Modifications Committee ("AMC") shall consist of at least three, but not more than seven, persons. Members of the AMC shall be appointed and shall serve at the discretion of the Board, and the Board shall have the right to remove any member of the Architectural Modifications Committee, with or without cause, at any time.

The AMC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, landscape architects, engineers, or other professionals. The Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

5.3. Guidelines and Procedures. The Design Guidelines previously adopted by the Declarant (and recorded in the Official Records of Bexar County, Texas) and any amendments, supplements, or addendums thereto shall apply to all construction activities within the Properties. The AMC, with the consent of the Board, shall have the authority to amend the Design Guidelines from time to time as it deems necessary in its sole discretion without the consent or approval of the Owners.

The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Properties to another depending upon the location, unique characteristics, intended use, the Planned Development District, and any other applicable zoning. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Reviewing Body and compliance with the Design Guidelines does not guarantee approval of any application.

Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the Design Guidelines may be amended to remove requirements previously imposed or otherwise to make the Design Guidelines more or less restrictive.

The Association shall make electronic copies of the Design Guidelines available to Owners and builders who seek to engage in development or construction within the Properties and all such Persons shall conduct their activities in accordance with such Design Guidelines.

All structures and improvements constructed upon a Lot shall be constructed in strict compliance with the Design Guidelines in effect at the time the complete plans for such improvements are submitted to the AMC with any applicable fees, unless the AMC has granted a variance in writing pursuant to Section 5.6. In the event an application for construction or modification of a structure or improvement is denied by the AMC, the Owner shall have the right to appeal the decision to the Board in accordance with Chapter 209 of the Texas Property Code, as amended from time to time.

5.4. Submission of Plans and Specifications.

(a) Prior to commencing any activity within the scope of Section 5.1, an Owner shall submit an application for approval of the proposed work to the AMC. Such application shall be in the form required by the AMC and shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefor and other features of proposed construction, as applicable. The Design Guidelines shall set forth the procedure and any additional information for submission of the Plans. Before the Owner may begin the proposed activity, the application must be approved by the AMC in accordance with the procedures described below.

(b) In reviewing each submission, the AMC may consider whatever reasonable factors it deems relevant. The AMC may require relocation of existing plants within the construction site, if feasible, the installation of an irrigation system for the landscaping, or the inclusion of natural plant life on the Lot as a condition of approval of any submission. The AMC shall not require permits or other approvals by local government entities other than those issued by such entities in the usual course of business.

The AMC shall, within the period specified in the Design Guidelines, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed by the AMC to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines, the reasons for such finding, and suggestions for the curing of such objections. In the event the AMC fails to advise the submitting party by written notice within the period specified in the Design Guidelines of either the approval or disapproval and suggestions for curing objections, approval shall be deemed to have been given. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the submitting party. Delivery of notice under this article by email shall be deemed to have been delivered on the day the email is transmitted to an email address provided by the party in conjunction with the submittal of the Plans or otherwise provide by such party to the Association or the AMC.

(c) If construction does not commence on a project for which Plans have been approved within 120 days of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the Reviewing Body for reconsideration. If construction is not completed on a project for which Plans have been approved within the period set forth in the Design Guidelines or in the approval, such approval shall be deemed withdrawn, and such incomplete construction shall be deemed to be in violation of this Article.

5.5. No Waiver of Future Approvals. Each Owner acknowledges that the members of the AMC and the Board will change from time to time and that interpretation, application and enforcement of the Design Guidelines may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval. Should the AMC permit nonconforming improvements through hardship or error, it shall not be construed as a waiver of future enforcement rights or permission for future noncompliance.

5.6. Variance. The AMC may authorize variances in writing from its guidelines and procedures but only: (a) in accordance with duly adopted rules and regulations, (b) when unique circumstances dictate, such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations, and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining properties. Inability to obtain or the terms of any governmental approval or the terms of any financing shall not be considered a hardship warranting a variance. Notwithstanding the above, the AMC may not authorize a variance without the written consent of the Board.

5.7. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the Declarant, the Association, the Board or the AMC, nor any member of the foregoing, shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. The Homeowner shall be responsible for complying with all local codes and ordinances and obtaining necessary permits and approvals to conduct work, separate and apart from any approvals obtained from the AMC. The Owner assumes all risk in connection with any construction or modifications on his or her Lot. Neither the Declarant, the Association, the Board, or the AMC, nor any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the Board and the AMC and their members shall be defended and indemnified by the Association as provided in the Bylaws.

5.8. Compliance. Any construction, alteration or other work done in violation of this Article, or the Design Guidelines shall be deemed to be nonconforming. Upon written request from the Association or AMC, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the property, Lot and/or Dwelling Unit to substantially

the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Association or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the rate established by the Board (not to exceed the maximum rate then allowed by law), may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in this Declaration.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work by the deadline set forth in the approval, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the Bylaws, to enter upon the Lot and remove or complete any incomplete or unapproved work and to assess all costs incurred against the Lot and the Owner thereof as a Benefited Assessment unless otherwise prohibited in this Declaration. Failure to enforce compliance with this Article shall not be a waiver of the right to enforce this Article at a later time or in other situations or circumstances.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Properties, subject to the notice and hearing procedures contained in the Bylaws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association and the Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the AMC.

ARTICLE VI

MAINTENANCE AND REPAIR

6.1. Level of Maintenance Required. Hill Country Retreat shall be maintained consistent with the Community-Wide Standard, the Design Guidelines, the restrictions on use and conduct, and the restrictions on architecture and landscaping. Each Person responsible for maintenance of any portion of the Properties shall maintain or provide for such maintenance in accordance with the above standards. These above standards may include special requirements or exemptions for property owned by the Association, or for the Area of Common Responsibility.

Maintenance, as used in this Article, shall include, without limitation, repair and replacement as needed, as well as such other duties, including irrigation, as the Board may determine necessary or appropriate to satisfy the Community-Wide Standard. The Board may establish a higher Community Wide Standard for portions of the Properties that are environmentally sensitive or that provide a greater than usual aesthetic value and may require additional maintenance for such areas to reflect the nature of such property; provided, however,

the Board may not require such areas to be maintained so that they appear manicured or in such a way that is inconsistent with the natural appearance of the property.

Notwithstanding anything to the contrary contained herein, neither the Association, nor any Owner, nor any other entity responsible for the maintenance of a portion of the Properties shall be liable for property damage or personal injury occurring on, or arising out of the condition of, property which it does not own unless and only to the extent that it has been negligent in the performance of its maintenance responsibilities.

6.2. Owner's Responsibility. Each Home Owner shall maintain his or her Lot in a manner consistent with the Community-Wide Standard and all applicable covenants and Use Restrictions, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to this Declaration, any Supplemental Declaration, or any other declaration of covenants applicable to such Lot. Each Home Owner shall take reasonable preventative measures against diseases or insects that may endanger trees or vegetation and shall provide for the treatment of such conditions immediately upon discovery. Home Owners shall follow any standards or procedures regarding such diseases or insects as may be adopted by the Board. In particular, all pruning cuts to oak trees must be sealed with pruning seal or black latex paint immediately after cutting.

In addition to any other enforcement rights, if a Home Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred in accordance with Section 9.7. The Association shall afford the Home Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

6.3. Responsibility for Repair and Replacement. By virtue of taking title to a Lot, each Home Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Lot, less a reasonable deductible,

Each Home Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Lot, the Home Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article V. Alternatively, the Home Owner shall promptly clear the Lot of building debris and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Home Owner shall pay any costs that are not covered by insurance proceeds.

COMMUNITY GOVERNANCE AND ADMINISTRATION

ARTICLE VII

THE ASSOCIATION AND ITS MEMBERS

7.1. Function of Association. The Association shall be: (i) the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility; (ii) the primary entity responsible for compliance with and enforcement of this Declaration and such

reasonable rules regulating use of the Properties as the Board may adopt; and (iii) responsible for administering, monitoring compliance with, and enforcing the Design Guidelines. The Association may delegate such responsibilities to committees or engage outside Persons to monitor and enforce the Design Guidelines under the supervision of the Board. The Association shall perform its functions in accordance with the Governing Documents and Texas law.

7.2. Membership. There shall be only one membership per Lot; provided, however, if a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to (i) reasonable Board regulation, (ii) reasonable restrictions, limitations or fees as may be established under this Declaration, including Section 12.1, and (iii) the restrictions on voting set forth in Section 7.3 and in the Bylaws. All such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner that is a corporation, partnership or other legal entity may be exercised by any officer, director, partner, or trustee, or by any other individual having apparent authority or designated from time to time by the Owner in a written instrument provided to the Secretary of the Association, subject to (i) reasonable Board regulation, and (ii) reasonable restriction, limitations or fees as may be established under this Declaration, including Section 12.1.

7.3 Voting. Members shall be all Owners. Members shall have one equal vote for each Lot in which they hold the interest required for membership under Section 7.2. Notwithstanding anything to the contrary, there shall be only one vote per Lot. Members may vote directly or by proxy as provided in the Bylaws. The Board shall determine whether votes shall be cast in person or by mail (which may include email) from time to time. If there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting. Absent such notice to the Association, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

ARTICLE VIII

ASSOCIATION POWERS AND RESPONSIBILITIES

8.1. Acceptance and Control of Association Property. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant may convey to the Association improved or unimproved real estate located within the Properties, personal property and leasehold and other property interests, including entrance ways, interior roads and streets, sidewalks, driveways, paths and trails, whether by deed or by easement. Such property shall be automatically deemed accepted by the Association upon Declarant's conveyance and thereafter shall be maintained as Area of Common Responsibility by the Association at its expense for the benefit of its Members, subject to the provisions of this Declaration, including Section 12.1, and any restrictions set forth in the deed from the Declarant to the Association, including but not limited to restrictions governing the use of such property.

8.2. Management Certificate. The Association shall record in each County in which any portion of the Properties are located a management certificate, signed and acknowledged by an officer or the managing agent of the Association, fully complying with all of the requirements listed in Section 209.004 of the Texas Property Code, as amended from time to time. The

management certificate may be amended unilaterally from time to time by the Association in accordance with law.

8.3. Maintenance. As further provided in this Article VII, the Association shall maintain and keep in good repair the Area of Common Responsibility, which may include, but need not be limited to:

- (a) all Common Area;
- (b) all walls and fences constructed by Declarant or the Association on any Lots which serve as perimeter walls for the Properties, or which separate any Lot from Common Area, or which are exposed to streets, except that the allocation of responsibility for the maintenance and repair of party walls and party fences is set forth in Section 13.5;
- (c) entrance ways, gated entrances and interior roads and streets;
- (d) landscaping, sidewalks, street lights, irrigation systems, ponds, water features, trails and signage, and any ancillary features or facilities;
- (e) improvements, landscaping and other flora within any public utility easements and scenic easements within the Common Area (subject to the terms of any easement agreement relating thereto);
- (f) stormwater drainage facilities within the Common Area until accepted by the applicable governmental entity, but excluding drainage swales between sidewalks and Lots which shall be maintained by Owners of adjacent Lots as provided in a Supplemental Declaration;
- (g) any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any Covenant to Share Costs, any plat of any portion of the Properties, or any contract or agreement for maintenance thereof entered into by the Association; and

The Association may also maintain and improve other property which it does not own, including, without limitation, property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and if otherwise permitted by applicable law.

Except as otherwise specifically provided herein, all costs for maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense allocated among all Lots as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the Persons responsible for such work pursuant to this Declaration, applicable law, other recorded covenants, or agreements with such Persons.

8.4. Wildlife Management. The Association shall have the right and power, but not the obligation, to take any actions in accordance with appropriate law and adopt any rules as may be necessary for the control, relocation, management, and/or extermination of wildlife,

including but not limited to feral hogs, deer, skunks, opossums, snakes, reptiles, rodents, fire ants, bees and pests within the Area of Common Responsibility. Owners shall not feed wildlife in the Properties except in accordance with Board regulations.

8.5. Tree Maintenance. The Association shall have the right, but not the obligation, to remove dead or diseased trees from the Area of Common Responsibility. The Association also may, but shall not be obligated to, remove any dead or diseased tree from any Lot, after giving notice to the Owner of such Lot, and charge the costs of such removal to the Owner as a Benefited Assessment. Under no circumstances shall the Association be required to remove dead trees or diseased trees from property it does not own.

The Board may establish standards or procedures for the prevention and control or extermination of diseases or insects affecting trees, vegetation or wildlife in the Properties from time to time. The Association shall have the right to sponsor educational programs regarding such matters and to take any steps necessary to manage, prevent or exterminate diseases or insects affecting trees, vegetation or wildlife in the Properties. The Association, at its option, shall have access to all Lots for the purpose of treating, exterminating or preventing against such diseases or insects, subject to the provisions contained in Section 6.2. The Association may make any reasonable expenditures it deems necessary for the prevention and control or extermination of such diseases and insects and may include any such expenditures in the Association budget as a Common Expense.

8.6 Trail Maintenance. The Association may maintain- a system of trails throughout the Properties and directional and interpretative signage placed along the trails for the benefit of the Members. Members shall comply with all rules regarding Trails imposed by the Board from time to time.

8.7. Maintenance in Public Rights-of-Way. The Association may locate and maintain all improvements described in Sections 8.3(c), 8.3(d), 8.3(e) and 8.3(f) that are located within or on public easements or public rights-of-way in accordance with applicable ordinances of the applicable governmental entity and the terms of any easements or licenses entered into between the applicable governmental entity and or Association.

8.8. Insurance.

(a) Required Coverage. The Association, acting through its Board or its duly authorized agent, may obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority and interest to insure any property for which it has maintenance or repair responsibility,

regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverage or limits;

(iii) Workers compensation insurance and employers' liability insurance, if and to the extent required by law;

(iv) Directors' and officers' liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the annual Base Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the Base Assessment. The Association shall have no insurance responsibility for any portion of the Private Amenities.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the area in which the Properties are located.

All Association policies shall provide for a certificate of insurance to be furnished to each Member insured, upon request, and to the Association.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 8.8. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess

the full amount of such deductible against such Owner(s) and their Lots as a Benefited Assessment.

All insurance coverage obtained by the Board shall, to the extent feasible:

(i) be written with a company authorized to do business in the State of Texas which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Area shall be for the benefit of the Association and its Members;

(iii) not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement; and

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of anyone or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(iv) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(v) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(vi) a cross liability provision; and

(vii) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless Members holding a majority of the total voting power of the Association decide within 60 days after the loss not to repair or reconstruct at a Special Meeting called for that purpose.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall.

8.9. Compliance and Enforcement. Every Owner and Occupant of a Lot shall comply with the Governing Documents and the rules of the Association including, but not limited to, this Declaration, the Bylaws, the Use Restrictions, the Design Guidelines, and the Facility Use Guidelines. The Board may impose sanctions and/or fines for violation of the Governing Documents, Use Restrictions, Design Guidelines, Facility Use Guidelines, or any rule or regulation of the Association, after notice and a hearing in accordance with the procedures set forth in the Bylaws and Texas Property Code. Such sanctions may include, without limitation, some or all of the following, in the discretion of the Board:

(a) imposing reasonable monetary fines which shall constitute a lien upon the violator's Lot. (In the event that any Occupant, guest or invitee of a Lot violates the Declaration, the Bylaws or any rule or regulation and a fine is imposed, the fine shall first be assessed against

the Occupant; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);

(b) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(c) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association; and

(d) levying Benefited Assessments to cover costs incurred in bringing a Lot into compliance in accordance with Section 9.6.

In addition, the Board may elect to enforce any provision of this Declaration, the Bylaws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations in accordance with any applicable ordinance(s) of any city or county or statutes of the State of Texas) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedures set forth in Article XIV or in the Bylaws.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with the applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough or funds are not available to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right of the Association to enforce such provision at a later time under other circumstances or stop the Association from enforcing any other covenant, restriction or rule.

8.10. Attorney's Fees. The Association may seek and collect reimbursement of reasonable attorney's fees and other reasonable costs incurred by the Association in the enforcement of this Declaration, the Governing Documents, any Supplemental Declaration or any rules promulgated by the Board or the exercise of any remedies available to the Association under this Declaration, the Governing Documents, any Supplemental Declaration or any rules promulgated by the Board to the maximum extent permitted by law.

(a) The Association may seek and collect reimbursement of reasonable attorney's fees and other reasonable costs relating to collecting amounts, including damages, due the Association for enforcing restrictions or the bylaws or the rules of the Association only if the Owner is provided written notice that attorney's fees and costs will be charged to the owner if the delinquency or violation continues after a certain date. This sub-paragraph is intended to implement Sections 209.0064 and 209.008(a) of the Texas Property Code and shall be construed co-extensive with such statute, as amended from time to time. If such statutes are later repealed

or modified, this subparagraph shall be deemed automatically repealed or modified in the same manner. This subparagraph shall always be construed to permit the Association to collect attorney's fees and costs to the maximum extent permitted by such statute, as amended from time to time, or any other law. The notice provisions of this sub-paragraph do not apply to a counterclaim of the Association in a lawsuit brought against the Association by an Owner.

(b) An Owner shall not be liable for attorney's fees incurred by the Association relating to a matter described by the notice under Section 8.11 if the attorney's fees are incurred before the conclusion of the hearing required by Sections 209.007 of the Texas Property Code (if the Owner timely requests such a hearing), or if the Owner does not timely request a hearing, before the date by which the Owner was required to request a hearing under Section 209.006 of the Texas Property Code. This sub-paragraph is intended to implement Section 209.008(b) of the Texas Property Code and shall be construed co-extensive with such statute, as amended from time to time. If such statute is later repealed or modified, this sub-paragraph shall be deemed automatically repealed or modified in the same manner. This sub-paragraph shall always be construed to permit the Association to collect attorney's fees and costs to the maximum extent permitted by such statute, as amended from time to time, or any other law.

(c) On written request from the Owner from whom the Association seeks attorney's fees or costs, the Association shall provide copies of invoices for attorney's fees and other costs the Association seeks to collect, but only to the extent relating to the matter for which the Association seeks reimbursement of fees and costs.

(d) Should the Association enforce a lien using nonjudicial foreclosure under Section 9.9, the Association may include in a nonjudicial foreclosure sale for an indebtedness covered by the Association's assessment lien an amount of attorney's fees not to exceed: (i) one-third (1/3) of the amount of all actual costs and assessments, excluding attorneys' fees, plus interest and court costs; or (ii) \$2,500.00. This sub-paragraph is intended to implement Section 209.008(f) of the Texas Property Code and shall be construed co-extensive with such statute, as amended from time to time. If such statute is later repealed or modified, this sub-paragraph shall be deemed automatically repealed or modified in the same manner. This sub-paragraph shall be construed to permit the Association to collect attorney's fees to the maximum extent permitted by such statute and Section 209.008(g) of the Texas Property Code, both as amended from time to time, or any other law.

If Section 209.008(f) of the Texas Property Code is amended to permit a higher or lower amount of attorney's fees, then this sub-paragraph shall be deemed automatically amended to permit such higher or lower amount. If Section 209.008(f) of the Texas Property Code is repealed, then the limitations set forth above in this sub-paragraph shall be deemed automatically deleted and the Association may include in a nonjudicial foreclosure sale for an indebtedness covered by the Association's assessment lien an amount of attorney's fees equal to the Association's reasonable actual attorney's fees to the extent permitted by law.

8.11. Notice Required Before Certain Enforcement Actions. Before the Association may suspend an Owner's right to use a Common Area, file suit against an Owner (other than a suit to collect a Base Assessment, a Special Assessment, a Benefited Assessment or a New Member Fee Assessment described in Article IX, or to foreclose under the Association's lien or to seek a

temporary restraining order or injunctive relief), charge an Owner for property damage, or levy a fine for a violation of this Declaration, the Governing Documents, any Supplemental Declaration or rules of the Association, the Association or its agent must deliver written notice to the Owner in compliance with Sections 209.006 and 209.007 of the Texas Property Code, as may be amended from time to time. The notice requirement of Section 8.11 is intended to implement the notice requirements of Sections 209.006 and 209.007 of the Texas Property Code, and shall be interpreted to be co-extensive with such statutes. If such statutes are later repealed or modified, this subparagraph shall be deemed automatically repealed or modified in the same manner. The notice requirement of Section 8.11, and any corresponding notice provisions in the Bylaws, do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief, or the Association files a suit that includes foreclosure as a cause of action, or if no notice and hearing is required under Chapter 209 of the Texas Property Code, as amended from time to time.

8.12. Notice Required After Foreclosure Sale. Should the Association conduct a foreclosure sale of an Owner's property, the Association shall send the Owner, not later than the thirtieth (30th) day after the date of the foreclosure sale, a written notice stating the date and time the sale occurred and informing the Owner of the Owner's right to redeem the property under Section 209.011 of the Texas Property Code, as amended from time to time. The notice shall be sent by certified mail, return receipt requested, to the Owner's last known mailing address, as reflected in the records of the Association. Not later than the thirtieth (30th) day after the date the Association sends the notice required by this Section, the Association shall record an affidavit in the real property records of the county in which the property is located, stating the date on which the notice was sent and containing a legal description of the lot. The requirements of this section also apply to the sale of an Owner's property by a sheriff or constable conducted as provided by a judgment obtained by the Association. The failure of the Association to deliver such notice or record an affidavit shall not abridge or modify the foreclosure sale or establish liability for the Association, except as expressly required by applicable law.

8.13. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the Governing Documents or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege. Except as otherwise specifically provided in the Governing Documents, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

8.14. Disclaimer of Liability. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to promote the health, safety and welfare of Owners and Occupants of any Lot. Notwithstanding anything contained in the Governing Documents or any other document governing or binding the Association, neither the Association, the Board, the management company of the Association, the Declarant nor any successor Declarant shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner or Occupant of any Lot or any tenant, guest or invitee of any Owner or Occupant or for any property of any such Persons. Each Owner and Occupant of a Lot and each tenant, guest and invitee of any Owner or Occupant shall assume all risks associated with the use and enjoyment of the Properties, including all roads, streets and recreational facilities, if any,

and may be required to execute specific liability waivers from time to time as a condition of such use.

Neither the Association, the Board, the Association's management company, the Declarant, nor any successor Declarant shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the design, use, operation or maintenance of the streets, roads, or gated entry ways (including any associated sidewalks, traffic signs, lighting, road striping or other ancillary features of roads and streets), or any malfunction, disrepair or defect thereof or therein even if caused by the negligence of Declarant, the Association, the Board, the Association's management company or any successor Declarant. Each Owner and Occupant of a Lot and each tenant, guest, and invitee of any Owner, Declarant, or Occupant shall assume all risk of personal injury, property damage or other loss or damage arising from their use of the roads and streets and further acknowledges that the Association, the Board, the management company of the Association, the Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or Occupant, or any tenant, guest, or invitee of any Owner, Declarant, or Occupant relied upon any representations or warranties, expressed or implied, relative to the condition of the streets or roads or the gated entries. Each Owner and Occupant of a Lot and each tenant, guest, and invitee of any Owner, Declarant, or Occupant, by use of such streets, covenants not to sue or commence arbitration proceedings against the Association, the Board, the management company of the Association, the Declarant or any successor Declarant in relation to the matters disclaimed in this Paragraph.

Neither the Association, the Board, the Association's management company, the Declarant, nor any successor Declarant shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence or malfunction of utility lines, or utility sub-stations adjacent to, near, over, under or over the Properties. Each Owner and Occupant of a Lot and each tenant, guest, and invitee of any Owner, Declarant, or Occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence or malfunction of utility lines, utility sub-stations, and electromagnetic fields and further acknowledges that the Association, the Board, the management company of the Association, the Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or Occupant, or any tenant, guest, or invitee of any Owner, Declarant, or Occupant relied upon any representations or warranties, expressed or implied, relative to the condition or impact of utility lines or utility sub-stations, or electromagnetic fields.

Neither the Association, the Board, the Association's management company, the Declarant, nor any successor Declarant shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence or malfunction of sewer lines, or sewer lift stations adjacent to, near, in, under or on the Properties. Each Owner and Occupant of a Lot and each tenant, guest, and invitee of any Owner, Declarant, or Occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence or malfunction of sewer lines, sewer lift stations, and associated odors and further acknowledges that the Association, the Board, the management company of

the Association, the Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or Occupant, or any tenant, guest, or invitee of any Owner, Declarant, or Occupant relied upon any representations or warranties, expressed or implied, relative to the condition or impact of sewer lines or sewer lift stations.

No provision of the Governing Documents shall be interpreted as creating a duty of the Association, the Board, the management company of the Association, the Declarant nor any successor Declarant to protect or further the health, safety or welfare of any Person(s), even if the funds of the Association are used for any such purpose.

Each Owner (by virtue of his or her acceptance of title to his or her Lot) and each other Person having an interest in or lien upon, or making any use of, any portion of the Properties (by virtue of accepting such interest or lien or making such use) shall be bound by this Section and shall be deemed to have waived any and all rights, claims, demands and causes of action against the Association, the Board, the Association's management company, the Declarant and any successor Declarant, their directors, officers, committee and board members, employees, agents, contractors, subcontractors, successors and assigns arising from or connected with any matter for which the liability has been disclaimed in this or the immediately succeeding Section.

8.15. Security. It is the goal of all Owners, including Declarant, to have a safe and healthy environment. However, no written or oral representations regarding the safe and secure nature of the community shall be construed in whole or in part as guarantees thereof, it being recognized that circumstances that are beyond the control of the Declarant or the Association may arise. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, its Board of Directors, the Association's management company, nor the Declarant, shall in any way be considered insurers or guarantors of security within the Properties. Neither the Association, its Board of Directors, the Association's management company, nor the Declarant shall be held liable for any loss or damage for failure to provide adequate security or ineffectiveness of security measures undertaken.

All Owners and Occupants of any Lot, and all tenants, guests, and invitees of any Owner or the Declarant, acknowledge that the Association, its Board of Directors, the Association's management company, the Declarant, any successor Declarant, and the Architectural Modifications Committee do not represent or warrant that any gated entrance, guard house, entry feature, patrolling of the Properties, fences, neighborhood watch group, volunteer security patrol, or any security system designated by or installed according to guidelines established by the Declarant or the Architectural Modifications Committee may not be compromised or circumvented; nor that any entrance, guard house, entry feature, patrolling of the Properties, neighborhood watch group, volunteer security patrol, or any security systems will prevent loss by burglary, theft, hold-up, or otherwise, including personal injury or death; nor that any gated entrance, guard house, entry feature, patrolling of the Properties, neighborhood watch group, volunteer security patrol, any fire protection system, burglar alarm system, or other security systems will in all cases provide the detection or protection for which the system is designed or intended.

All Owners and Occupants of any Lot and all tenants, guests, and invitees of any Owner or the Declarant assume all risks for and agree to hold the Association, its Board of Directors, the Association's management company, the Declarant, any successor Declarant harmless from all loss or damage to Persons, to Lots, and to the contents of Lots arising from or relating to the construction, design, operation and maintenance (including without limitation any failure to maintain or operate or any malfunction, negligence, defect, ineffectiveness or misuse) of, in or related to any gated entrance, guard house, entry feature, patrolling of the Properties, neighborhood watch group, volunteer security patrol, fire protection system, burglar alarm system, or other security systems. Each Owner, Occupant, or any tenant, guest, or invitee of any Owner or the Declarant acknowledges that the Declarant has disclaimed, and agrees that no such Owner, Occupant, or tenant, guest, or invitee of any Owner or the Declarant may rely upon, any representations or warranties, expressed or implied, relative to any gated entrance, guard house, entry feature, patrolling of the Properties, neighborhood watch group, volunteer security patrol, or any security systems recommended or installed or any security measures undertaken within the Properties.

8.16. Provision of Services. The Association may provide services and facilities for the Members of the Association and their guests, lessees and invitees. The Association may enter into contracts or other similar agreements with other entities to provide such services and facilities. In addition to the Assessments and other fees or charges enumerated in this Declaration, the Board is and shall be authorized to charge additional fees, including use and consumption fees, for such services and facilities. By way of example only, some services and facilities which may be provided include pest control service, cable television service, security, caretaker, fire protection, landscaping, home repairs, utilities, and similar services and facilities. The Board shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein is a representation as to what services and facilities will or will not be provided or what level of services will or will not be provided. The cost of implementing, providing, managing and maintaining such services and facilities, together with any reasonable reserves or associated overhead as reasonably determined by the Board, may be assessed against the benefited Lot and collected as a Benefited Assessment. The Board may adopt rules, resolutions or Supplemental Declarations applicable to Lots and their Owners who receive such services or receive benefits from such facilities, including the establishment of fees and assessments related to the Services, procedures for delivery and timing of such services, the procedures for amending fees and assessments, and penalties for non-compliance with the rules, resolutions or Supplemental Declaration (including fines) or interfering with the delivery of the services. Notwithstanding such rules, resolutions or Supplemental Declaration, the Board always reserves the right to adjust (upwards or downwards) the fees or assessments relating to such services whenever the Board reasonably determines that such adjustment is necessary to cover the actual or projected costs incurred by the Association in providing such services and facilities and to ensure that the Owners receiving such services pay all costs associated with such services and facilities. Notices of assessments or fees and rules regarding such services will be posted in a prominent place in the Common Area and posted on the Association's website and/or the Association's newsletter (which may be distributed electronically), if any. No Owner may interfere with, tamper with or modify any

facilities owned or used by the Association in providing such services, even if located on the Owner's Lot.

8.17. Litigation. Except as provided below, the Association shall not commence any judicial or administrative proceeding without the approval 67% of the total Association voting power at a Special Meeting called for that purpose. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article IX; (c) proceedings involving challenges to ad valorem taxation; (d) actions brought by the Association against a third party for breach of a contract for goods or services in which the Association is a party to such contract; or (e) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. This Section shall apply in addition to the provisions of Article XIV, if applicable.

8.18. Association Records. The Association shall make the books and records of the Association, including financial records, reasonably available to an Owner in compliance with Section 209.005 of the Texas Property Code, as amended from time to time. An Owner may not request the Association's attorney's files and records relating to work performed for the Association except in connection with the Association's request for attorney invoices under Section 8.10.

ARTICLE IX

ASSOCIATION FINANCES

9.1. Budgeting and Allocating Common Expenses. Not less than 30 days before the beginning of each calendar year, the Board shall prepare an operating budget covering the Common Expenses estimated to be incurred during the coming year. The budget shall include contributions to the reserve fund and to the capital improvement fund in accordance with budgets separately prepared as provided in Section 9.3

The Base Assessment shall be levied equally against all Lots subject to assessment and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including contributions to the reserve fund and the capital improvement fund. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association including the Reserve and Capital Improvement funds. In addition, the Board shall take into account the number of Lots reasonably anticipated to become subject to assessment under Article IX on the first day of the calendar year for which the budget is prepared,

The budgets shall become effective unless disapproved at a meeting by at least a majority of the total voting power of the Association. There shall be no obligation to call a meeting for the purpose of considering the budgets except on petition of the Members as provided for special meetings in Section 2.4 of the Bylaws, which petition must be presented to the Board within 30 days after notice of the assessments.

Notice of assessments shall be posted in a prominent place within the Properties and included in the Association's newsletter (which may be distributed electronically) and/or posted on the Association's website, if any. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined, the budget in effect for the immediately preceding year shall continue for the current year.

9.2. Contracts with Others for Performance of Community Association's Duties. Subject to the Bylaws and Section 209.0052 of the Texas Property Code, the Association may enter into contracts and transactions with third parties.

9.3 Budgeting for the Reserve Fund; Capital Improvement Fund; and Supplemental Reserve Contribution due upon transfer. The Board shall prepare, on an annual basis: (1) a reserve budget which takes into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset and: (2) a capital improvement budget which anticipates making additional capital improvements and/or purchasing additional capital assets. The Board shall include in the Base Assessments, reserve and capital improvement contributions in amounts sufficient to meet these projected needs, if any.

The Board may adopt resolutions regarding the expenditure of reserve funds, including policies designating the nature of assets for which reserve funds may be expended. Such policies may differ for general Association purposes.

The Supplemental Reserve Contribution shall be due and payable by the purchaser and/or the seller of the Lot, upon the sale of a Lot to a Home Owner.

The amount of any such Supplemental Reserve Contribution shall be One Thousand Five Hundred and No/100 Dollars (\$1,500.00) or such greater amount as the Board shall determine. In the Board's sole and absolute discretion, the Supplemental Reserve Contribution may be allocated to the funding of the Reserve Fund and/or the Capital Improvement Fund. The limit on the Supplemental Reserve Contribution is separate from the limit imposed on New Member Fees.

9.4. Authority to Assess Owners; Obligation for Assessments. The Association may levy assessments against each Lot for Association expenses as the Board may specifically authorize from time to time. There shall be five types of assessments for Association expenses: (a) Base Assessments to fund Common Expenses for the general benefit of all Lots; (b) Special Assessments as described in Section 9.6; (c) Benefited Assessments as described in Section 9.7 and (d) the New Member Fee described in Section 9.8 and (e) Supplemental Reserve Contributions. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties is deemed to covenant and agree to pay these assessments.

All assessments, together with interest from the due date of such assessment at a rate determined by the Association (not to exceed the highest rate allowed by Texas law), late charges, costs, including lien fees and administrative costs, fines, reasonable attorneys' fees, and any other amounts owed in accordance with the Governing Documents shall be a charge and

continuing lien upon each Lot against which the assessment is levied until paid, as more particularly provided in Section 9.9 and shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable with the grantor for any assessments and other charges due at the time of conveyance. No first Mortgagee who obtains title to a Lot by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. The Board may apply amounts received from an Owner to any amounts owed by the Owner, regardless of instructions or notations on checks.

Assessments shall be paid in such manner and by such dates as the Board may establish. Unless the Board otherwise provides, the Base Assessment for each Lot shall be due and payable from Owners upon the Owner's acquisition of a Lot and on each anniversary of such date thereafter, and from Declarant (to the extent Declarant pays such Assessments on Lots) in advance of each calendar year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot, the Board may assess a late charge and require unpaid installments of all outstanding assessments to be paid in full immediately.

The Association shall, upon request by an Owner, furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether assessments for such Owner's Lot have been paid and any delinquent amount. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

No Owner may exempt himself or herself from liability for assessments, by nonuse of Common Area, abandonment of his or her Lot or Dwelling Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or other action taken by it.

9.5. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted, including for any repair, restoration, or replacement of an existing element of the Common Area. Such Special Assessment may be levied against the entire membership, if for Common Expenses, or against Lots receiving Association services, if for such services. Such Special Assessments may be authorized by a majority vote of the Board of Directors and shall become effective unless disapproved at a meeting of the Owners representing a majority of the total voting power allocated to Lots which will be subject to such Special Assessment.

Except as set forth below, there shall be no obligation to call a meeting for the purpose of considering Special Assessments except on petition of the Members or Owners as provided for special meetings in Section 2.4 of the Bylaws, which petition must be presented to the Board within 30 days after notice of the Special Assessment.

Notice of Special Assessment shall be provided as set forth in Section 9.1. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the calendar year in which the Special Assessment is approved.

Notwithstanding the above no Special Assessment for a Capital Improvement having a total cumulative cost exceeding ten percent (10%) of the total budgeted gross expenses of the Association for that calendar year shall be effective until the same is approved by Members holding a majority of the total voting power of the Association at a meeting duly called for this purpose.

Capital Improvements costing 10% or less of the total budgeted gross expenses of the Association for that calendar year shall constitute a Common Expense and any Special Assessment for which may be made as provided for above.

Capital Improvements are defined as changes that: (1) create an addition, physical enlargement or expansion to an existing Common Area element, building or amenity; (2) the building of a new building or amenity; or (3) adapting an existing Common Area element, building or amenity to a new or different use. Capital Improvements do not include correcting a defect or design flaw in the Common Area, including changes to bring the Common Area up to code, or changes or improvements to the Common Area that increases efficiency or extends the useful life of a Common Area element.

Notwithstanding anything to the contrary in this Article, no Special Assessment shall be levied against any Lot owned by Declarant without Declarant's prior written consent.

9.6. Benefited Assessments. The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot or Occupants thereof pursuant to this Declaration or upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize, which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Lot into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the Bylaws, the Design Guidelines, or rules of the Association, or costs incurred as a consequence of the conduct of, or damage to Area of Common Responsibility by, the Owner or Occupants of the Lot, their licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying a Benefited Assessment under this subsection (b).

9.7. New Member Fee Assessment.

(a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer, the Association shall collect an assessment known as a "New Member Fee" upon each sale, conveyance or transfer

of a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the seller, grantor or transferor of the Lot, as applicable, provided that (i) the seller and purchaser of a Lot are free to contract among themselves as to whether the purchaser shall reimburse the seller for the New Member Fee; and (ii) if the seller, grantor or transferor of the Lot fails to pay the New Member Fee, the purchaser or grantee shall be jointly and severally responsible for payment of the New member Fee and the obligation to pay the New Member Fee shall be secured by the Association's lien for assessments. Each Home Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

(b) Fee Limit. The fee shall be in an amount established by the Board from time to time, but not to exceed the greater of (a) Six Hundred Fifty dollars (\$650), or (b) 1/3 of one percent of the Gross Selling Price (as defined herein) of the Lot, with all improvements, and shall be due upon the closing of the sale or transfer of the Lot. The Gross Selling Price shall mean the total consideration paid by the purchaser of the Lot to the seller of the Lot, including financed amounts, but excluding transfer taxes and fees imposed by any governmental entity, if any.

(c) Purpose. New Member Fees shall be used for any purpose the Board deems beneficial to operation of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association or one or more tax -exempt entities in funding the operation and maintenance of recreational facilities, Common Areas, open space preservation as well as funding reserves and all other funding needs of the Association.

(d) Exempt Transfers. No New Member Fee shall be levied upon the following sales, transfers or conveyances of Lots:

(i) by a co-owner to any Person who was a co-owner immediately prior to such transfer;

(ii) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;

(iii) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or

(iv) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

The New Member Fee set forth herein is in addition to any administrative fee described in Article XIX covering the costs of establishing new membership documents upon lease or transfer and any capital reserve supplemental Base Assessment that may be adopted by the Board pursuant to Section 9.3, and the limitation on these types of fees is not applicable to the New Member Fee.

9.8. Lien for Assessments. The Declarant does hereby establish, reserve, create and subject each Lot to a perfected contractual lien in favor of the Association to secure payment of delinquent assessments owed on account of such Lot, as well as interest (subject to the limitations of Texas law), late charges, fees, and any other amounts owed in accordance with the Governing Documents, and costs of collection (including attorney's fees (subject to Section 8.10), lien fees and administrative costs). Such lien shall be prior to and superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with the first priority over other Mortgages) made in good faith and for value. Declarant hereby assigns such lien to the Association without recourse. The lien shall be self-operative and shall continue in inchoate form without being reserved or referenced in any deed or other document and without any other action required. The Association may enforce such lien, when any assessment or other charge is delinquent, by suit, judgment, and judicial and nonjudicial foreclosure subject to Section 9.9 and in accordance with Texas law. By acceptance of ownership of a Lot, each Owner consents to the creation of such lien and acknowledges that such lien preexists Owner's ownership of his or her Lot.

Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Association to execute and record any such document shall not, to any extent, affect the validity, enforceability, or priority of the lien. The lien may be foreclosed through judicial or, to the extent allowed by law, nonjudicial foreclosure proceedings in accordance with Chapter 51 of the Texas Property Code, as it may be amended from time to time, in like manner of any deed of trust on real property. Each Owner hereby grants to the Association, whether or not it is so expressed in the deed or other instrument conveying such Lot to the Owner, a power of sale to be exercised in accordance with Chapter 51 of the Texas Property Code, as it may be amended from time to time.

At any foreclosure proceeding, any Person, or the Association, may bid for the Lot at foreclosure sale and acquire and hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid assessments and other fees or costs due the Association by an Owner without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, a Mortgagee holding a first Mortgage of record or other purchaser of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 9.11 including such acquirer, its successors and assigns.

9.9. Foreclosure Sale Prohibited in Certain Circumstances. The Association may not foreclose its assessment lien on an Owner's Lot if the debt securing the lien consists solely of: (a) fines assessed by the Association; (b) attorney's fees incurred by the Association solely associated with fines assessed by the Association; or (c) amounts added to the Owner's account as an assessment under Section 209.005(i) or 209.0057(b-4) of the Texas Property Code. This sub-paragraph is intended to implement Section 209.009 of the Texas Property Code and shall be construed co-extensive with such statute, as amended from time to time. If such statute is later modified, this sub-paragraph shall be deemed automatically modified in the same manner. If Section 209.009 of the Texas Property Code is repealed, then the limitations set forth above in this sub-paragraph shall be deemed automatically deleted.

9.10. Date of Commencement of Assessment Obligations. The obligation to pay assessments shall commence as to each Lot on the first day of the month following: (a) the date the Lot is made subject to this Declaration, or (b) the date the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. If elected by the Association, the first annual Base Assessment against each Lot may be adjusted according to the number of months remaining in the calendar year or before a new Base Assessment will be adopted by the Board at the time assessments commence against the Lot. The obligation to pay Benefitted Assessments for services provided by the Association to the Lot shall commence on the first day such services are provided to the Lot.

9.12. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice, or post an assessment notice, shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

9.13. Exempt Property. The following property shall be exempt from payment of Base Assessments, Special Assessments and New Member Fees:

- (a) all Common Area; and
- (b) all property dedicated to and accepted by any governmental authority or public utility.

In addition, the Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

COMMUNITY DEVELOPMENT

ARTICLE X EXPANSION OF THE COMMUNITY

10.1. Expansion by the Association. The Association may subject any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of at least a majority of the voting power of the Association ""at a meeting duly called for such purpose. Such annexation shall be accomplished by filing a Supplemental Declaration in the County Clerk's Office describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property. Any such annexation shall be effective upon filing unless otherwise provided therein.

ARTICLE XI SPECIAL RIGHTS

11.1. Equal Treatment. So long as the Declarant owns any property described on Exhibit "A", the Association shall not, without the prior written approval of the Declarant, adopt any policy, rule or procedure that:

(a) Limits the access of the Declarant, its successors, assigns and/or affiliates or their personnel, invitees, or guests to the Common Area of the Association or to any property owned by any of them;

(b) Limits or prevents the Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Association or its Common Area or any property owned by any of them in promotional materials;

(c) Limits or prevents purchasers of new Dwelling Unit constructed by the Declarant, its successors, assigns and/or affiliates in Hill Country Retreat from becoming members of the Association or enjoying full use of its Common Area, subject to the membership provisions of this Declaration and the Bylaws;

(d) Discriminates against or singles out any group of Association members or prospective members or the Declarant [this provision shall expressly prohibit the establishment of a fee structure (i.e., assessments, Special Assessments, and other mandatory fees or charges other than Benefited Assessments, chartered club dues, and use fees) that discriminates against or singles out any group of Association members or the Declarant, but shall not prohibit the establishment of Benefited Assessments];

(e) Impacts the ability of the Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for Hill Country Retreat, as such plans may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of existing easements established by the Declarant and limiting the establishment by the Declarant of easements necessary to complete Hill Country Retreat shall be expressly included in this provision. Easements that may be established by the

Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities; or

(f) Impacts the ability of the Declarant, its successors, assigns and/or affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

The Association shall exercise its authority over the Area of Common Responsibility or Common Area in a manner that does not interfere with the rights of the Declarant set forth in this Declaration or unreasonably impede access to any portion of the Properties over the streets and other Common Area within the Properties.

11.2. Use of the Words "Hill Country Retreat". No Person shall use the words "The Hill Country Retreat" or "Hill Country Retreat" or any derivative, or any other term used as the name of this development or any component thereof, in any printed or promotional material without the Board's prior written consent. However, Owners may use the words "The Hill Country Retreat" and "Hill Country Retreat" in printed or promotional matter solely to specify that particular property is located within the Properties, and the Association shall be entitled to use the words "The Hill Country Retreat" and "Hill Country Retreat" in its name.

11.3. Pulte and Del Webb Marks. Any use by the Association of names, marks or symbols of Pulte Homes of Texas L.P., or Pulte Homes, Inc. or any of their respective affiliates (collectively "Del Webb Marks") shall inure to the benefit of Pulte Homes of Texas L.P and Pulte Homes, Inc., respectively, and shall be subject to Pulte Homes of Texas L.P's and Pulte Homes, Inc.'s periodic review for quality control. The Association shall enter into license agreements with Pulte Homes of Texas L.P and/or Pulte Homes, Inc., as applicable, terminable with or without cause and in a form specified by Pulte Homes of Texas L.P or Pulte Homes, Inc. in its sole discretion, with respect to permissive use of certain Del Webb Marks. The Association shall not use any Del Webb Mark without Pulte Homes of Texas L.P's or Pulte Homes, Inc.'s, as applicable, prior written consent.

11.4. Models and Sales Offices. Notwithstanding any provision of this Declaration to the contrary, at all times that Declarant owns any of the Properties, Declarant will have the right and privilege: (i) to erect and maintain advertising signs (illuminated or non-illuminated), sales flags, other sales devices and banners for the purpose of aiding the sale of Lots; (ii) to maintain improvements upon Lots to assist with sales and marketing, including without limitation sales, model, management, business and construction offices; and (iii) to maintain and locate advertising and directional signs, construction trailers, tools, equipment and materials within the Properties. Development and construction activities, and the location and maintenance of signs, flags, banners, trailers, tools, equipment and materials within the Properties by Declarant and its assignees or Builders, as approved by Declarant, will not be considered a nuisance.

PROPERTY RIGHTS WITHIN THE COMMUNITY

ARTICLE XII EASEMENTS

12.1. Easements in Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) This Declaration, the Bylaws and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt rules, regulations or policies regulating the use and enjoyment of the Common Area, including rules restricting use of recreational facilities within the Common Area to Occupants of Dwelling Units and their guests, and rules limiting the number of Occupants and guests who may use the Common Area;
- (d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area pursuant to this Declaration, including Article IX;
- (e) The right of the Association to dedicate or transfer all or any part of the Common Area to governmental entities pursuant to Section 13.3;
- (f) The right of the Board to impose reasonable membership requirements and charge reasonable membership, admission, or other fees for the use of any recreational facility situated upon the Common Area;
- (g) The right of the Board to permit use of any Common Area recreational facilities by non-Owners, their families, lessees and guests upon payment of Board established use fees;
- (h) The right of the Board to create, enter agreements with, grant easements to and transfer portions of the Common Area to tax-exempt organizations under Section 18.1;
- (i) The right of the Association to mortgage, pledge, or hypothecate any or all of its real or personal property as security for Association obligations;
- (j) The right of the Association to permit use of the roads and streets by non-owners, including governmental entities, utility companies, emergency personnel, contractors, agents, business invitees, licensees and others and the right of the Association to limit access and use of the roads and streets by gates or similar mechanisms and to limit parking on roads and streets;
- (k) The right of the Association to rent or lease any portion of any clubhouse and other recreational facilities within the Common Area on a short-term basis to any Person approved by the Association for the exclusive use of such Person and such Person's family and guests;
- (l) The right of the Board to change the use of any portion of the Common Area;

(m) The right of the Association to regulate the use of the Common Areas through the Rules and Regulations and to prohibit access to those Common Areas, such as landscaped rights-of-way, not intended for use by the Members;

(n) Additional covenants or restrictions that may be imposed by the Association as required to comply with any federal, state or local law or ordinance.

12.2. Easements of Encroachment. Declarant reserves easements of encroachment for Lot Owners if the encroaching item or structure was built in substantial conformity with plans approved by the AMC pursuant to Article V.

12.3. Easements for Utilities, Etc. Declarant reserves unto and grants to the Association an easement for the purpose of access and maintenance upon, across, over, and under all of the Properties to the extent reasonably necessary to install, replace, repair, and maintain cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, trails, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity. The Association may assign these rights to any local utility supplier, cable company, security company or other company providing a service or utility to Hill Country Retreat subject to the limitations herein. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing Dwelling Unit on a Lot, and any damage to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

Declarant also specifically grants to the local utility suppliers easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the Dwelling Unit on any Lot, nor shall any utilities be installed or relocated on the Properties, except as approved by the Board.

12.4. Easements for Roads and Streets. Declarant reserves unto and grants to the Association an easement for the purpose of access and maintenance upon, across, over, and under all of the Properties to the extent reasonably necessary to install, replace, repair, and maintain roads, streets and rights of way, with associated sidewalks, lighting, signs, landscaping and similar facilities.

(a) The Properties are hereby burdened with easements in favor of any roads or streets owned by the Association for drainage of storm water runoff from such roads and streets;

(b) The Association, its respective agents, successors and assigns, as well as its Members, guests, invitees, employees, and authorized users of the roads and streets shall at all times have a right and non-exclusive easement of access and use over the roads and streets, if any, located within the Properties as reasonably necessary for the use and enjoyment of the roads and streets; Declarant reserves unto and grants to the Association an easement for the purpose

of constructing and relocating roads and streets anywhere within the Properties as determined by the Association, in its sole discretion, provided that roads and streets shall not be permitted to cross over any Lot after it is sold to a Homeowner. Each Homeowner consents to having a road or street and right of way, with associated sidewalks, lighting, signs, landscaping and similar facilities located adjacent to its Lot if, as and when a road or street is constructed by the Association.

(c) To the extent any portion of any Common Area, including any road, street, right of way or sidewalk encroaches onto any Lot, there shall be an easement over such Lot in favor of the Association to construct, reconstruct, operate, maintain and repair such encroaching portion of any Common Area, road, street, right of way or sidewalk, for the benefit of all Members of the Association, their guests, invitees, etc. The Association shall be entitled to remove, destroy or move any fixture, improvement or vegetation (including mailboxes, walkways, paving, asphalt, shrubs and trees) situated within such easement without reimbursement provided the Association shall use reasonable efforts to minimize damage to the extent practical;

(d) Within and adjacent to the Properties there are many roads, streets and thoroughfares either existing or planned. As the various development and other improvements of the Properties and surrounding areas are created it is anticipated that the volume of traffic and noise associated with vehicles will increase and that noise levels may be higher when construction activities with the Development are ongoing. It shall not be the responsibility of the Association to provide mitigation for such consequences of planned growth and development, such as the construction of perimeter walls, the planting of landscaping, etc.; and

(e) Each Owner and Occupant, and their respective agents, guests and invitees, and the Association and its agents, successors and assigns, as well as guests, invitees, licensees and employees, shall have and is hereby granted a nonexclusive easement for street, roadway and vehicular traffic purposes over and along the roads, streets and paved parking areas within the Properties, subject to the Association's rights to publish rules limiting use, parking and access (including by means of gated entrances) and the other limits and restrictions set forth in this Declaration. The nonexclusive easement granted hereby to each Owner is subject to the Association's right to dedicate such streets and upon complete or partial acceptance of such offer by the County, said easement shall terminate and be of no further force or effect as to those streets or portions thereof accepted by the County.

12.5. Easements for Cross-Drainage. Every Lot and the Common Area shall be burdened with easements for natural drainage of storm water runoff from other portions of the Properties; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Owner(s) of the affected property, and the Board.

12.6. Right of Entry. The Association shall have the right, but not the obligation, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Lot and Dwelling Unit, for emergency, security, and safety reasons. Such right may be exercised by the authorized agents of the Association, its Board, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry into a Dwelling Unit shall be only

during reasonable hours and only after notice is made and permission granted from the Owner thereof. This easement includes the right to enter any Lot or Dwelling Unit to cure any condition which increases the risk of fire or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but does not authorize entry into any Dwelling Unit without permission of the Owner, except by emergency personnel acting in their official capacities. Public providers of emergency services shall have access to Lots in an emergency as provided by state law and, if applicable, the operating policies of such emergency providers or their sponsoring governmental agency.

12.7. Easements for Maintenance and Enforcement. Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Lot or Dwelling Unit to (a) perform its maintenance responsibilities under Article VI, and (b) make inspections to ensure compliance with this Declaration, any Supplemental Declaration, Bylaws, and rules. Except in emergencies, entry into a Dwelling Unit shall be only during reasonable hours and after notice to and permission from the Owner. This easement shall be exercised with a minimum of interference to the quiet enjoyment of the Owners' property, and any damage caused by the Association shall be repaired by the Association at its expense. The Association also may enter a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Declaration, any Supplemental Declaration, the Bylaws, the Design Guidelines, or the rules.

12.8. Rights to Stormwater Runoff, Effluent and Water Reclamation. Declarant hereby reserves for itself and its designees, including but not limited to the owner of any Private Amenity, all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Properties, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights until such time as the a governmental entity exercises its right to use stormwater runoff as specified in Section 17.1 below. Such right shall include an easement over the Properties for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and effluent. This Section 12.10 may not be amended without the consent of the Declarant or its successor, and the rights created in this Section 12.10 shall survive termination of this Declaration.

The Properties are hereby burdened with a non-exclusive easement in favor of the Association for overspray of water from any irrigation system serving the Area of Common Responsibility. The Association may use treated effluent in the irrigation of any Area of Common Responsibility. Under no circumstances shall the Association be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

12.9. Easements for Lake and Pond Maintenance and Flood Water.

Declarant reserves for the Association, and its successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon the lakes, ponds, rivers, streams, and wetlands located within the Area of Common Responsibility to (a) construct, maintain, and repair pumps in order to provide water for the irrigation of any of the Area of Common Responsibility; (b) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (c) remove trash and other debris therefrom and fulfill their

maintenance responsibilities as provided in this Declaration. The Association, and its successors, assigns and designees shall have an access easement over and across any of the Properties abutting or containing any portion of any of the lakes, ponds, rivers, streams, or wetlands to the extent reasonably necessary to exercise their rights under this Section.

There is further reserved herein for the benefit of the Association, and its successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Lots (but not the Dwelling Units thereon) adjacent to or within one hundred feet of lake beds, ponds, rivers, streams and wetlands within the Properties, in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, rivers, streams, and wetlands within the Area of Common Responsibility subject to the approval of all appropriate regulatory bodies; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, rivers, streams, and wetlands; and (d) enter upon and across such portions of the Properties for the purpose of exercising their rights under this Section. All Persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from, the intentional exercise of the rights granted under such easements. Nothing herein shall be construed to make Declarant, the Association, or any other Person liable for damage resulting from flooding due to heavy rainfall, hurricanes, or other natural occurrences.

12.10. Easements for Tax Exempt Organizations. Tax exempt organizations designated or established by the Association to maintain or assist in the preservation of any portion of the Properties shall have easements over the Area of Common Responsibility to the extent necessary to carry out their responsibilities.

12.11. Easement for Provision of Services. Declarant grants to the Association, and the authorized agents and assigns of the Association, a perpetual, non-exclusive easement of entry on to, over, and across any Lot for the performance of such services (including, but not limited to, landscaping or other exterior maintenance services) as the Association is authorized to provide pursuant to this Declaration. The exercise of this easement shall not permit entry into any Dwelling Unit or any portion of the Lot which is enclosed by a privacy wall as permitted under the Design Guidelines and approved pursuant to Article V without the permission of the Owner.

12.12. Easement for Trail System. Declarant grants to the Association an easement for the purpose of access and maintenance upon, across, over, and under all of the Properties to the extent reasonably necessary to install, replace, repair, and maintain a system of trails, with associated benches, markers, lighting, signs, landscaping and similar facilities.

(a) The Properties are hereby burdened with easements in favor of any trails constructed by the Declarant or the Association for natural drainage of storm water runoff from such trails.

(b) The Association, its respective agents, successors and assigns, as well as its members, guests, invitees, employees, and authorized users of the trail system shall at all times have a right and non-exclusive easement of access and use over the trails, if any, located within the Properties as reasonably necessary for the use and enjoyment of the trails. Under no circumstances shall the Association, or its agents, successors, or assigns, be held liable for any

damage or injury resulting from the exercise of this easement. Declarant grants to the Association, an easement for the purpose of constructing and relocating trails anywhere within the Properties as determined by the Association, in its sole discretion, provided that trails shall not be permitted to cross over any Lot after it is sold to a Homeowner. Each Homeowner consents to having a trail, with associated benches, markers, lighting, signs, landscaping and similar facilities located adjacent to its Lot if, as and when a trail is constructed by the Association.

ARTICLE XIII

SPECIAL PROPERTY RIGHTS

13.1 Activity Cards. Ownership of each Lot occupied by an Age-Qualified Occupant shall entitle the Owner thereof to receive up to two activity cards for use by the Qualified Occupant and other members of his or her household. The cards for each Lot shall be renewed by the Association on an as needed basis without charge, provided that all applicable assessments and other charges have been paid and provided the Dwelling Unit on such Lot continues to be occupied by a Qualified Occupant. The Board may establish policies, limits, and charges with regard to the issuance of additional cards and guest privilege cards.

Subject to reasonable Board regulation and any transfer fees established by the Board, any Owner may assign the right to receive activity cards to the Qualified Occupant of his or her Dwelling Unit. An Owner who leases his or her Lot to a Qualified Occupant shall be deemed to have assigned such rights to the lessee of such Lot, unless the Board adopts a resolution permitting Owners to reserve such rights and such Owner provides the Board with written notice of such reservation.

The Board may issue activity cards to Persons who have signed binding contracts to purchase a Lot, subject to such policies as the Board may determine from time to time.

13.2. Gated Entries. Subject to Section 8.16, the Association may publish rules restricting access by Owners, Occupants and their respective invitees onto the Properties by means of electronic or manned gates. Owners or Occupants may be required to carry electronic devices for operation of the gates in their vehicles and a fee for such devices may be charged.

13.3. Governmental Interests. The Association may designate sites within the Properties for fire, police, utility facilities, drainage facilities, parks, and other public facilities in accordance with applicable laws. The sites may include Common Area and, in such case, the Association shall dedicate and convey such sites as desired, and no membership approval shall be required.

13.4. View Impairment. Neither the Declarant, nor the Association, guarantees or represents that any view over and across any property, including any Lot, from adjacent Lots will be preserved without impairment. The Architectural Modifications Committee shall have no obligation to consider view impairment when approving modifications that comply with the Design Guidelines. The Association shall have no obligation to prune or thin trees or other landscaping except as set forth in Article VIII. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

13.5. Party Walls and Party Fences.

Each wall and fence built as a part of the original construction on the Lots: (a) any part of which is built upon or straddling the boundary line between two adjoining Lots or between a Lot and the Common Area; or (b) which is constructed within four feet of the boundary line between adjoining Lots or between a Lot and the Common Area has no windows or doors, and is intended to serve as a privacy wall for the benefit of the adjoining Lot; or (c) which, in the reasonable determination of the Board, otherwise serves and/or separates two adjoining Lots or between a Lot and the Common Area regardless of whether constructed wholly within the boundaries of one Lot; shall constitute a party wall or party fence (herein referred to as "party structures").

The owners of the property served by a party structure (the "Adjoining Owners") shall own that portion of the party structure lying within the boundaries of their respective properties and shall have an easement for use and enjoyment and, if needed, for support, in that portion, if any, of the party structure lying within the boundaries of the adjoining property. Each Adjoining Owner shall be responsible for maintaining a property insurance policy on that portion of any party structure lying within the boundaries of such Owner's Lot, and shall be entitled to all insurance proceeds paid under such policy on account of any insured loss.

With respect to party structures between two adjoining Lots, the responsibility for the repair and maintenance of such party structures and the reasonable cost thereof shall be shared equally by the Adjoining Owners; provided, however, any Owner that is solely responsible for damage to a party wall shall solely be responsible for its repair. To the extent damage to a party structure from fire, water, soil settlement, or other casualty is not repaired out of the proceeds of insurance, any Adjoining Owner may restore it. If other Adjoining Owners thereafter benefit from the party structure, they shall contribute to the restoration cost in equal shares without prejudice to any Owners' right to larger contributions from other users under any rule of law. Any Owner's right to contribution from another Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

With respect to party structures between Lots and Common Area, the Association shall be responsible for all maintenance and repair thereof, subject to the provisions of Section 9.7(b), except that each Adjoining Owner shall be responsible for painting and making cosmetic repairs to the portion of the party structure, other than any wrought iron comprising such party structure, facing his or her Lot. The Association shall be responsible for all maintenance and repair, including painting and cosmetic repairs, of all wrought iron comprising party structures between Lots and Common Area. The costs incurred by the Association in maintaining and repairing party structures pursuant to this Section shall be a Common Expense allocated among all Lots as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the Persons responsible for such work pursuant to this Declaration, other recorded covenants, or agreements with such Persons.

RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

ARTICLE XIV

DISPUTE RESOLUTION, LIMITATION ON LITIGATION AND ARBITRATION AGREEMENT

14.1. Agreement to Avoid Litigation. The Declarant, the Association, its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Sections 14.2 ("Claims") shall be resolved using the procedures set forth in Section 14.3 in lieu of filing suit in any court. Notwithstanding anything to the contrary in this Declaration, this Article and Exhibit C to this Declaration may not be amended unless affirmatively approved by a vote of 67% of the total voting power of the Members.

14.2. Claims. Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Governing Documents or the Association's Use Restrictions, or the rights, obligations and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subject to the provisions of Section 14.3.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.3:

(a) any suit or other collection action by the Association against any Bound Party to enforce the provisions of Article IX or XIX;

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) or injunction and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration, including but not limited to Articles IV, V and VI and the Use Restrictions;

(c) any suit by an Owner to challenge the actions of the Association, the AMC, or any other committee with respect to approval, disapproval, application or enforcement of the provisions of Article V or Article IV;

(d) any suit between Owners, which does not include the Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(e) any suit in which any indispensable party is not a Bound Party;

(f) any suit which otherwise would be barred by any applicable statute of limitations;
and

(g) any action by the Association against a Bound Party which relates to an actual or potential threat to the health or safety of any Bound Party.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.3.

14.3. Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

- (i). the nature of the Claim, including the Persons involved and Respondent's role in the Claim;
- (ii). the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
- (iii). Claimant's proposed remedy; and
- (iv). that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation and Mediation.

(i). The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing by any party, accompanied by a copy of the Notice, the Board may appoint a designee to assist the Parties in resolving the dispute by negotiation.

(ii). If the Parties do not resolve the Claim within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation either to the Association if it has adopted a mediation procedure for Hill Country Retreat, or to an independent agency providing dispute resolution services in the metropolitan area in which the Properties are located.

(iii). If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(iv). Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of

Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(v). Within five days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(c) Agreement for Final and Binding Arbitration.

(i). If the Parties do not agree in writing to a settlement of the Claim within 15 days of the Termination of Mediation, the Claimant shall have 15 additional days to submit the Claim to arbitration in accordance with the Rules of Arbitration contained in Exhibit "C" or such rules as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons other than Claimant.

(ii). This Article XIV, including this sub-paragraph (c), is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the United States and the State of Texas. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction.

14.4. Allocation of Costs of Resolving Claims.

(a) Subject to Section 14.4(b), each Party shall bear its own costs, including any attorney's fees incurred, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs").

(b) Any Award which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne by all Respondents jointly and severally. Any Award which is equal to or less favorable to Claimant than any Respondent's Settlement Offer shall award to such Respondent its Post Mediation Costs, such costs to be borne by all Claimants, jointly and severally.

14.5. Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to comply again with the procedures set forth in Section 14.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one noncomplying Party, from all such Parties jointly and severally) all costs incurred in enforcing such agreement or Award, including, without limitation, attorney's fees and court costs.

ARTICLE XV
ASSUMPTION OF RISK IN USE OF COMMON AREAS

15.1. Assumption of Risk and Indemnification.

Each Owner, by its purchase of a Lot, hereby expressly assumes the risk of personal injury or property damage caused by use of the Common Area by Owner and all persons entitled to use the Common Areas or the maintenance and operation of any such Common Area by the Association or its management agent, including, without limitation: (a) unauthorized access to the roads or streets by third parties, (b) noise caused by use of the Common Area, (c) use of pesticides, herbicides and fertilizers, (d) use or misuse of the Common Area by Owners, Occupants and their respective guests, invitees, family or agents, (e) all risks associated with traffic and vehicles on the roads and streets and the operation (including malfunctioning) of gates or entry features, and (f) design of the Common Area, including roads and streets.

Each such Owner agrees that neither Declarant, the Association nor any of Declarant's affiliates or agents shall be liable to Owner or any other person claiming any loss of damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of Owner's Lot to the Common Area, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, any of Declarant's affiliates or agents or the Association. The Owner hereby agrees to indemnify and hold harmless Declarant, Declarant's affiliates and agents and the Association against any and all claims by Owner's visitors, tenants and others upon such Owner's Lot.

15.2. View Impairment. Neither the Declarant, nor the Association, guarantee or represent that any view over and across any Common Area from adjacent Lots will be preserved without impairment. No provision of this Declaration shall be deemed to create an obligation of the Association to relocate, prune, or thin trees or other landscaping except as provided in Article VI. The Association may, in its sole and absolute discretion, add trees and other landscaping to Common Areas from time to time. In addition, the Association, in its sole and absolute discretion, may change the location, configuration, size and elevation of the Common Area from time to time. Any such additions or changes to Common Areas may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Any such addition or change may not adversely affect drainage flow across the Properties.

ARTICLE XVI
PROTECTION OF MORTGAGEES

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Properties. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

16.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of

such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or Bylaws relating to such Lot or the Owner or Occupant which is not cured within 60 days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws which is not cured within 60 days; or

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

16.2. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgages of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

16.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

ARTICLE XVII

RELATIONSHIPS WITH GOVERNMENT

17.1. Water Requirements. Any governmental authority owning and operating a stormwater system shall have the right to use all stormwater leaving the Properties entering such governmental authority's treatment system for stormwater and shall have easements over the Common Area to the extent necessary to collect such stormwater; provided however, the governmental authority's rights to stormwater shall not extend to water within ponds or similar detention facilities and the exercise of such easements shall not unreasonably interfere with the Association's activities or the Owners' use and enjoyment of the Common Area.

ARTICLE XVIII

RELATIONSHIPS WITH OTHER ENTITIES

18.1. Relationship with Tax-Exempt Organizations. The Association may create, enter into agreements or contracts with, grant exclusive and/or non-exclusive easements over the Common Area to, or transfer portions of the Common Area to non-profit, tax -exempt organizations, including but not limited to organizations that provide facilities or services designed to meet the physical or social needs of older persons, for the benefit of the Properties, the Association, its Members and residents. The Association may contribute money, real or

personal property or services to any such entity. Any such appropriate contribution by the Association shall be a Common Expense of the Association and included as a line item in the Association's annual budget.

For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as but not limited to entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code maybe amended from time to time.

18.2. Conflicts. This Declaration is not intended to supersede applicable governmental laws or ordinances and all Owners and Members are required to comply with city, county and local laws, regulations, codes and ordinances. In the event of any conflict between the standards set forth in this Declaration or any Supplemental Declaration, and the standards contained in city or county law, code, regulation or ordinance, the more stringent standard shall be applied.

CHANGES IN THE COMMUNITY

ARTICLE XIX CHANGES IN OWNERSHIP OF LOTS

Any Owner, other than the Declarant, desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor, other than the Declarant, shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title. The Association may require payment of a reasonable administrative or registration fee by the transferee.

Upon sale or transfer of title to a Lot (other than the sale or transfer of a lot by Declarant to a Builder or developer), the transferor, other than the Declarant, shall pay an administrative transfer fee in such amount as may be determined by the Board from time to time, and either the transferor and/or the transferee will be required to pay a Supplemental Reserve Contribution as provided in Article IX, Section 9.3 hereof. The administrative transfer fee shall be paid to the Association or its managing agent, as determined by the Board. The supplemental reserve/operating Base Assessment due upon transfer, in the amount provided for in Article IX, Section 9.3 hereof, shall be paid to the Association. In the event that transferor is required to but fails to pay the administrative transfer fees and/or the supplemental reserve/operating Base Assessment due upon transfer, the transferee shall be jointly and severally liable, and all such amounts due upon transfer may be charged to the transferee as a Benefitted Assessment.

ARTICLE XX CHANGES IN COMMON AREA

20.1. Condemnation. Whenever any part of the Common Area shall be taken or conveyed under threat of condemnation by any authority having the power of eminent domain, each Owner shall be entitled to notice thereof. The Board may convey Common Area under

threat of condemnation only if approved in writing by a majority of the voting power of the Association.

The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

(a) If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent practicable, unless within 60 days after such taking a majority of the voting power of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board.

(b) If the taking does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

20.2. No Partition. Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action for partition of the whole or any part thereof without the written consent of all Owners and Mortgagees.

20.3. Dedication of Common Area. The Association may dedicate or grant easements over portions of the Common Area to any local, state, or federal governmental entity, including without limitation the roads or streets. In the event the Association dedicates the streets or roads to a governmental entity and that governmental entity accepts the maintenance of the streets or roads, then the streets and roads shall no longer be included in the Common Area.

ARTICLE XXI

AMENDMENT OF DECLARATION

21.1. Amendment by Owners. Except as otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of a majority of the voting power of the Association and the consent of the Declarant, so long as the Declarant owns any portion of the Properties.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

21.2. Validity and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation in the County Clerk's Office unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. Notice of an amendment shall be posted in a prominent place in the Common Area and on the Association's website, if any, for thirty (30) days following recordation of the amendment in the County Clerk's office and included (or a summary included with a designation

of where the entire amendment is available) in the Association's next available newsletter (which may be distributed electronically), if any, provided that delay or failure to provide such notice shall not affect the validity of the amendment.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hill Country Retreat on the date specified below to be effective as of the July 5, 2023.

PULTEHOMES OF TEXAS, L.P.,
a Texas limited partnership

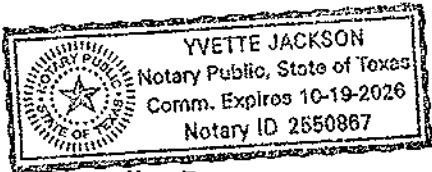
By: Pulte Nevada I, LLC, its General Partner

By: Bl Lacy
Name: Brad Lacy, Div. V.P. of Sales and Marketing
Title: _____

STATE OF TEXAS §
 §
COUNTY OF Bexar §

ACKNOWLEDGMENT

This instrument was acknowledged before me on this 30th day of June 2023,
by Brad Lacy, Div. V.P. of Sales and Marketing, a person known to me in her capacity as
_____ of Pulte Nevada I, LLC, as general partner of Pulte
Homes of Texas, L.P., on behalf of said limited partnership.



Yvette Jackson
Notary Public, on and for the State of Texas

Upon Recording Return to:

Gregory Cagle
Cagle Pugh, Ltd. LLP
4301 Westbank Dr., Ste. A-150
Austin, Texas 78746

EXHIBIT "A"**The Property**

All land described in the following plats recorded in the real property records of Bexar County, Texas:

<u>Unit No.</u>	<u>Property Description</u>
1	Alamo Ranch – Del Webb Blvd., Unit 1 P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9570, Page 212, Official Public Records of Bexar County, Texas.
2	Alamo Ranch – Del Webb Blvd., Unit 2 P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9576, Page 194, Official Public Records of Bexar County, Texas.
3	Del Webb Blvd. Unit 3 (P.U.D.), an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9624, Page 40, Official Public Records of Bexar County, Texas.
4	Del Webb Blvd. Unit 4 (P.U.D.), an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9706, Page 180, Official Public Records of Bexar County, Texas.
5 & 6	Del Webb Unit 5 & 6 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20001, Page 1668, Official Public Records of Bexar County, Texas.
38	Alamo Ranch Unit 38, P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9576, Page 207, Official Public Records of Bexar County, Texas.
38	Replat Establishing Alamo Ranch 38, 25-48 BLK 62 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9604, Page 192, Official Public Records of Bexar County, Texas.
39A	Alamo Ranch Unit 39A, P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9612, Page 95, Official Public Records of Bexar County, Texas.
39B, Phase 1	Alamo Ranch 39B PH1 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9646, Page 47, Official Public Records of Bexar County, Texas.
39B, Phase 2	Alamo Ranch 39B PH2, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9665, Page 163, Official Public Records of Bexar County, Texas.
40A & 45	Alamo Ranch Unit 40A and 45, P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9571, Page 16, Official Public Records of Bexar County, Texas.

40A & 45	Amended Plat of Plat No. 050476 Alamo Ranch Unit 40A and 45 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9619, Page 171, Official Public Records of Bexar County, Texas.
40B	Alamo Ranch – Unit 40B, P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9575, Page 12, Official Public Records of Bexar County, Texas.
40B	Amending Plat of Plat No. 060454 Alamo Ranch U40B Lots 7 and 8, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9602, Page 221, Official Public Records of Bexar County, Texas.
41A	Alamo Ranch – Unit 41A P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9571, Page 18, Official Public Records of Bexar County, Texas.
41A	Amending Plat of Alamo Ranch – Unit 41A P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9576, Page 30, Official Public Records of Bexar County, Texas.
41B	Alamo Ranch – Unit 41B P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9571, Page 20, Official Public Records of Bexar County, Texas.
41B	Amended Alamo Ranch – Unit 41B P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9576, Page 29, Official Public Records of Bexar County, Texas.
41C	Alamo Ranch – Unit 41C P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9571, Page 21, Official Public Records of Bexar County, Texas.
41C	Amending Plat of Alamo Ranch Unit 41C Amended, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9574, Page 162, Official Public Records of Bexar County, Texas.
41D, Phase 1	Alamo Ranch Unit 41D Phase 1 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9654, Page 127, Official Public Records of Bexar County, Texas.
41D, Phase 1	Replat Establishing Alamo Ranch Unit 41D Phase 1 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9666, Page 73, Official Public Records of Bexar County, Texas.
41D, Phase 2	Alamo Ranch Unit 41D Phase 2 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9677, Page 115, Official Public Records of Bexar County, Texas.

41D, Phase 3	Alamo Ranch Unit 41D Phase 3 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9684, Page 176, Official Public Records of Bexar County, Texas.
44A	Alamo Ranch Unit 44A, P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9571, Page 22, Official Public Records of Bexar County, Texas.
44A	Replat Establishing Alamo Ranch 44A 58-70 & 901 PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9597, Page 178, Official Public Records of Bexar County, Texas.
44C	Replat and Subdivision Plat Establishing Alamo Ranch Unit 44C, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20001, Page 184, Official Public Records of Bexar County, Texas.
44D, Phase 1A	Alamo Ranch – Unit 44D Phase 1A, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9598, Page 222, Official Public Records of Bexar County, Texas.
44D, Phase 1A	Replat Establishing Alamo Ranch 44D PH1A LT 31 & 902, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9604, Page 100, Official Public Records of Bexar County, Texas.
44D, Phase 1B	Alamo Ranch – Unit 44D Phase 1B, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9605, Page 85, Official Public Records of Bexar County, Texas.
44D, Phase 2A	Replat and Subdivision Plat Establishing Alamo Ranch Unit 44D Phase 2A, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9617, Page 199, Official Public Records of Bexar County, Texas.
44D, Phase 2B	Alamo Ranch Unit 44D Phase 2B PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9670, Page 71, Official Public Records of Bexar County, Texas.
44D, Phase 3A	Replat & Subdivision Plat Establishing Alamo Ranch Unit 44D Phase 3A, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9640, Page 7, Official Public Records of Bexar County, Texas.
44D, Phase 3B	Alamo Ranch Unit 44D Phase 3B PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9657, Page 75, Official Public Records of Bexar County, Texas.
44E	Alamo Ranch – Unit 44E P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9588, Page 60, Official Public Records of Bexar County, Texas.

46A	Replat and Subdivision Plat of Alamo Ranch Unit 46A, P.U.D., an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20002, Page 1362, Official Public Records of Bexar County, Texas.
46B, Phase 1	Alamo Ranch Unit 46B Phase 1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20001, Page 1515, Official Public Records of Bexar County, Texas.
46B, Phase 2	Alamo Ranch Unit 46B Phase 2, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20002, Page 116, Official Public Records of Bexar County, Texas.
46C, Phase 1	Alamo Ranch Unit 46C PH1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9706, Page 186, Official Public Records of Bexar County, Texas.
46C, Phase 2	Alamo Ranch Unit 46C Phase 2, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9727, Page 150, Official Public Records of Bexar County, Texas.
48A, Phase 1	Alamo Ranch Unit 48A PH1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9661, Page 119, Official Public Records of Bexar County, Texas.
48A, Phase 2	Alamo Ranch Unit 48A PH2, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9672, Page 121, Official Public Records of Bexar County, Texas.
48A, Phase 3	Replat Alamo Ranch Unit 48A PH3, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9700, Page 50, Official Public Records of Bexar County, Texas.
48A, Phase 3	Alamo Ranch Unit 48A PH3, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20001, Page 273, Official Public Records of Bexar County, Texas.
48B	Alamo Ranch Unit 48B, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20001, Page 1932, Official Public Records of Bexar County, Texas.
48C, Phase 1	Alamo Ranch 48C PH1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9681, Page 128, Official Public Records of Bexar County, Texas.
48C, Phase 1	Amending Plat of 150570 Alamo Ranch 48C, PH 1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20003, Page 470, Official Public Records of Bexar County, Texas.
48C, Phase 2	Amending Plat of 140389 Alamo Ranch 48C PH 1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9696, Page 97, Official Public Records of Bexar County, Texas.

48C, Phase 2-1	Alamo Ranch Unit 48C PH 2-1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20001, Page 751, Official Public Records of Bexar County, Texas.
48C, Phase 3	Alamo Ranch Unit 48C PH 3, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20001, Page 1228, Official Public Records of Bexar County, Texas.
48C, Phases 1 and 3	Alamo Ranch Unit 48C PHASES 1 & 3, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20003, Page 138, Official Public Records of Bexar County, Texas.
48D	Alamo Ranch Unit 48D (P.U.D.), an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9624, Page 61, Official Public Records of Bexar County, Texas.
49C, Phase 1	Alamo Ranch 49C PH 1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9693, Page 108, Official Public Records of Bexar County, Texas.
49C, Phase 2	Alamo Ranch 49C PH 2, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9710, Page 83, Official Public Records of Bexar County, Texas.
49C, Phase 3	Alamo Ranch Unit 49C Phase 3, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9728, Page 15, Official Public Records of Bexar County, Texas.
53A	Alamo Ranch Unit 53A, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9681, Page 123, Official Public Records of Bexar County, Texas.
54, Phase 1	Alamo Ranch Unit 54 Phase 1, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20001, Page 1552, Official Public Records of Bexar County, Texas.
54, Phase 2	Alamo Ranch Unit 54 Phase 2, PUD, an addition to Bexar County, Texas, according to the map or plat thereof, recorded in Volume 20002, Page 1787, Official Public Records of Bexar County, Texas.

EXHIBIT "B"

Use Restrictions

1. General. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices or model homes for the Declarant or the Association consistent with this Declaration and any Supplemental Declaration), subject to applicable laws.
2. Prohibited Activities. The following activities are prohibited within the Properties unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board:
 - (a) Posting of signs of any kind except those required by law, including posters, circulars and billboards; provided, one professionally lettered "for rent" or "for sale" sign may be displayed on a Lot being offered for lease or for sale if in accordance with any restrictions in size, coloring, lettering and placement of signs as may be adopted by the Board and the Architectural Modifications Committee (AMC);
 - (b) Subdivision of a Lot into two or more Lots after a subdivision plat including such Lot has been approved and filed with the appropriate governmental authority, or changing the boundary lines of any Lot, and that an Owner of two adjacent Lots may combine them with the permission of the AMC and the Board, provided that such Owner shall be entitled to all rights and subject to all obligations (including payment of assessments) of membership in the Association for each originally platted Lot;
 - (c) Active use of detention basins, ponds, drainage easements, wetlands, or other bodies of water within the Properties. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of, detention basins, ponds, drainage easements, wetlands or other bodies of water within or adjacent to the Properties;
 - (d) Operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Dwelling Unit rotates among participants in the program on a fixed or floating time schedule over a period of years;
 - (e) Occupancy of a Dwelling Unit by more than two persons per bedroom in the Dwelling Unit. For the purposes of this provision, "occupancy" shall be defined as staying overnight in the Dwelling Unit more than 30 days in any six-month period;
 - (f) Capturing, trapping or killing wildlife within the Properties, except in circumstances posing an imminent threat to the safety of persons or pets on the Properties or when authorized and supervised by the Board in accordance with a game management program;
 - (g) Raising, breeding or keeping of animals of any kind, including livestock and poultry, except that for each Dwelling Unit there shall be permitted up to a total of two dogs or

cats (or combination thereof), no more than two birds, and a reasonable number, as determined by the Board, of other usual and common household pets subject to compliance with applicable local codes. No pets shall be permitted to roam free outside the Dwelling Units. All pets outside Dwelling Units or fenced-in yards must be under direct, physical control of a Person by means of a leash or similar restraint held by the Person and attached to the pet (electronic restraints such as electronic collars or electronic fences do not qualify as physical constraints). Pet owners or others who walk pets over common areas or other residences are required to pick up the pets' waste and dispose of it in a pet station or their own garbage can. Pets which, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Owners or Occupants of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet. No goats, chickens, ducks, geese, rabbits, monkeys, snakes, pigs, or ferrets shall be permitted in any Lot or Dwelling Unit;

(h) Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Properties or which result in unreasonable levels of sound or light pollution;

(i) Unlawful discharge of firearms or discharge of explosives (including fireworks) within the Properties. The term "firearms" includes "B-B" guns, pellet guns, paint-ball guns, and other firearms of all types, regardless of size;

(j) Conducting any Business, Trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or Occupant residing in a Dwelling Unit may conduct business activities which are commonly conducted within residential areas within the Dwelling Unit so long as: (A) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (B) the business activity conforms to all zoning requirements for the Properties; (C) the business activity does not involve visitation of the Lot or Dwelling Unit by clients, customers, or other business invitees or door-to-door solicitation of residents of the Properties; (D) the business activity does not involve deliveries of supplies, equipment or other materials by commercial vehicles to the Dwelling Unit other than deliveries from customary parcel or mail delivery services in a time and manner consistent with the residential character of the Properties; and (E) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board. The leasing of a Dwelling Unit shall not be considered a Business or Trade within the meaning of this subsection.

(k) Entering onto any property owned by the Declarant, including Lots under construction, the model home park or undeveloped land without permission or invitation by Declarant. Any unauthorized entry onto Declarant's property shall be trespassing and may result in criminal prosecution. Each Owner indemnifies and holds harmless Declarant for all losses, costs, expenses, injuries, liabilities or obligations arising from or relating to unauthorized entry onto Declarant's property by Owner or its tenants or invitees.

(l) Entry onto or exit from the Properties via the gates between HCR and J Bar Ranch on Bar C, Triple X, and GSL Drives or any future gate on Blossom Row.

(m) Entry onto the Properties through the gated or other entries except as permitted by rules promulgated by the Board.

(n) Access or use of any website, blog or URL made available by the Association to the Owners or Occupants in violation of the Terms and Conditions thereof or any rules promulgated by the Board. Any use of the website, blog or URL made available by the Association to Owners or Occupants shall constitute acceptance of the Terms and Conditions posted on such website, blog or URL. Any unauthorized entry into or use of the computer systems, websites or software systems of the Association shall be (a) a violation of this Declaration and (b) trespassing and conversion, which may result in criminal prosecution.

(o) Conducting an estate sale, unless expressly permitted in writing by the Board. For purposes of this subsection, an estate sale shall mean a sale or auction to dispose of a substantial portion of the personal property owned by a person who is recently deceased or who must dispose of a majority of their personal property to facilitate a move into an assisted-living facility.

3. Prohibited Conditions. The following shall be prohibited within the Properties:

(a) Dog runs, dog houses, kennels or animal pens;

(b) Open garage doors when the garage is not in use. Garage doors shall remain closed at all times except (i) when entering and exiting the garage, or (ii) for a reasonable period of time in day light hours while performing regular home maintenance activities (lawn maintenance, car washing etc.). The Board may adopt rules defining what constitutes active use and the periods of time before and after such use when garage doors may remain open;

(c) Excessive exterior lighting on any Lot or architectural wall wash lighting of the Dwelling Unit. The Board shall in its sole discretion determine whether any exterior lighting is excessive;

(d) Tents, shacks, or other structures of a temporary nature on any Lot except as approved in accordance with Article V or as may be authorized by the Declarant during initial construction within the Properties. Approved temporary structures used during the construction or repair of a Dwelling Unit or other improvements shall be removed immediately after the completion of construction or repair;

(e) Storage of furniture, fixtures, appliances, machinery, equipment, or other goods and chattels not in active use on the Common Area or any portion of a Lot which is visible from outside the Lot, except as approved in accordance with Article V;

(f) Storage of any material that could pollute surrounding areas, including, but not limited to, batteries, oil pans, and tires;

(g) Structures, fixtures, improvements or conditions prohibited by the Design Guidelines; and

(h) Wood burning fireplaces or fire features (firepits, rings, chimineas, tiki torches, etc) and the storage of wood on the premises.

(i) Personal use of drones beyond the air space above the Home Owner's Lot or above Federal altitude limits.

4. Building Setbacks. No Dwelling Unit shall be built within the following building setback areas on a Lot, except for Dwelling Units and improvements constructed on Lots owned by the Declarant or any successor of Declarant:

(a) Front Yard: minimum of 18 feet measured from the front Lot line, unless otherwise shown on the recorded plat.

(b) Side Yard of Non Corner Lots: minimum of 4.5 feet measured from the side Lot lines, with a minimum distance of 9 feet between Dwelling Units on adjacent Lots.

(c) Side Yard of Corner Lots: minimum of 20 feet measured from the side Lot Lines; provided however, if a corner Lot backs up to another corner lot

(On back-to-back corner lots only, 15 ft (15') setback is allowed on secondary street-side-yards front setbacks. Driveways on back-to-back corner Lots must take access from the front yard.).

(d) Rear Yards: minimum of 12 feet measured from the rear Lot line.

For purposes of determining compliance with the building setback areas, eaves, steps, stoops, porches, terraces, decks and patios shall be deemed a part of the Dwelling Unit.

5. Fence Location. A fence may not be constructed or installed in front of the front-most building line of the residential dwelling constructed on a Lot unless such fence was constructed or installed before September 1, 2023. Notwithstanding anything to the contrary herein, a fence may be constructed or installed in front of a residential dwelling's front-most building line if (1) the Lot owner's residential address is exempt from public disclosure under state or federal law; or (2) the Lot owner provides to the Association documentation from a law enforcement agency of the Lot owner's need for enhanced security measures; provided, however, that on or before the sale or transfer of the Lot to a new owner whose residential address is not exempt from public disclosure or who is not in need of enhanced security measures, the portion of the fence in front of the residential dwelling's front-most building line is removed and the fence is restored to a condition that complies with the Declaration and all applicable Design Guidelines.

6. Leasing. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Dwelling Unit by any person other than the Owner and the members of the Owner's household or the Owner's roommate, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Dwelling Units may be leased only in their entirety. No fraction or portion may be leased. No structure on a Lot other than the primary residential Dwelling Unit shall be leased or otherwise

occupied for residential purposes, except that any Lot comprised of more than one acre of land may make residential use of such a structure for an ancillary use such as in-law suite or nanny suite, but not for independent leasing. There shall be no subleasing of Dwelling Units or assignment of leases unless prior written approval is obtained from the Board. All leases shall be in writing. No transient tenants may be accommodated in a Dwelling Unit, and all leases, other than leases of cottages, shall be for an initial term of no less than 180 days.

Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Lot Owner within ten days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, Bylaws, and the rules and regulations. The Board may adopt reasonable rules regulating leasing and subleasing.

7. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of the Properties. Woodpiles or other material shall be stored in a manner so as not to be visible from outside the Lot and so as not to be attractive to native rodents, snakes, and other animals and to minimize the potential danger from fires. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other portion of the Properties. No activities shall be conducted upon or adjacent to any Lot or within improvements constructed thereon which are or might be unsafe or hazardous to any Person or property. No open fires shall be lighted or permitted on the Properties, except in a contained outdoor fireplace or barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

8. Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size and style which are approved in accordance with Article V or as required by the applicable governing jurisdiction or trash collecting service. Uncovered recycling bins may be used if the applicable governmental agency or organization does not provide bins with covers. Such containers shall be kept inside garages except when they are being made available for collection. Containers should not be placed out for collection earlier than 6 pm the night before collection and should be brought in by 6 pm on the day of collection (unless it has not been collected) All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot.

9. Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot. Clothes shall not be dried on clothes lines in a garage with the garage door open if such clothes lines are visible from any adjacent street or Lot or Common Area.

10. Vehicles and Parking

The term "vehicles" as used herein, shall refer to all motorized vehicles including, without limitation, automobiles, trucks; recreational vehicles, conversion vans, golf carts (as defined below), boats, trailers, motorcycles, minibikes, scooters, go-carts, campers, buses and vans.

“Recreational vehicle” or “RV” shall refer to any motor vehicle, self-propelled or towed, designed to be a temporary or permanent dwelling, which contains plumbing, heating, and electrical systems that may be operated with or without a connection to outside utilities. Further, an RV may be determined, according to the county or state based on its title and per the Board, based solely on the visual aspects of the vehicle.

“Conversion Van” shall refer to a passenger vehicle with no temporary dwelling and plumbing, which resembles from a visual standpoint, a Sprinter Van or similar vehicle; as determined by the Board.

No vehicle may be parked or left upon any Lot in Hill Country Retreat, except as follows:

(a) If such vehicles are parked or stored in a garage or other area designated by the Board; or

(b) If the vehicle is an automobile, sports utility vehicle, golf cart, or a truck used on a regular basis it can be parked on the driveway. The storage of vehicles on driveways is not allowed. Temporary parking of recreational vehicles, boats, trailers, motorcycles, minibikes, scooters, go-carts, campers, buses and cargo vans is allowed in driveways for not more than (48) hours within each seven-day period; or

(c) Commercial vehicles (a pickup truck under one ton with a commercial sign, magnet application smaller than the door of the truck does not constitute a commercial vehicle) may not be parked within the properties overnight other than in enclosed garages; or

(d) Stored vehicles, and unlicensed vehicles or inoperable vehicles shall not be parked within the Properties other than in enclosed garages; or

(e) Handicapped or conversion vans may be parked in the driveway, if the garage is not of an adequate size to accommodate the vehicle and if the van is the primary mode of transportation for the resident, or

(f) If the vehicle is a recreational vehicle and cannot be completely parked in a driveway it may be temporarily parked on the street for not more than a (36) hour time period within each (7) day period. provided, or

(g) Except as provided in these Use Restrictions, the overnight parking of vehicles on streets or within road rights-of way by owners or occupants shall not be allowed;

Motorized vehicles, including but not limited to, golf carts, ATV's, go-peds, motorcycles, Segways and similar vehicles (collectively, “Motorized Vehicles”), are prohibited from entering into any “Common Area” (as defined in the Declaration), including, without limitation, walking trails, sidewalks, amenity buildings, and/or the interior of buildings. Notwithstanding the foregoing, Association-owned or operated golf carts, maintenance vehicles, postal and emergency vehicles specifically approved by the Board shall not be restricted in any area. The use and operation of such Motorized Vehicles within the Hill Country Retreat community shall at all times be subject to the following requirements.

(a) Motorized Vehicles shall be operated by either: persons holding a valid driver's license; or other persons with a valid learner's permit, if such person is accompanied by a parent, grandparent, legal guardian, or other adult, who has a valid driver's license.

(b) Any violations of these Use Restrictions can and will result in a fine being attached to the account of the homeowner.

The rules set forth herein shall in no event prohibit the use of a wheeled device, whether motorized or not, as an aide for a physical disability in any portion of the Hill Country Retreat community.

11. Golf Carts

It is the policy of the Association to allow golf carts to be operated on the private streets within the Gated Sections, subject to the following rules and regulations:

(a) Definition. As used herein, "golf cart" means a motor vehicle designed by the manufacturer primarily for use on a golf course.

(b) Speed. golf carts may not be operated at a speed in excess of twenty-five (25) miles per hour.

(c) Equipment. A golf cart must have functioning headlamps, tail lamps, reflectors, parking brake, and mirrors.

(d) Parking. Parking of a golf cart must be in accordance with this section of the Initial Use Restrictions

(e) Conduct. A golf cart must be operated in accordance with the following:

- i. A person operating a golf cart must yield the right-of-way to a pedestrian.
- ii. The driver and passengers, if any, in a golf cart must be seated at all times that the golf cart is in motion. No person may sit in the driver's lap when a golf cart is in motion.
- iii. The number of seated passengers in a golf cart may not exceed the number of passengers for which the golf cart was designed.
- iv. The driver and passengers, if any, must keep their arms and legs within the golf cart, meaning within the width and length of the golf cart.
- v. The operator of a golf cart may not be under the influence of alcohol or drugs.
- vi. An operator of a golf cart who is sixteen (16) years of age or older is not required to have a valid driver's license.

- vii. If the operator of a golf cart is fifteen (15) years old, the operator must have a valid learners permit in his/her possession. If the operator of the golf cart is fifteen (15) years old but does not have a valid learners permit, the operator must be accompanied in the front seat by a parent, grand parent, legal guardian, or a person eighteen (18) years of age or older who has a valid driver's license.
- viii. If the operator of a golf cart is twelve (12), thirteen (13) or fourteen (14) years old, the operator must be accompanied in the front seat by a parent, grandparent, or legal guardian.
- ix. No person under twelve (12) years of age may operate a golf cart on a private street.

12. All composting devices or rain barrels shall be located in accordance with the Design Guidelines, be of a size, type and material approved in accordance with Article V and the Design Guidelines, and shall be shielded and located in accordance with Article V and the Design Guidelines.

13. Exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind must be reviewed and approved pursuant to Article V and the Design Guidelines; provided, the Association shall have the right, without obligation, to erect or install and maintain such apparatus for the benefit of all or a portion of the Properties; and further provided that approval shall not be required for the installation of one small and inconspicuous satellite dish antenna having a diameter of one meter (39.37 inches) or less that is installed on the rear portion of a side roof or on the rear roof in accordance with the Design Guidelines;

14. Estate sales may be held upon paying a \$100, non-refundable permit fee to the Association. The estate sale must be conducted by a licensed, bonded, and insured (to a minimum of \$1,000,000) professional provider.

15. Dumpsters or Bagsters for personal use: Prior to delivery of a dumpster or Bagster, the resident must notify management of how long it will be in use. Initial requests shall be for no more than two weeks, but may be renewed if necessary. They must be placed in the driveway and not extend over the sidewalk. Full dumpsters or Bagsters must be emptied or picked up within two days of filling. Failure to comply with these rules will result in fines.

16. Portable Moving Containers: Prior to delivery of a portable moving container, the resident must notify management of how long it will be in use. Initial requests shall be for no more than 30 days, but may be renewed one time for an additional 30 days. They must be parked in the driveway and not extend over the sidewalk. Failure to comply with these rules will result in fines.

EXHIBIT "C"

Rules of Arbitration

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's submission of the Claim to arbitration ("Arbitration Notice").
2. The Parties shall select arbitrators ("Party Appointed Arbitrators") as follows: all the Claimants shall agree upon one Party Appointed Arbitrator, and all the Respondents shall agree upon one Party Appointed Arbitrator. The Party Appointed Arbitrators shall, by agreement, select one neutral arbitrator ("Neutral") so that the total arbitration panel ("Panel") has three arbitrators.
3. If the Panel is not selected under Rule 2 within 45 days from the date of the Arbitration Notice, any party may notify the nearest chapter of The Community Associations Institute, for any dispute arising under the Governing Documents, or the American Arbitration Association, or such other independent body providing arbitration services, for any dispute relating to the design or construction of improvements on the Properties, which shall appoint one Neutral ("Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.
4. No person may serve as a Neutral in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral or Appointed Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral or Appointed Neutral after receipt of that Neutral's Bias Disclosure, such Neutral or Appointed Neutral shall be replaced in the same manner in which that Neutral or Appointed Neutral was selected.
5. The Appointed Neutral or Neutral, as the case maybe ("Arbitrator") shall fix the date, time and place for the hearing. The place of the hearing shall be within the Properties unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator shall take into consideration the amount of time reasonably required to determine Claimant's damages accurately.
6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default, but shall hear Claimant's case and decide accordingly.
7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator shall determine any relevant legal issues,

including whether all indispensable parties are Bound Parties, whether the claim is barred by the statute of limitations, and the scope of the arbitration agreement.

8. There shall be no stenographic, video or other record of the proceedings.
9. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as it deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.
10. If the Arbitrator decides that it has insufficient expertise to determine a relevant issue raised during arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such professional's assistance shall be determined by the Arbitrator in the Arbitrator's discretion. Such independent professional must not have any bias or financial or personal interest in the outcome of the arbitration, and shall immediately notify the Parties of any such bias or interest by delivering a Bias Disclosure to the Parties. If any Party objects to the service of any professional after receipt of a Bias Disclosure, such professional shall be replaced by another independent, neutral licensed professional selected by the Arbitrator.
11. No formal discovery shall be conducted in the absence of express written agreement among all the Parties. The only evidence to be presented at the hearing shall be that which is disclosed to all Parties at least 30 days prior to the hearing; provided, however, no Party shall deliberately withhold or refuse to disclose any evidence which is relevant and material to the Claim, and is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Claim, and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.
12. The Arbitrator shall declare the hearings closed when satisfied the record is complete.
13. There will be no post hearing briefs.
14. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.
15. If there is more than one arbitrator, all decisions of the Panel and the Award shall be by majority vote.
16. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.

File Information

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Any provision herein which restricts the sale or use of the described real property because of race is invalid and unenforceable under Federal law

STATE OF TEXAS, COUNTY OF BEXAR

I hereby Certify that this instrument was eFILED in File Number Sequence on this date and at the time stamped hereon by me and was duly eRECORDED in the Official Public Record of Bexar County, Texas on: 6/30/2023 3:23 PM



Lucy Adame-Clark
Lucy Adame-Clark
Bexar County Clerk