DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SOBRANTE RIDGE SUBDIVISION

This Declaration is made on the date hereinafter set forth by **HOWE FARMS, LLC-SERIES C and BRANDON WHATLEY HOMES, LLC**, hereinafter referred to as the "Declarant".

W1TNESSETH:

WHEREAS, the Declarant is the owner of certain properties in Bell County, Texas, described as **SOBRANTE RIDGE SUBDIVISION**, an addition to the City of Morgan's Point Resort, Bell County, Texas according to the plat of record in Plat Year 2015, Number 125, Plat Records of Bell County, Texas and

WHEREAS, Declarant has created and will create a residential community with designated "Lots" (as defined herein) for the benefit of the present and future owners of said Lots within above referenced properties and other tracts of land made subject hereto (the "Subdivision"), and Declarant desires to create and carry out a uniform plan for the improvement and development of the Lots; and

WHEREAS, Declarant desires to ensure the preservation of the values and the maintenance of the "Common Areas" (as defined herein), and to this end desires to further subject the Subdivision to the covenants, restrictions, easements, charges, and liens hereinafter set forth, each and all which is and are for the benefit of the Subdivision and the owners thereof and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values of Lots in the Subdivision to subject and bind the Subdivision to jurisdiction and assessment of the **SOBRANTE RIDGE HOMEOWNERS ASSOCIATION, INC.** (the "Association"), which shall have the power to maintain the Common Areas and to administer and enforce the covenants and restrictions herein stated; and

WHEREAS, the directors of the Association will establish Bylaws, Rules and Regulations by which the Association will be governed, through its Board of Directors, for the purpose of exercising the functions stated in this Declaration; and

WHEREAS, Declarant declares that additional "Properties", as defined below, will be subject to this Declaration and to the jurisdiction and assessment of the Association as provided herein; and

WHEREAS, Declarant declares that the Subdivision and all additional properties made subject hereto are and will be held, transferred, sold, conveyed, occupied and enjoyed subject to the charges, conditions, covenants, easements, reservations, restrictions, and liens stated herein, and subject to the jurisdiction and assessments of the Association.

NOW, THEREFORE, Declarant declares that the Subdivision and such phases or additions thereto as may hereinafter be made are and shall be held, transferred, sold, conveyed, occupied, and enjoyed subject to the following covenants, restrictions, easements, charges, and liens hereinafter set forth and shall hereafter be subject to the jurisdiction and assessments of the **SOBRANTE RIDGE HOMEOWNERS ASSOCIATION.**

ARTICLE I

PURPOSE

The Subdivision is encumbered by this Declaration of Covenants, Conditions and Restrictions for the following reasons: to ensure the best and highest use and most appropriate development of the Properties; to protect lot owners against improper use of surrounding lots; to preserve so far as practicable the natural beauty of the Properties; to guard against the erection of poorly designed or proportioned structures of improper or unsuitable materials; to encourage and secure the erection of attractive improvements on each lot with appropriate locations; to secure and maintain proper setbacks from streets and adequate free space; and, in general, to provide for development of the highest quality to enhance the value of investment made by the lot owners.

ARTICLE II

DEFINITIONS

Section 2.1 "**Property or Properties**" shall mean and refer to the Subdivision, and such additions thereto and additional properties as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section 2.2 **"Association" s**hall mean and refer to the SOBRANTE RIDGE Homeowners Association, Inc., a Texas nonprofit corporation established for the purposes set forth herein. The Association is a 'property owners association" as defined in Texas Property Code Section 202.001(2).

Section 2.3 **"Lot"** shall mean and refer to any plot of land indicated upon any recorded subdivision map or plat of the Property or any part thereof, with the exception of the Common Area, Common Maintenance Areas, and areas deeded to the public, the Association or to a governmental authority or utility, together with all improvements thereon.

Section 2.4 **"Unit"** shall mean and refer to any residential dwelling situated upon any Lot.

Section 2.5 **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 2.6 **"Declarant"** shall mean and refer to **HOWE FARMS, LLC-SERIES C AND BRANDON WHATLEY HOMES, LLC**, its successors and assigns, who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assigns.

Section 2.7 **"Common Areas"** shall mean and refer to that portion of the Property, if any, conveyed to the Association.

Section 2.8 **"Common and Maintenance Area"** shall mean and refer to the Common Areas, if any, and the entrance monuments, drainage facilities and detention ponds, esplanade and right-of-way landscaping and such other areas lying within easements or rights-of-way as deemed appropriate by the Board of Directors of the Association for the preservation, protection and enhancement of property values and the general health, safety or welfare of Owners.

Section 2.9 **"Declaration"** shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions for the **SOBRANTE RIDGE SUBDIVISION**, and any amendments, annexations and supplements thereto made in accordance with its terms.

Section 2.10 **"Plat"** shall mean and refer to the plat of **SOBRANTE RIDGE SUBDIVISION**, recorded in Plat Year 2015, Number 125, Plat Records of Bell County, Texas, and the plat of other Properties made subject to this Declaration.

Section 2.11 **"Builder"** shall mean and refer to any residential building company or individual acquiring Lots from the Declarant for the purpose of construction and sale of homes which are unoccupied.

ARTICLE III

SOBRANTE RIDGE HOMEOWNERS ASSOCIATION, INC.

Section 3.1 **Membership.** The Declarant and every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. Every member shall have the right at all reasonable times during business hours to inspect the books of the Association.

Section 3.2 **Funding.** Subject to the terms of this Article Ill, the Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual maintenance assessments or charges, and (2) special assessments for capital improvements, and (3) such other assessments to be established and collected as hereinafter provided. Such assessments will remain effective for the full term (and extended term, if applicable) of the within covenants. The assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person

who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the successors in title of such Owner unless expressly assumed by them.

Section 3.3 **Annual Assessment or Charge**

a. Units Owned by Class A Members. Subject to the terms of this Article, each Lot is hereby subject to an initial maximum maintenance charge of Two Hundred Fifty and No/100 dollars ($250.00) per annum (until such maintenance charge shall be increased as provided in the Bylaws of the Association), for the purpose of creating a fund to be designated and known as "Maintenance Fund", which maintenance charge and annual assessment will be paid by the Owner or Owners of each such Lot in advance in monthly, quarterly or annual installments, commencing as to all Lots on which a completed Unit is then located on the conveyance of the first Lot to a Class A member and as to all other Lots as of the occupancy or sale (whichever is earlier) of a Unit thereon. The rate at which each Lot will be assessed, and whether such assessment shall be payable monthly, quarterly, or annually, will be determined by the Board of the Association at least thirty (30) days in advance of each affected assessment period. Said rate may be adjusted from time to time by the Board of Directors as needs of Association may, in the judgment of the Directors, require pursuant to the Bylaws. The assessment for each Lot shall be uniform except as provided in Subsection b of this Section 3.3. The Association shall, upon written demand for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period.

b. Units or Lots owned by Declarant. Notwithstanding the foregoing, the Declarant and any Builder owning Lots or Units that are not occupied shall be exempt from the annual maintenance assessment charged to Owners so long as there is a Class B membership as set forth in Section 3.7, and Declarant hereby covenants and agrees that, in the event that the annual maintenance funds revenues are insufficient to pay the operating expenses of the Association, it shall provide the funds necessary to make up the deficit, within thirty (30) days of receipt of request for payment thereof from the Association, provided that if the deficit is the result of the failure or refusal of an Owner or Owners to pay their annual maintenance assessments, the Association shall diligently pursue all available remedies against such defaulting Owners, including the immediate institution of litigation to recover the unpaid assessments, and shall reimburse the Declarant the amounts, if any, so collected.

c. Purposes of Maintenance Fund. The Association shall establish a Maintenance Fund composed of Owners' annual maintenance assessments and shall use the proceeds of such fund in providing for normal, recurring maintenance charges for the Common Maintenance Areas for the use and benefit of all members of the Association. Such uses and benefits to be provided by the Association may include, by way of clarification, and not limitation, any and all of the following; normal, recurring maintenance of the Common Maintenance Area (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking, and otherwise caring for existing landscaping and the improvements to such Common Maintenance Areas, such as sprinkler systems), provided that the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Maintenance

Areas; payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the property to which the Maintenance Fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessments; employment of policeman and watchmen, if any; caring for vacant lots; and doing any other thing or things necessary or desirable in the opinion of the Board of Directors of the Association to keep the Property neat and in good order, which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the Board of Directors in the expenditure of said funds and the determination of what constitutes normal recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith. The Association shall, in addition, establish and maintain adequate reserve funds for the periodic maintenance, repair and replacement of improvements to the Common Maintenance Area. The fund shall be established and maintained out of the annual maintenance assessments.

Section 3.4 **Special Assessments for Working Capital Fund, Nonrecurring Maintenance and Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy special assessments as follows:

a. Upon the first sale of a Lot to a Class A Member, a special assessment equal to $100.00 may be assessed which shall be due and payable upon conveyance of the Lot to a Class A Member.

b. Upon the sale of a Lot by a Class A Member, a special assessment equal to $200.00 may be assessed to the new Owner which shall be due and payable upon conveyance of the Lot to the new Owner by a Class A Member.

c. In any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Maintenance Area, including fixtures and personal property related thereto, may be assessed. The Association shall not commingle the proceeds of such special assessments with the Maintenance Fund. Such proceeds shall be used solely and exclusively to fund the nonrecurring maintenance or improvements in question.

d. Special assessments, other than those stated in subsections (a) and (b) of this Section 3.4, shall not be effective unless approved by a vote of two thirds (2/3) of each class of member. Assessments stated in subsections (a) and (b) above may be increased by a majority vote of the Directors to not more than 110% of the prior year's assessments.

Section 3.5 **Non-payment of Assessments**. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the lessor of (i) eighteen (18%) per annum, or (ii) the highest rate of interest allowed by Texas Law from time to time. The Association shall have the authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by duly adopted resolution of the Board and the Association may bring an action at law against the Owner personally obligated to pay the same. No Owner may waive or otherwise escape liability for the

assessments provided for herein by non-use of the Common Maintenance Areas or abandonment of his property.

Section 3.6 **Subordinate Lien to Secure Payment**. To secure the payment of the maintenance charge and assessments established hereby and to be levied on individual Lots as above provided, there is hereby reserved a Lien for the benefit of the Association, said lien to be enforceable through appropriate proceedings at law or in equity provided, however, that each such lien shall be specifically made secondary, subordinate, and inferior to all liens, present and future, given granted, and created by or at the instance and request of the Owner of any such Lot and further provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting lien, the Association shall give the holder of such mortgage lien sixty (60) days written notice of such proposed action, such notice to be sent to such mortgage lienholder by prepaid U.S. registered or certified mail, to contain the statement of the delinquent maintenance charges and assessments upon which the proposed action is based. Upon the request of any such mortgage lienholder, the Association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular property covered by such mortgage lien to the holder thereof. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale, foreclosure or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof. The Association shall have the right to file notices of liens in favor of such Association in the Real Property Records of Bell County, Texas in accordance with applicable law.

Section 3.7 **Voting Rights.** The Association shall have two classes of voting membership:

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

b. **Class B.** The Class B members shall be the Declarant and any Builder who shall be entitled to three (3) votes for each unoccupied Lot they own. The Class B membership shall cease and be converted to Class A membership one hundred twenty (120) days after the conveyance of the Lot which causes the total votes outstanding in the Class A membership to equal the total votes outstanding in the Class B membership, or ten (10) years after conveyance of the first Lot to a Class A Member, whichever occurs earlier. Class B membership shall be reinstated at any time before the expiration of ten (10) years from the date of conveyance of the first Lot if additional Lots owned by a Class B member are annexed into the Association in sufficient numbers to restore a ratio of at least one Class B Lot to each three Class A Lots in the overall area subject to the Association.

c. **Suspension**. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any assessment duly established pursuant

to this Article III or is otherwise in default hereunder or under the Bylaws or Rules Regulations of the Association.

Section 3.8 **Notice and Quorum.** Written notice of any meeting called for the purpose of taking any action authorized herein or in the Bylaws shall be sent to all members, or delivered to their residences, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement provided that the quorum requirement for such subsequent meeting shall be one-half (1/2) of the quorum requirement for the previous meeting The Association may call as many subsequent meetings as may be required to achieve a quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE IV

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

Section 4.1 **Purpose of Maintenance Fund.** The Board, for the benefit of the Owners, shall provide and shall pay for out of the Maintenance Fund provided for in Article III above the following:

a. Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any.

b. Care and preservation of the Common Maintenance Area.

c. The services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board, (provided that any contract for management of the Association shall be terminable by the Association, with no penalty upon ninety (90) days prior written notice to the managing party) and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

d. Legal and accounting services.

e. A policy or policies of insurance insuring the Association against any Liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amounts or amounts as determined by the Board of Directors, including a policy or policies of insurance as provided herein in Article V.

f. Workers compensation insurance to the extent necessary to comply with any applicable laws.

g. Such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.

h. Any other materials, supplies, insurance, furniture labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the enforcement of this Declaration.

Section 4.2 **Powers and Duties of Board.** The Board, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the Bylaws of the Association:

a. To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

b. To borrow funds to pay costs of operation, improvements, and expansions of the Common Area secured by an assignment or pledge of assessments or the Common Areas, if such action is approved by a majority of each class of members.

c. To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

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

e. To make reasonable Rules and Regulations for the operation of the Common Maintenance Areas and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Owners, or with respect to a rule applicable to less than all of the Common Areas, by the Owners in the portions affected.

f. To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.

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

h. To enforce the provisions of any Rules and Regulations made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

i. To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

Section 4.3 **Board Powers Exclusive**. The Board shall have the exclusive right on behalf of the Owners to contract for all goods, services and insurance, payment of which is to be made from the Maintenance Fund and the exclusive rights and obligation to perform the functions of the Board except as otherwise provided herein.

Section 4.4 **Maintenance Contracts.** The Board, on behalf of Association, shall have full power and authority to contract with any Owner or other person or entity for performance by the Association of services which the Board is required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

ARTICLE V

TITLE TO COMMON AREAS

Section 5.1 The Association shall own all Common Areas in fee simple and assume all maintenance obligations with respect to any Common Areas which may be hereafter established. Nothing herein prevents Declarant from owning property in its own name that may be used by members of the Association or others.

Section 5.2 **Liability Insurance.** From and after the date on which title to any Common Area vests in the Association, the Association shall purchase and carry a general comprehensive public liability insurance policy for the benefit of the Association and its members, covering occurrences on the Common Areas. The policy limits shall be as determined by the Board of the Association. The Association shall use its best efforts to see that such policy shall contain, if available, cross-liability endorsements or other appropriate provisions for the benefit of members, Directors, and the management company retained by the Association (if any), insuring each against liability to each other insured as well as third parties, Any proceeds of insurance policies owned by the Association shall be received held in a segregated account and distributed to the Association's general operating account, members, Directors, the management company and other insured's, as their interests may be determined

Section 5.3 **Condemnation.** In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas to replace that which has been condemned, or to take whatever steps it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. In the event that the Board of the Association determines that the funds cannot be used in such a manner due to the lack of available land for additional Common Areas or for whatever reason, any remaining funds may be distributed to each Owner on a pro rata basis.

ARTICLE VI

ARCHITECTURAL REVIEW

Section 6.1 **Architectural Control Committee**. A committee to be known as the Architectural Control Committee (the ACC) shall be established consisting of three (3) members:

a. The members of the ACC shall be appointed by the Declarant so long as there is Class B membership. Thereafter the members of the ACC shall be appointed by the Board.

b. The purpose of the ACC is to enforce the architectural standards of the community and to approve or disapprove plans for improvements proposed for the Lots.

c. The ACC shall act by simple majority vote, and shall have the authority to delegate its duties or to retain the services of a professional engineer, architect, designer, inspector or other person to assist in the performance of its duties.

Section 6.2 **Scope of Review.** No building, fence, wall, outbuilding, or other structure or improvement shall be erected, altered, added onto or repaired upon any portion of the Property without the prior written consent of the ACC, provided, however, that repairs to structures previously approved in accordance with approved plans shall not be required, and improvements erected, altered, added onto or repaired by Declarant shall be exempt from the provisions of this Article VI.

Section 6.3 **Submission of Plans.** Prior to the initiation of construction upon any Lot, the Owner thereof shall first submit to the ACC a complete set of plans and specifications for the proposed improvements, including site plans, grading plans, landscape plans, floor plans depicting room sizes and layouts, exterior elevations, specifications of materials and exterior colors, and any other information deemed necessary by the ACC for the performance of its function. In addition, the Owner shall submit the identity of the individual or company intended to perform the work and projected commencement and completion dates.

Section 6.4 **Plan Review.** Upon receipt by the ACC of all of the information required by this Article VI, it shall have twenty-one (21) days in which to review said plans. The proposed improvements will be approved if, in the sole opinion of the ACC: (i) the improvements will be of an architectural style and material that are compatible with the other structures in the Property; (ii) the improvements will not violate any restrictive covenant or encroach upon any easement or cross platted building set back lines; (iii) the improvements will not result in the reduction in property value or use of adjacent property (iv) the individual or company intended to perform the work is acceptable to the ACC; and (v) the improvements will be substantially completed, including all cleanup, within nine (9) months of the date of commencement. In the event that the ACC fails to issue its written approval within twenty-one (21) days of its receipt of the last of the materials or documents to complete the Owner's submission, the ACCs approval shall be deemed to have been granted without further action.

Section 6.5 **Builder Requirements.** The foregoing requirements shall not apply to Builders provided that such Builders elect to submit to the ACC floor plans depicting the exterior dimensions of the houses and renderings, sketches or drawings of exterior elevations for all models or types of homes such Builders desire to build on the Lots and site plans depicting which model or type of home will be built on each Lot. Builders may also submit sample materials for approval at this time. The ACC shall have 15 days after receipt of the floor plan and elevation drawings of each house in which to review said plans. If the ACC objects to such plans it shall notify the Builder in writing within the 15 day period specifying the objectionable issues in the plans. If the ACC fails to object to any plans within the 15 day review period, such plans shall be deemed to be approved and no further approval shall be required. At such time as Builder has determined which type or model of house will be constructed on each Lot, Builder shall deliver a site plan and materials specification list to the ACC. The ACC shall have 5 days after receipt of the site plan and materials specification list in which to notify the Builder in writing of any objections thereto. If the ACC does not object to the site plan within the 5 day period the site plan and/or materials specification list shall be deemed to be approved and no further approval shall be required.

Any material changes to the exterior dimensions, elevations, site plans, or materials of previously approved models and any new model plans shall be submitted to the ACC for review and approval before construction.

The submission of plans for review by the ACC shall not imply permission or consent to the use or reproduction of such plans and the ACC shall not permit such plans to be copied by or divulged to persons other than the Builder that submitted such plans.

Section 6.6 **Non-conforming Structures.** If there shall be a material deviation from the approved plans in the completed improvements, such improvements shall be in violation of this Article VI to the same extent as if erected without prior approval of the ACC. The ACC, the Association or any Owner may maintain an action at law or in equity for the removal or correction of the non-conforming structure and, if successful, shall recover from the Owner in violation all costs, expenses and fees incurred in the prosecution thereof.

Section 6.7 **Immunity of ACC Members.** No individual member of the ACC shall have any personal liability to any Owner or any other person for the acts or omissions of the ACC if such acts or omissions were committed in good faith and without malice, The Association shall defend any action brought against the ACC or any member thereof arising from acts or omissions of the ACC committed in good faith and without malice.

Section 6.8 **Address for Notice.** Requests for ACC approval or correspondence with the ACC shall be addressed to the Sobrante Ridge Subdivision, Architectural Control Committee and mailed or delivered to the principal office of Declarant in Bell County, Texas, or such other address as may be designated from time to time by the ACC. No correspondence or request for approval shall be deemed to have been received until actually received by the ACC in form satisfactory to the ACC.

Section 6.9 **No Liability.** Neither Declarant, the Association, the ACC, the Board nor the officers, directors, members, employees and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner' affected by the Declaration by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every owner agrees that it will not bring any action or suit against Declarant, the Association, the ACC, the Board, or the officers, directors, members, employees and agents of any of them, to recover any such damages and hereby releases, and waives all claims, demands and causes of action arising out of or in connection with any act, mistake, judgment, negligence or nonfeasance and hereby further waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

Section 6.10 **Governmental Authority**. Declarant, its successors and assigns, and all future Owners and their successors and assigns by their acceptance of their respective deeds, and the Association shall be bound by and subject to all laws, ordinances, rules or regulations. No improvements or additions or change or alteration thereof shall be constructed, erected, placed, altered or maintained on the Property, including the Common Areas, which is in violation of the laws and ordinances of the City of Belton, Texas. the County of Bell, or any other applicable governmental laws, rules or regulations, Notwithstanding anything to the contrary herein contained, Declarant the Association, the ACC, the Board, and their respective officers, directors, agents and employees shall have no obligation to assume the enforcement of any such law, ordinance, rule or regulation.

Section 6.11 **No Liability for Design Defects**. Plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither the ACC, the members thereof, nor the Declarant, the Board or the Association assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

Section 6.12 **The Modifications and Variances.** The ACC has the authority to modify or waive any and all of the Restrictive Covenants that would not, in the ACC's sole discretion, impair or detract from the quality of the Subdivision. In addition, the ACC has the authority to reduce floor area requirement contained herein by 10% and to modify any building material requirements. Such modification or waiver may be by written instrument in recordable form.

The ACC, in its sole discretion, has the authority to grant variances of any setback line, to alter any setback line, and to waive any encroachment across or into any setback line, Common Area, or easement, to the extent that the ACC has the authority to waive such encroachment into an easement, as the ACC deems necessary. Such variance or waiver will be by written instrument in recordable form.

ARTICLE VII

EASEMENTS

Section 7.1 **Utility Easements.** As long as Class B membership shall be in effect, the Declarant hereby reserves the right to grant perpetual, nonexclusive easements for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Property designated on the plat thereof for easements for the purpose of ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, telephone and cable television. Declarant, for itself and its designees, reserves the right to retain title to any all pipes, lines, cables or other improvements installed on or in such easements. Upon cessation of Class B membership, the Association shall have the right to grant the easements described herein.

Section 7.2 **Easement for Unintentional Encroachment.** The Declarant hereby reserves an exclusive easement for the unintentional encroachment by any structure upon the Common Area caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment as an easement appurtenant to the encroaching Property to the extent of such encroachment.

Section 7.3 **Entry Easement.** In the event that the Owner fails to maintain the Lot as required herein, or in the event of emergency, the Association shall have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided therein shall not be deemed a trespass, and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

Section 7.4 **Drainage Easements.** Easements for installation and maintenance of utilities, stormwater retention/ detention ponds, and/or a conservation area are reserved as may be shown on the recorded Plat. In addition, Declarant reserves a drainage easement, five foot (5') in width, along and contiguous to the side and rear boundaries of each Lot for drainage purposes and related drainage structures. Within these easement areas, no structure, planting or other material shall be placed or permitted to remain which may damage, interfere with, or change the direction of flow of drainage channels or slopes in the easements. The easement area of each Lot and all improvements contained therein shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, utility company or the Association is responsible. Notwithstanding the foregoing, nothing herein shall be interpreted to impose any duty on Declarant or any Builder to correct or maintain any drainage facilities.

Section 7.5 **Temporary Completion Easement.** All Lots shall be subject to an easement of ingress and egress for the benefit of the Declarant and the Builder, their employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Lots as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon Lots adjacent thereto.

ARTICLE VIII

USE AND OCCUPANCY

All Lots and dwellings shall be used and occupied for residence purposes. No Lot or dwelling may be used for commercial, institutional or other nonresidential purpose if such use involves the attendance or entry of non-residents upon the Lot or otherwise diminishes, or results in odor, noise, or traffic inconsistent with, the residential character of the Lot or neighborhood. This prohibition shall not apply to "garage sales" provided that no Owner shall conduct more than one (l) garage sale of no more than two (2) days duration during any six (6) month period, or, the use of any Unit by Declarant or any other builder as a model home or sales office, or the use of any Lot as a site for a construction office trailer or sales office trailer by Declarant or any Builder.

ARTCLE IX

PROPERTY RIGHTS

Section 9.1 **Owners Easement of Enjoyment.** Every Owner shall have a right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

a. The right of the Association to establish and publish Rules and Regulations governing the use of the Common Areas affecting the welfare of Association members.

b. The right of the Association to suspend the right of use of the Common Areas and the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

c. The right of the Association, subject to the provisions hereof, to dedicate or transfer all or any part of the Common Areas, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast a majority of the votes of each class of membership has been recorded agreeing to such dedication or transfer.

d. The right of the Association to convey small portions of the Common Area to adjacent Owners when, in the sole judgment of the Board, the portion to be conveyed will not have an adverse effect on the Association or the Subdivision.

e. All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of and be binding upon the undersigned, all of their grantees, and their respective heirs, successors, personal representatives and assigns.

Section 9.2 **Effect of Declaration.** Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 9.3 **Rezoning Prohibited.** No Lot shall be rezoned to any classification allowing commercial, institutional or other non-residential use without the express consent of the Association and Declarant which may be withheld in Declarant's or the Association's sole discretion. Declarant or the Association may enforce this covenant by obtaining an injunction against any unapproved rezoning at the expense of the enjoined party.

ARTICLE X

USE RESTRICTIONS

Section 10.1 **Nuisance.** No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 10.2 **Development Activity**. Notwithstanding any other provision herein, Declarant and its successors and assigns, including Builders, shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property and the construction and sale of dwelling units on the Property. No Lot or Lots may be subdivided into smaller lots or parcels for the purpose of building thereon. In accordance with applicable ordinances, an Owner of two (2) or more adjoining Lots may consolidate such Lots or portions thereof into one single building site. The Lot resulting from the consolidation will bear, and the Owner will be responsible for, all assessments applicable to the Lots before consolidation.

Section 10.3 **Temporary Structures.** No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or mobile home or other outbuilding, shall be used on any Lot at any time as a residence, either temporarily or permanently. This restriction shall not be interpreted to limit the right of Declarant or any builder to use trailers or outbuildings as sales offices, construction offices or material storage facilities.

Section 10.4 **Signs.** No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvements upon such Lot so as to be visible from public view except the following:

a. **For Sale Signs.** An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of the ground advertising the property for sale.

b. **Declarant Signs.** For so long as there arc Class B Members, signs or billboards may be erected by the Declarant or any Builder.

c. **Political Signs.** Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be Larger than 2' X 3' and shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within fifteen (15) days after the election.

Section 10.5 **Campers, Trucks, Boats, and Recreational Vehicles.** No campers, vans, tractors, boats, boat trailers, recreational vehicles and other types of non-passenger vehicles, equipment, implements or accessories may be kept in the streets or rights-of-way of the Property, or on any Lot unless the same are fully enclosed within the garage located on such Lot and/or said vehicles and accessories are screened from view by a screening structure or fencing approved by the ACC, and said vehicles and accessories are in an operable condition. The ACC, as designated in this Declaration, shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and adequately screened from public view. Upon an adverse determination by said ACC, the vehicle and/or accessory shall be removed and/or otherwise brought into compliance with this paragraph.

Section 10.6 **Animals and Pets.** No animals, livestock or poultry, or Exotic or Dangerous Animal (as defined below) of any type shall be raised, bred or kept on any Lot, except for cats, dogs, or other generally recognized household pets (collectively "Pets"). An "Exotic or Dangerous Animal" is an animal that may pose a safety or health threat to the Owners of the Subdivision, their guests, invitees, customers, or tenants, and includes the (1) dog breeds of Pit Bull, Rottweiler, and Doberman Pincher, regardless of whether the animal is purebred, a mixed breed, or registered with the AKC or similar registration organization (2) poisonous insects, amphibians, or reptiles, (3) boa constrictor and other constrictor reptiles; (4) animals considered "feral" or wild by nature except guinea pigs, hamsters, and gerbils; (5) ferrets, and (6) alligators. Additional breeds of animals may be added to the definition of Exotic or Dangerous Animal from time to time, as determined necessary by the Board, in the Board's sole discretion, and the Rules and Regulations will be amended to include such breed of animal.

No more than 4 Pets (in any combination, but in no event will the combination include more than 2 dogs and 2 cats) may be kept on a Lot. No Pet may be bred, kept or maintained for any commercial purpose.

All Pets must be kept in strict accordance with all local and state laws and ordinances (including leash laws), and in accordance with all rules established by the Association. All Pets must be vaccinated in accordance with local custom and laws. Each Pet should wear a tag provided by a licensed veterinary to evidence the up-to-date rabies vaccination. All Pets must be indoors, in a fenced area (fenced with standard materials or by an electronic animal control device), or on a leash. It will be the responsibility of the owner of the Pet to prevent the animals from running loose or becoming offensive or a nuisance to other Owners or occupants. Offensive barking or howling is considered an "offensive activity" and is not permitted. It will be the

responsibility of the owner of the Pet to clean up after their Pet when in the Common Area or on the private property of others.

No Pets will be permitted in the Common Area except on a leash

The Association may notify the Owner, in writing, of any offensive activity or other violation of the covenants of this Declaration and the steps required by Owner to correct the violation. If the Owner does not correct the violation and the violation continues or if any Pet endangers the health of an Owner, his guests, invitees, or tenants, or creates a nuisance or an unreasonable disturbance, or is not a common household pet, as may be determined by the Board, in the Board's sole discretion, the Pet must be permanently removed from the Subdivision upon seven (7) days' written notice by the Board to the offending Owner. The Board may exercise all of its remedies allowed under the Declaration or by law to have the Pet or animal permanently removed. If the offending Owner does not correct a violation and the violation continues, or does not remove the Pet or animal upon written request made by the Board, the offending Owner will be in violation of the covenants of the Declaration and subject to any Fine imposed by the Board in accordance with its rules and regulations.

Section 10.7 **Garbage and Refuse Disposal.** No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 10.8 **Sight Distance at Intersection.** No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and in a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 10.9 **Parking.** All overnight parking (including extended periods during the day), of resident vehicles must be in driveways or garages. Regular resident parking of commercial vehicles (vehicles with signs advertising a product or service) is permitted only in garages.

No Lot or street of Subdivision may be used for parking or storage, temporary or otherwise, of any junked vehicle, abandoned or inoperable vehicle, trailer or boat, or any part thereof. Vehicular repair and maintenance (other than washing) is permitted only when performed inside garages.

Section 10.10 **Commercial or Commercial Use.** No Lot may be used for business or commercial purposes. This provision will not prohibit an Owner's conduct of business activities that are merely incidental to the Owner's residential use within a residence so long as (1) the

existence or operation of the business activity is not apparent, detectable or visible by sight, sound or smell from outside the residence; (b) the business activity conforms to all zoning requirements and other restrictive covenants applicable to the Property; (c) the business activity does not involve visitation of the residence by clients, customers, suppliers or other business invitees or door-to-door solicitation of the Owners; and (d) the business activity is consistent with the residential character of the Subdivision and of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Owners, as may be determined in sole discretion of the Board. The terms "business" "trade" as used in this paragraph will be construed to have their ordinary, generally accepted meanings and will include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the manufacture or provision of goods or services for or to other persons other than the provider's family, regardless of whether: (1) such activity is engaged in full or part-time, *(ii)* such activity is intended to or does not generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the leasing of the entire residence will not be considered a trade or business within the meaning of this paragraph. This paragraph does not apply to any activity conducted by the Declarant, or by a Builder, with respect to its development and sale of its Lot.

Section 10.11 **Detached Building.** No detached accessory buildings, including, but not limited to, detached garages, storage buildings, or barns shall be erected, placed or constructed upon any Lot without the prior consent of the ACC.

Section 10.12 **Fences.** No fence, wall or hedge shall be erected or maintained on any Lot nearer to the street than the building setback lines for the front and side yards, except for fences erected in conjunction with model homes or sales offices. All fences must be constructed of wood, masonry, or wrought iron. Chain link fences are prohibited. Each and every Lot abutting the northern or western perimeter of the subdivision must have a wooden privacy fence that is eight feet (8') in height and of uniform construction, which fence shall run along the northern and western perimeters of the subdivision. Said fence shall be completely installed on a Lot prior to the occupancy of any residence thereon. Declarant and the Association shall be vested with the authority for insuring that such fences are installed and maintained. The Association shall have the authority to enter upon such Lots to make repairs and to do other work reasonably necessary for the proper maintenance of perimeter fences.

Section 10.13 **Antennae, Satellite Dishes and Solar Collectors.** No exterior antennas, aerials, satellite dishes, or other apparatus for the reception of television, radio, satellite, or other signals of any kind will be placed, allowed, or maintained upon a Lot which is visible from any street, Common Area or other Lot unless it is impossible to receive signals from another location. In that event the receiving device may be placed in a visible location as approved by the ACC. The ACC may require as much screening as possible while not substantially interfering with reception. The Declarant and the Association will have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite, or other signals for the benefit of all or a portion of the Property. No satellite dishes Will be permitted which are Larger than 1 meter in diameter. No broadcast antenna mast may exceed the height of the center ridge of the roofline. No Multichannel Multipoint Distribution Service ("MMDS") antenna mast may exceed the center ridge of the roof line by the height established by the Telecommunication Act of 1996 (the

"Act") as same may be amended from time to time. No exterior antennas, aerials, satellite dishes, or other apparatus will be permitted, placed, allowed, or maintained upon any portion of the Property that transmits television, radio, satellite, or other signals of any kind. Activities that interfere with normal reception of radio and television signals at neighboring lots are prohibited. The Declarant by promulgating this Section is not attempting to violate the Act as same may be amended from time to time. This Section will be interpreted to be as restrictive as possible while not violating the Act.

Section 10.14 **Exterior Finish.** All exterior walls of all dwellings and approved accessory buildings shall be completely finished with wood, stucco, brick, stone, paneling or other material acceptable to the ACC. No unpainted concrete block surfaces shall be visible on any exterior wall. Except for accent siding on porches, exterior finish of the ground floor of all dwellings shall be at least sixty percent (60%) brick, stone or stucco for all interior Lots, excluding doors, windows, gable ends above the ground floor top-plate line and second floors. The front and side(s) of detached garages shall be sixty percent (60%) brick, stone, or stucco, excluding doors, windows and gable ends. Hardie Plank siding and like materials do not qualify as masonry (brick, stone or stucco) for purposes of this section.

Section 10.15 **Chimneys.** All chimneys, fireplace flues, and smoke stacks shall be architecturally compatible with the exterior walls of the dwelling or otherwise approved by the ACC.

Section 10.16 **Clothes Hanging Devices.** Clothes hanging devices exterior to a dwelling shall not be permitted.

Section 10.17 **Window Treatment.** No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors.

Section 10.18 **Limitation on Square Feet.** The minimum square footage of living area (excluding open parcels and/or garages) for dwellings shall be 2,300 square feet; provided, however, that the minimum square footage of living area (excluding open parcels and/or garages) for Lots 8, 21, 23, 24 and 33, Block 1 shall be 2,200 square feet.

If the dwelling is a two (2) story structure, seventy percent (70%) of the minimum square footage shall be on the ground level.

Section 10.19 **Two Car Garage.** Each Unit shall have a fully enclosed garage capable of accommodating not less than two (2), nor more than four (4) automobiles,

Section 10.20 **Environmental Regulations.** No Owner may use any substance on a Lot prohibited by the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136, et. Sec.) as amended to date, or any other federal regulation dealing with pesticides and fertilizers, or any rules and regulations promulgated by the Texas Air Control Board, the Texas Water Commission, or any other state or local environmental agency. The Association shall have the right to implement such rules and regulations regarding the use of pesticides and fertilizers on the Property as it deems necessary or as legally required.

Section 10.21 **Landscaping.** Seventy-five percent *(75%)* of each Lot must have growing grass in place prior to occupancy of a residence. Thereafter, all yards and lawns shall be kept neat and well maintained and all grass and vegetation on each Lot shall be irrigated and mowed at regular intervals. Trees, shrubs, vines and plants which die shall be promptly removed from each Lot and replacements of equal quality or value promptly installed. Lawns must be properly maintained (not to exceed six inches [6"] in height). Decorative ground cover rock may not exceed ten percent (10%) of the total area of said Lots.

Section 10.22 **Mailboxes.** If individual curbside mailboxes are permitted and serviced by the U.S. Postal Service, mailboxes shall be of a design and structure that is compatible with the residence and surrounding properties, as determined by the ACC in its sole discretion Owners must get approval of the ACC before erecting or constructing curbside mailboxes. If curbside mailboxes are not permitted or serviced by the U.S. Postal Service, mail service, delivery, and deposit will be to "cluster" type mailboxes to be located in areas designated by the Developer and the ACC.

Section 10.23 **Athletic and Play Facilities.** Basketball goals, swings, slides, playhouses, sandboxes, or any other sporting or play equipment (temporary or permanent) may not be attached to the front of a dwelling or located in a front or corner side (unfenced) yard without the consent of the ACC.

Section 10.24 **Building Setback.** No building or any part thereof, other than mailboxes, shall be located nearer to the front or side streets than the building setback lines shown on the plat of the Subdivision. Notwithstanding anything *less* restrictive shown on the plat of the Subdivision, no building or any part thereof, other than fences, privacy walls, entrance gates or mail boxes, shall be located nearer than ten (10) feet to any side or back boundary. The ACC may grant variances if not in conflict with applicable ordinances. (Please refer to Section 7.4 for further restrictions on structure location.)

Section 10.25 **Special Provisions Regarding Certain Lots.** For Lots 9-14, Block 1, there shall be no residence constructed greater than one story above ground level. For Lots 8-12, Block 1, the perimeter fence running along the northern boundary thereof shall be placed three feet (3') to the interior of the northern boundary line of said Lots.

ARTICLE XI

GENERAL

Section 11.1 **Remedies.** In the event of any default by any Owner under the provisions of the Declaration, Bylaws or Rules and Regulations of the Association, the Association shall have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws and said Rules and Regulations and those which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner or for damages or injunction, or specific performance or for a money judgment, or for any combination of

remedies, or for any other relief. The Association reserves the right to bid at any foreclosure sale conducted hereunder and may credit against the amount of any bid all the amounts due to the Association by the Owner of the Lot being foreclosed. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. *All expenses of the Association in connection with any such actions or proceeding, including court costs and attorney's fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the maximum rate permitted by law but, with reference to any Lots financed by FHA insured loans, not in excess of the maximum rate of FHA loans at the time of delinquency, from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of his respective maintenance assessment (to the same extent as the lien provided herein for unpaid assessments), upon the lot and upon all of his additions and improvements thereto.* Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or any Owner.

Section 11.2 **Notice of Lien.** In addition to any other rights of the Association to enforce assessments, the Association may file a claim of lien against the Lot of the delinquent Owner by recording a notice ("Notice of Lien") in the Real Property Records of Bell County, Texas, setting forth (a) the amount of the claim of delinquency, (b) the interest and costs of collection which have accrued thereon, (c) the legal description and street address of the Lot against which lien is claimed, and (d) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequent accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other fees, costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien.

Section 11.3 **Term and Amendments.** The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each, unless seventy-five percent (75%) of the votes outstanding shall have voted to terminate the covenants and restrictions of this Declaration. Any termination shall be by written instrument signed by seventy-five percent (75%) of the Owners and properly recorded in Bell County, Texas. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than seventy-five percent (75%) of the Owners and by the Declarant if Class B membership has not theretofore terminated, and thereafter by an instrument signed by not less than seventy-five (75%) of the Owners. Any amendment must be recorded. Notwithstanding any provisions hereof to the contrary, the Declarant may, at its sole discretion and without consent being required of anyone, modify, amend, or repeal this Declaration at any time prior to the closing of the sale of the first Lot to a Class A Member, provided said amendment, modification, or repeal is in writing and properly recorded in Bell County, Texas. Declarant further reserves, prior to the closing of the sales of all of the Property, all rights which may be necessary to deal with the Property, including the right to vacate, amend, or modify the plat of the Subdivision without the approval of the Owners.

Section 11.4 **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain, in full force and effect.

Section 11.5 **Rights and Obligations.** The provisions of this Declaration and the rights obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or the acceptance of a deed conveying a Lot or any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration whether or not mention thereof is made in said deed.

Section 11.6 **Mergers and Consolidations.** The Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger, consolidation or annexation shall have the consent of no less than sixty-seven percent (67%) of the membership of the Association. Upon a merger or consolidation of the Association with another association, the properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, right and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration with respect to the Property, except as changed by amendment of this Declaration.

Section 11.7 **Miscellaneous Provisions.** Any provision of the within Declaration or of the Articles of Incorporation and Bylaws to the contrary notwithstanding, the following provisions shall control:

a. FHA/VA Approval. If any prospective Owner applies for FHA or VA mortgage financing and receives a commitment therefor, the following actions will require approval of the Federal Housing Administration and the Veterans Administration as applicable: (1) Addition of properties as set forth in Article X, (2) dedication of Common Areas, and (3) amendment of this Declaration.

b. The following actions will require notice to all institutional holders of first mortgage liens: (I) abandonment or termination of the Association; or (2) material amendment to the Declaration,

c. Upon the request of any mortgagee of a dwelling on a Lot, the Association shall furnish to such mortgagee a written notice of any default by the Owner of such dwelling in the performance of such Owner's obligations under this Declaration or the Bylaws or Association rules or regulations which is not cured within thirty (30) days. Any mortgagee of a dwelling who comes into possession of the said dwelling pursuant to the remedies provided in the mortgage, a foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take such property free of any claims for unpaid assessments or charges in favor of the Association against

the mortgaged dwelling which accrued prior to the time such holder comes into possession of the dwelling.

d. Unless at least seventy-five percent (75%) of the mortgagees (based upon one vote for each mortgage) have given their prior written approval, neither the Association nor Owners shall be entitled to:

(i) by act or omission seek to abandon, partition, encumber, or transfer the Common Areas, if any, or any portion thereof or interest therein; (The granting of easements for public utilities or other public purposes consistent with the intended use of such property shall not be deemed a transfer within the meaning of this clause.)

(ii) substantially change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner by the Association;

(iii) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of the dwellings or maintenance of the dwellings or Lots;

(iv) fail to maintain liability and extended coverage insurance on insurable property comprising a part of the Common Areas on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs).

e. All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. The term person" means person, corporation, partnership, entity, agency or any other legally organized entity.

Section 11.8 **Headings.** The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 11.9 **Notice.** Wherever written notice to Owner is permitted or required hereunder, such notice shall be given by the mailing of such notice to the Owner at the address of Owner appearing on the records of the Association, unless such Owner has previously given written notice to the Association of a different address, in which event such notice shall be sent to the Owner at the address so designated. Such notice shall conclusively be deemed to have been given by Association by placing same in the United States mail, postage prepaid and properly addressed, whether such notice is actually received by the addressee or not. The Association will give all notices required by Texas Property Code Section 209 and other applicable law.

Section 11.10 **Conflicts.** In the event of conflict between the terms of this Declaration and any Bylaws, rules, regulations or Articles of Incorporation of the Association, this Declaration shall control.

2nd IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed this day of December, 2015.

DECLARANT(S):

HOWE FARMS, LLC-SERIES C

BY: _____
W. RANDY HARRELL, PRESIDENT
BRANDON WHATLEY HOMES, LLC

BY: _____
BRANDON WHATLEY, PRESIDENT

STATE OF TEXAS §
COUNTY OF BELL §

This instrument was acknowledged before me this 2nd day of December 2015, by W.RANDY HARRELL, PRESIDENT of HOWE FARMS, LLC-SERIES C, a Texas limited liability company, on behalf of said company.

DEBBIE SMITH
Notary Public
STATE OF TEXAS
My Comm. Exp. 02-21-2019

_____
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF BELL §

This instrument was acknowledged before me this 2nd day of December, 2015, by BRANDON WHATLEY, PRESIDENT of BRANDON WHATLEY HOMES, LLC, a Texas limited liability company, on behalf of said company.

DEBBIE SMITH
Notary Public
STATE OF TEXAS
My Comm. Exp. 02-21-2019

_____
NOTARY PUBLIC, STATE OF TEXAS



Bell County
Shelley Coston
County Clerk
Belton, Texas 76513

Instrument Number: 2015-00047701

As

Recorded On: December 16, 2015 **Recordings**

Parties: HOWE FARMS LLC SERIES C **Billable Pages: 24**

To EX PARTE **Number of Pages: 25**

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Recordings	103.00
Total Recording:	**103.00**

************** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT **************

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2015-00047701
Receipt Number: 255584
Recorded Date/Time: December 16, 2015 02:37:21P
User / Station: H Ables - Cash Station 1

Record and Return To:

HARRELL & STOEBNER PC
2106 BIRD CREEK DRIVE
254-771-1855
TEMPLE TX 76502



I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Real Property Records in Bell County, Texas

Shelley Coston
Bell County Clerk